

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **CINDERELLA MEDIA GROUP LIMITED**

**先傳媒集團有限公司\***

*(Continued in the Bermuda with limited liability)*

(Stock Code: 550)

### **DISCLOSEABLE TRANSACTION ACQUISITION OF 60% SHAREHOLDING AND ASSIGNMENT OF LOAN IN HONG KONG MADE (MEDIA) LIMITED**

#### **THE ACQUISITION**

On 29 January 2016, the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Vendors have conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase, the Sale Shares (representing 60% of the issued shares of the Target Company), and the Loan at the Consideration of HK\$36,600,000.

As at the date of this announcement, the Target Company is owned as to 38% by Silver Golden, 38% by Mr. Sui and 24% by Team Pride. Immediately upon Completion, the Target Company will become an indirect non-wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Company.

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

**As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution in dealing in the Shares.**

## THE SALE AND PURCHASE AGREEMENT

- Date : 29 January 2016
- Vendors : (1) Silver Golden; and  
(2) Mr. Sui
- Purchaser : Fullmoon Global Limited, a direct wholly-owned subsidiary of the Company
- Guarantor of the Vendors : Ms. Chau Lan Sze, the sole legal and beneficial owner of 100% of the issued share capital of Silver Golden

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Sui, Silver Golden and its ultimate beneficial owner (Ms. Chau Lan Sze) are Independent Third Parties.

Pursuant to the Sale and Purchase Agreement, the Vendors have conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase, the Sale Shares (representing 60% of the issued shares of the Target Company), and the Loan at the Consideration of HK\$36,600,000.

### Assets to be acquired

- (a) the Sale Shares, being 30 Sale Shares to be sold by Silver Golden and 30 Sale Shares to be sold by Mr. Sui, represent 60% of the issued shares of the Target Company; and
- (b) the Loan in the sum of HK\$6,600,000, of which HK\$3,300,000 to be assigned by Silver Golden and HK\$3,300,000 by Mr. Sui.

### Consideration

The Consideration is HK\$36,600,000, which shall be payable by the Purchaser to the Vendors in full by cash in the following manner:

- (a) HK\$11,000,000 shall be paid upon signing of the Sale and Purchase Agreement as deposit (the "**Deposit**"); and
- (b) the balance of the Consideration shall be paid upon Completion.

If the Vendors shall fail to complete the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement notwithstanding fulfillment (or waiver, as the case may be) of the conditions or if the Purchaser exercises its right to rescind or terminate the Sale and Purchase Agreement and the Purchaser does by notice in writing to the Vendors rescind or terminate the Sale and Purchase Agreement, the Deposit shall be returned to the Purchaser within seven (7) Business Days after the said notice of recession or termination being received by the Vendors without prejudice to any other claims and remedies the Purchaser may have under the Sale and Purchase Agreement whatsoever.

The Consideration was determined after arm's length negotiations between the Vendors and the Company after taking into account, among other things, (i) the development prospects of the Target Company; (ii) the Profit Guarantee (please see below); and (iii) the expected synergy to and the development prospects of the existing businesses of the Group after Completion.

The Directors consider that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Profit guarantee**

Pursuant to the Sale and Purchase Agreement, the Warrantors jointly and severally warrant to the Purchaser that based on the financial statements prepared in accordance with the Hong Kong Financial Reporting Standards, the audited net profit after taxation of the Target Company for each of the year ending on 31 March 2017 (the “**2016 Profits**”) and 31 March 2018 (the “**2017 Profits**”) shall be at least HK\$5,000,000. In the event that the 2016 Profits are less than HK\$5,000,000 (the “**2016 Profit Shortfall**”), the Warrantors shall, jointly and severally, pay to the Target Company by way of gift a sum in cash equal to the 2016 Profit Shortfall, such sum to be paid within seven (7) Business Days after the issue of the relevant audited accounts of the Target Company for the year ending 31 March 2017. In the event that the 2017 Profits are less than HK\$5,000,000 (the “**2017 Profit Shortfall**”), the Warrantors shall, jointly and severally, pay to the Target Company by way of gift a sum in cash equal to the 2017 Profit Shortfall, such sum to be paid within seven (7) Business Days after the issue of the relevant audited accounts of the Target Company for the year ending 31 March 2018.

### **Conditions precedent**

Completion is conditional upon, among other things, the fulfillment or waiver of the following conditions:

- (a) the Purchaser being reasonably satisfied with the results of the due diligence review;
- (b) the warranties provided under the Sale and Purchase Agreement remaining true and accurate, and not misleading, in all material respects as at Completion;

