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(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

**INSIDE INFORMATION
IN RELATION TO
THE POSSIBLE INVESTMENT AND FILM
DISTRIBUTION ARRANGEMENT**

This announcement is made by China Media and Films Holdings Limited (the “**Company**”, together with its subsidiaries (the “**Group**”)) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of the directors of the Company announces that the Company has commenced preliminary negotiations with an independent third party in relation to an investment and distribution arrangement for three films to be produced by China Star Movie Limited, a wholly-owned subsidiary of the Company, for the territory of Mainland China. Despite no terms have been reached between the Group and the independent third party as at the date of this announcement, it is expected that the first film will be released and distributed in Mainland China in the Chinese New Year in 2016. However, up to the date of this announcement, no legally binding agreements or contracts in relation to an investment and distribution arrangement have been entered into by the Company.

In the event that any agreements or contracts in relation to the investment and distribution arrangement have been entered into by the Company, the Company will comply with the relevant requirements under the GEM Listing Rules.

By order of the Board
China Media and Films Holdings Limited
Heung Wah Keung
Chairman

Hong Kong, 7 May 2014

* *for identification purposes only*

As at the date of this announcement, the executive directors of the Company are Mr. Heung Wah Keung and Mr. Leung Wai Man and the independent non-executive directors are Mr. Yip Tai Him, Mr. Law Yiu Sang, Jacky and Mr. Fung Wai Ching.

This announcement, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of The Stock Exchange of Hong Kong Limited 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 be published on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at www.cmfhl.com.