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品牌中国
BRANDING CHINA

BRANDING CHINA GROUP LIMITED

品牌中國集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8219)

VOLUNTARY ANNOUNCEMENT CHANGE OF THE EXPIRY DATES OF CERTAIN ENTRUSTED MANAGEMENT AGREEMENTS AND TRANSFER AGREEMENTS

Reference is made to the prospectus of Branding China Group Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) dated 17 April 2012 (the “**Prospectus**”) in relation to, among other things, the entrusted management agreements and transfer agreements in relation to two magazines operated by the Group, namely *Shanghai Today* (今日上海) and *Shanghai Scene* (上海灘).

Entrusted Management Agreements and Transfer Agreements

As set out in the Prospectus, on 22 May 2008, Shanghai East Shanghai SumZone Media Company Limited (上海東上海三眾華納傳媒有限公司) (“**East Shanghai SumZone**”), a company owned as to 49% by the Group, entered into an entrusted management agreement with each of (i) Shanghai Today Magazine (今日上海雜誌社) (the “**Shanghai Today Entrusted Management Agreement**”) and (ii) Shanghai Scene Magazine (上海灘雜誌社) (the “**Shanghai Scene Entrusted Management Agreement**”), pursuant to which East Shanghai SumZone has been entrusted by each of Shanghai Today Magazine and Shanghai Scene Magazine on an exclusive basis to manage the operation and business of the two magazines, namely *Shanghai Today* and *Shanghai Scene* respectively, for a term of 30 years commencing from 1 June 2008 and ending on 31 May 2038 (the “**Entrustment Period**”).

On 26 May 2008, East Shanghai SumZone and Shanghai SumZone Media Investment Management Company Limited (上海三眾華納傳媒投資管理有限公司) (“SMU”) entered into a transfer agreement for each of the Shanghai Today Entrusted Management Agreement (the “**Shanghai Today Transfer Agreement**”) and the Shanghai Scene Entrusted Management Agreement (the “**Shanghai Scene Transfer Agreement**”), pursuant to which East Shanghai SumZone agreed to transfer the management of the operation and business of *Shanghai Today* and *Shanghai Scene*, respectively, to SMU exclusively for a term of 30 years commencing from 1 June 2008 and ending on 31 May 2038 (the “**Transfer Period**”).

Supplemental Agreements

On 18 August 2014, East Shanghai SumZone entered into a supplemental agreement with each of Shanghai Today Magazine and Shanghai Scene Magazine in relation to Shanghai Today Entrusted Management Agreement and Shanghai Scene Entrusted Management Agreement respectively (collectively, the “**Supplemental Entrusted Management Agreements**”), pursuant to which the expiry date of the Entrustment Period is changed to 31 December 2014 (the “**New Expiry Date**”) from 31 May 2038. On the same date, East Shanghai SumZone and SMU entered into a supplemental agreement in relation to Shanghai Today Transfer Agreement and Shanghai Scene Transfer Agreement respectively (collectively, the “**Supplemental Transfer Agreements**”), pursuant to which the expiry date of the Transfer Period is changed to the New Expiry Date from 31 May 2038. Save for the above, all other terms and conditions under the Shanghai Today Entrusted Management Agreement, Shanghai Scene Entrusted Management Agreement, Shanghai Today Transfer Agreement and Shanghai Scene Transfer Agreement shall remain unchanged and continue in full force and effect until the New Expiry Date.

Reasons and benefits of entering into the Supplemental Entrusted Management Agreements and Supplemental Transfer Agreements

In the midst of the rapid development of new media as well as the continuous down trend of the traditional media in general both domestically and internationally, the Group has adapted to the strong growth momentum of the new media by expediting the development of its digital marketing business over the last two years and has achieved satisfactory results. In the future, the business focus of the Group will be the continuous devotion of greater effort on the expansion of its new media and digital marketing business. In view of such circumstance in the industry, the Group has decided to enter into the supplemental agreements to early terminate the operations of *Shanghai Today* and *Shanghai Scene* to better divert the professional teams’ focus and reallocate the business resources of the Group to more valuable business segments, so as to generate greater value to the shareholders and the investors.

The directors of the Company confirm that the entering into of the Supplemental Entrusted Management Agreements and Supplemental Transfer Agreements to adjust the expiry date of the relevant agreements will not have material impact on the business and financial aspects of the Group. It is the intention of the Group to continue to manage and operate the business of *Auto Report* (the supplement of *Shanghai Today*) and *I home* (the supplement of *Shanghai Scene*) after the New Expiry Date by entering into cooperation with other publishing partners in the PRC (as supplements of other magazines). Further announcement will be made by the Company as and when necessary.

By Order of the Board
Branding China Group Limited
Fang Bin
Chairman

Shanghai, the People's Republic of China, 18 August 2014

As at the date of this announcement, the executive Directors are Mr. Fang Bin, Ms. He Weiqi and Mr. Song Yijun; the non-executive Director is Mr. Fan Youyuan; and the independent non-executive Directors are Mr. Zhou Ruijin, Mr. Lin Zhiming and Ms. Hsu Wai Man, Helen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange's website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.brandingchinagroup.com.