- (c) the Vendors having shown that (i) the Shareholders' Loan has been fully and unconditionally waived by the Vendors and Team Pride; and (ii) all the amounts due from the Company to Hong Kong Made Company Limited (a related company of Target Company) up to and inclusive of 31 January 2016 (being not less than HK\$821,618.24) have been fully and unconditionally waived by Hong Kong Made Company Limited, by way of deeds of waiver (the "**Deeds of Waiver**");
- (d) all other relevant requirements under the Listing Rules and/or all necessary approvals and processes of the relevant authorities for the entry into and implementation of the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to any approvals or consents required in connection with the Advertising Business and the Exclusive Advertising Agency Agreement (if any)) have been fulfilled, obtained and/or complied with by the Purchaser and/or its holding companies;
- (e) the Vendors having shown that an interest free Vendors' Loan had been provided to the Target Company; and
- (f) the Vendors having obtained a written confirmation from 廣州聲煜金線廣告有限公司 ("**Guangzhou Shengyu**") that (i) the Exclusive Advertising Agency Agreement is and shall remain valid and legally binding on the contracting parties; (ii) Guangzhou Shengyu intends to abide by the option right granted to the Target Company under the Exclusive Advertising Agency Agreement to extend the Exclusive Advertising Agency Agreement for three (3) years after its expiration on 30 June 2017 (the "**Next Renewal Date**") upon request of the Target Company and (iii) in the absence of any fault owing to the Company, Guangzhou Shengyu has no intention of terminating the Exclusive Advertising Agency Agreement on or before the Next Renewal Date.

The Purchaser may in its absolute discretion at any time waive any of the conditions precedent (other than condition (d) above).

If any of the conditions precedent have not been fulfilled or waived (as the case may be) by the Long Stop Date, all rights and obligations of the parties under the Sale and Purchase Agreement shall cease and terminate and neither party to the Sale and Purchase Agreement shall have any liability thereunder, save and except any antecedent breaches.

### **Completion**

Subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out above, Completion is expected to take place on the Completion Date.

Immediately upon Completion, the Target Company will become an indirect non-wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Company.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and is owned as to 38% by Silver Golden, 38% by Mr. Sui and 24% by Team Pride. The Target Company is principally engaged in the development and operation of out-of-home advertising media in the PRC.

The Target Company is the exclusive advertising agent of Guangzhou Shengyu in providing advertising agency services and related production services in respect of Guangzhou-Shenzhen Railway-China Railway High Speed (廣深線和諧號) under the Exclusive Advertising Agency Agreement.

The following table set forth the audited financial information of the Target Company prepared in accordance with the Hong Kong Financial Accounting Standards for the period from 3 November 2012 (date of incorporation) to 31 March 2014 and for the year ended 31 March 2015:

|                                | <b>Period from<br/>3 November 2012<br/>(date of incorporation)<br/>to 31 March<br/>2014<br/>HK\$'000</b> | <b>Year ended<br/>31 March<br/>2015<br/>HK\$'000</b> |
|--------------------------------|--|--|
| Loss before and after taxation | (2)  | (52,139)   |

The Target Company recorded audited net liabilities of approximately HK\$52,141,000 as at 31 March 2015, which include Shareholders' Loan of HK\$39,069,900 to be waived by the Vendors and Team Pride upon Completion.

*Note:*

The Target Company was incorporated on 3 November 2012 and commenced business on 1 June 2014.

## INFORMATION ABOUT THE VENDORS

Silver Golden is a company incorporated in the British Virgin Islands with limited liability and is beneficially and wholly owned by Ms. Chau Lan Sze, which shall hold 8% of the issued shares of the Target Company upon Completion. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Silver Golden is principally engaged in investment holding.

Mr. Sui is a Hong Kong resident, who shall hold 8% of the issued shares of the Target Company upon Completion.

## **INFORMATION ABOUT THE PURCHASER**

The Purchaser is a direct wholly-owned subsidiary of the Company which is principally engaged in investment holding.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the provision of recruitment advertising services. Apart from recruitment advertising business, the Group has been actively searching for other business opportunities so as to diversify the Group's advertising business into a new line of media business with growth potential and to broaden its source of income that can bring return to the Shareholders.

The Company believes the acquisition of the Target Company will complement the Group's advertising business and expand its market coverage to the PRC media business, providing access to a diversified customer base in both Hong Kong and the PRC, thus enhancing its business portfolio for the long term development of the Group.

The Board is optimistic about the Acquisition and is of the view that the Acquisition will bring significant strategic benefits and create additional value for Shareholders.

In consideration of the above, the Board considers that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **VENDORS' LOAN**

Pursuant to the Sale and Purchase Agreement, a sum of HK\$11,000,000 will be advanced by the Vendors to the Target Company within three (3) Business Days after the date of the Sale and Purchase Agreement and HK\$6,600,000 out of the Vendors' Loan will be assigned by the Vendors to the Company upon Completion.

Ms. Chau Lan Sze, the director of the Target Company as at the date of this announcement, will continue to be the director of the Target Company upon Completion. Ms. Chau Lan Sze will be a connected person of the Company upon Completion and Silver Golden (a Vendor), a company beneficially and wholly-owned by Ms. Chau Lan Sze, is an associate of Ms. Chau Lan Sze and therefore a connected person of the Company.

Any outstanding amount of the Vendors' Loan owing to Silver Golden by the Target Company as at Completion will constitute a connected transaction under Chapter 14A of the Listing Rules as it amounts to financial assistance received by the Group from a connected person on the Completion.

The Vendors' Loan is interest free and repayable on demand. As the outstanding balance is provided on normal commercial terms (or better for the Company) and not secured by any assets of the Group, it will be fully exempted from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules.

## LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

**As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution in dealing in the Shares.**

## DEFINITIONS

Unless the context otherwise requires, the following expressions have the followings meanings:

|                       |  |
|-----------------------|--|
| “Acquisition”         | the acquisition of the Sale Shares and the assignment of the Loan pursuant to the Sale and Purchase Agreement  |
| “Board”               | the board of the Directors   |
| “Business Day”        | a day (other than Saturdays, Sundays and public holidays) on which banks in Hong Kong are open for business  |
| “Company”             | Cinderella Media Group Limited, a company incorporated in the Cayman Islands with limited liability and continued in Bermuda as an exempted company, whose shares are listed on the Stock Exchange   |
| “Completion”          | completion of the Acquisition pursuant to the Sale and Purchase Agreement  |
| “Completion Date”     | the date on which the Completion shall take place and such day shall fall the 3rd Business Day following the date of fulfillment or waiver of the last of the conditions precedent of the Sale and Purchase Agreement or such other date as may be agreed between the Vendors and the Purchaser in writing |
| “connected person(s)” | has the same meaning as ascribed to it under the Listing Rules from time to time   |

|  |  |
|--|--|
| “Consideration”                          | HK\$36,600,000 being the aggregate consideration for the Acquisition   |
| “Director(s)”                            | the director(s) (including the independent non-executive directors) of the Company   |
| “Exclusive Advertising Agency Agreement” | the exclusive advertising agency agreement dated 24 June 2014 entered into between Guangzhou Shengyu and the Target Company for appointing the Target Company as an exclusive advertising agent in connection with the advertising agency services and related production services in respect of Guangzhou-Shenzhen Railway-China Railway High Speed (廣深線和諧號) within scope and the entitlement granted under the Exclusive Advertising Agency Agreement and as authorised by 廣州鐵路集團文化廣告總公司 |
| “Group”                                  | the Company and its subsidiaries   |
| “Hong Kong”                              | the Hong Kong Special Administrative Region of the PRC   |
| “Independent Third Party”                | third party independent of and not connected with the Company and its connected persons  |
| “Listing Rules”                          | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Loan”                                   | the loan of HK\$6,600,000 out of the Vendors’ Loan to be made by the Vendors to the Company in accordance with the Sale and Purchase Agreement   |
| “Long Stop Date”                         | the date falling 60 days after the date of the Sale and Purchase Agreement, or such other date as the Vendors and the Purchaser may agree in writing   |
| “Mr. Sui”                                | Sui Chok Lee, one of the Vendors holding 38% issued shares of the Target Company as at the date of this announcement   |
| “PRC”                                    | the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement  |

|                               |  |
|-------------------------------|--|
| “Purchaser”                   | Fullmoon Global Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company   |
| “Sale and Purchase Agreement” | the agreement dated 29 January 2016 entered into between the Vendors, the Purchaser and Ms. Chau Lan Sze as the guarantor in relation to the Acquisition   |
| “Sale Shares”                 | 60 issued shares in the Target Company, representing 60% of the total issued shares of the Target Company as at the date of this announcement and at Completion  |
| “SFO”                         | Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)  |
| “Share(s)”                    | ordinary share(s) of HK\$0.20 each in the share capital of the Company   |
| “Shareholder(s)”              | the holder(s) of the issued Share(s)   |
| “Shareholders’ Loan”          | the entire amount of the shareholders’ loan of HK\$39,069,900 owing by the Target Company to the Vendors and Team Pride as at the date of this announcement  |
| “Silver Golden”               | Silver Golden Limited, a company incorporated in the British Virgin Islands with limited liability and one of the Vendors holding 38% of the issued shares of the Target Company as at the date of this announcement                               |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited  |
| “Target Company”              | Hong Kong Made (Media) Limited, a company incorporated in Hong Kong with limited liability   |
| “Team Pride”                  | Team Pride Limited, a company incorporated in the British Virgin Islands with limited liability, one of the shareholders holding 24% of the issued shares of the Target Company as at the date of this announcement and an Independent Third Party |
| “Vendors”                     | Silver Golden and Mr. Sui  |

|                 |  |
|-----------------|--|
| “Vendors’ Loan” | a sum of HK\$11,000,000 to be advanced by the Vendors to the Company within three (3) Business Days after the date of the Sale and Purchase Agreement with no charge of interest and repayable on demand |
| “Warrantors”    | Vendors and Ms. Chau Lan Sze   |
| “HK\$”          | Hong Kong dollars, the lawful currency of Hong Kong  |
| “%”             | per cent.  |

By order of the Board of  
**Cinderella Media Group Limited**  
**Tsang Hing Bun**  
*Executive Director*

Hong Kong, 29 January 2016

*As at the date of this announcement, the Board comprises Mr. Liu Gary Wei, Ms. Chan Pak Yi and Mr. Tsang Hing Bun as executive Directors; Mr. Yiu Yu Cheung as non-executive Director; and Mr. Leung Siu Kee, Mr. William Keith Jacobsen and Mr. Au Yeung Chi Hang, Jimmy, as independent non-executive Directors.*

\* *for identification purpose only*