

*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.*



## **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**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that after a preliminary review on the Group’s unaudited consolidated management accounts and the assessment of information currently available, the Group is expected to record an unaudited consolidated loss attributable to owners of the Company for the year ended 31 December 2014 which increased substantially as compared with the audited consolidated loss attributable to owners of the Company for the year ended 31 December 2013. This is mainly attributable to the following reasons:

1. The Group has recorded decreases in both revenue and gross margin for the year ended 31 December 2014 as no revenue was generated from the Group’s retail and distribution of consumer products and television advertising businesses due to (i) keen competition from low pricing internet sales platforms; and (ii) keen competition of selling of advertising air time from the second half of 2013, and the Group was unable to compete with other suppliers after losing the exclusive agency rights;
2. The Group has engaged in a new business of trading chemical materials which has a low gross profit;
3. There were write back of agency fees payable of approximately HK\$19,416,000, write back of other payables and accruals of approximately HK\$8,984,000 and write back of trade payables of approximately HK\$3,344,000 for the year ended 31 December 2013 but there was only write back of other payables and accruals of approximately HK\$1,551,000 for the year ended 31 December 2014; and

4. There was share-based payment expenses of HK\$12,583,000 recognised in relation to the share options granted by the Company on 4 November 2014.

As at the date of this announcement, 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 2014, 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 2015.

**Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares of the Company.**

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

Hong Kong, 19 March 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. Lu Wei, Mr. Wong Chak Keung and Mr. Ling Yu Zhang as independent non-executive Directors.*