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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)

PROFIT WARNING

This announcement is made by China Seven Star Holdings Limited (the “**Company**”) pursuant to Rule 13.09 (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 26 March 2014 in relation to the unusual price and volume movements, inside information and resumption of trading.

As set out in the Announcement, the Company was considering the accounting treatment on consolidation of the subsidiaries of the Company. The final accounting treatment to be decided on by the Company might result in a significant loss to the Company and affect the audited consolidated final results (the “**Final Results**”) of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2013.

Having determined the accounting treatment on the consolidation of the subsidiaries of the Company and such subsidiaries will remain consolidated in the consolidated accounts of the Company, the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Company for the year ended 31 December 2013 and the information currently available to the Board, the Board expects that a loss will be recorded in the Final Results for the year ended 31 December 2013 against a profit recorded for the financial year ended 31 December 2012. The Board considers that the anticipated loss of the Group for the year ended 31 December 2013 is mainly attributable to an increase in the allowance and written off for inventories and in the allowance for trade and other receivables in the PRC retail and distribution and television advertising business of the Group.

As at the date hereof, the Company is still in the process of finalising the Group’s Final Results. The information as contained in this announcement is only the preliminary assessment by the Company based on the unaudited consolidated management financial statements of the Group for the year ended 31 December 2013, which have not been confirmed or reviewed by the Company’s auditors or audit committee.

Shareholders and potential investors of the Company should read the Final Results which is expected to be published on 31 March 2014.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
China Seven Star Holdings Limited
Law Gerald Edwin
Company Secretary

Hong Kong, 28 March 2014

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