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CHINA SEVEN STAR HOLDINGS LIMITED

中國七星控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 245)

**INSIDE INFORMATION AND CLARIFICATION
— CONTINGENT PLAN**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the circular of China Seven Star Holdings Limited (the “**Company**”) dated 26 October 2015 in relation to, among other things, the Share Subscription and the Whitewash Waiver (“**Circular**”) and the announcement of the Company on 2 November 2015. Unless otherwise defined herein, capitalised terms and expressions in this announcement shall have the same meanings used in the Circular.

As disclosed in the Circular, under the Subscription Agreement, in the unfortunate event that any investor (the “**Defaulting Investor**”) fails to complete the Share Subscription, the other non-defaulting investors (the “**Continuing Investors**”) shall have the right to, amongst others, continue to complete the subscription of the Subscription Shares for which they have agreed to subscribe under the Subscription Agreement and, as a further right and only if so elected, to also subscribe for the Subscription Shares (whether in full or in part) not subscribed for by the Defaulting Investor.

The Company has been informed respectively by CMI, D. E. Shaw Composite and Union Sky that as a contingent plan they have agreed among themselves that any shortfall that should arise from Defaulting Investor not subscribing or not being able to subscribe for under the Share Subscription, will be taken up by them in accordance with the provisions of the Subscription Agreement and in compliance with the minimum public float requirement under the Listing Rules.

The Company will make further announcement as and when time is appropriate. The Company will also make an announcement upon completion of the then shareholding structure, and confirm that the minimum public float requirement remains satisfied upon completion.

Shareholders and potential investors of the Company should also be aware that completion of the Share Subscription is subject to certain conditions precedent being satisfied or waived, and consequently the Share Subscription may or may not proceed. Accordingly, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Seven Star Holdings Limited
Ni Xinguang
Chairman and Executive Director

Hong Kong, 9 November 2015

As at the date of this announcement, the Board comprises (1) Mr. Ni Xinguang and Ms. Chen Xiaoyan as executive Directors; (2) Mr. Tu Baogui as non-executive Director; and (3) Mr. Lyu Wei, Mr. Wong Chak Keung and Mr. Ling Yu Zhang as independent non-executive Directors.

This announcement is made by the order of the Board. The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.