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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)

**VOLUNTARY ANNOUNCEMENT
— UPDATE ON CONTINGENT PLAN**

This announcement is made on a voluntary basis by China Seven Star Holdings Limited (the “**Company**”).

Reference is made to the circular of the Company dated 26 October 2015 in relation to, among other things, the Share Subscription and the Whitewash Waiver (“**Circular**”) and the two announcements of the Company on 9 November 2015 in relation to, among others, the contingent plan in the event that any investor fails to complete the Share Subscription. 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.

Up to the date of this announcement, the Company has not yet been able to reach Mr. Xu and the Company and Other Investors (except for Mr. Xu) have agreed with the following allocation plan (the “**Contingent Allocation**”) in the event Mr. Xu fails to subscribe for the Share Subscription:

	Immediately before Closing		Immediately after Closing	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
Shareholders before Closing				
Ni Xinguang (<i>Note</i>)	462,072,000	17.85%	462,072,000	1.60%
Ye Zhu Ying	231,497,650	8.94%	231,497,650	0.80%
Other public Shareholders	<u>1,895,761,600</u>	<u>73.21%</u>	<u>1,895,761,600</u>	<u>6.56%</u>
Subtotal — Shareholders before Closing	2,589,331,250	100.00%	2,589,331,250	8.96%
Subscribers				
<i>The Concert Group</i>				
— CMI	—	0.00%	20,418,000,000	70.64%
— Union Sky	<u>—</u>	<u>0.00%</u>	<u>1,438,000,000</u>	<u>4.97%</u>
Subtotal — the Concert Group	—	0.00%	21,856,000,000	75.61%
<i>Other subscribers</i>				
— D.E. Shaw Composite	—	0.00%	2,342,000,000	8.10%
— WIC LP	<u>—</u>	<u>0.00%</u>	<u>2,118,000,000</u>	<u>7.33%</u>
Subtotal — other subscribers	—	0.00%	4,460,000,000	15.43%
Total	<u><u>2,589,331,250</u></u>	<u><u>100.00%</u></u>	<u><u>28,905,331,250</u></u>	<u><u>100.00%</u></u>

1. Mr. Ni Xinguang has personal interest of 46,068,000 Shares and owns 416,004,000 Shares through Group First Limited, his wholly owned company.
2. Ms. Ye Zhu Ying and other public Shareholders are Independent Shareholders.

In the event that Mr. Xu is able to proceed to complete the Share Subscription, the shareholding structure upon Closing (the “**Original Allocation**”) will be:

	Immediately before Closing		Immediately after Closing	
	Shares	Approximate %	Shares	Approximate %
Shareholders before Closing				
Ni Xinguang (<i>Note</i>)	462,072,000	17.85%	462,072,000	1.60%
Ye Zhu Ying	231,497,650	8.94%	231,497,650	0.80%
Other public Shareholders	<u>1,895,761,600</u>	<u>73.21%</u>	<u>1,895,761,600</u>	<u>6.56%</u>
Subtotal — Shareholders before Closing	2,589,331,250	100.00%	2,589,331,250	8.96%
Subscribers				
<i>The Concert Group</i>				
— CMI	—	0.00%	20,418,000,000	70.64%
— Union Sky	<u>—</u>	<u>0.00%</u>	<u>1,390,000,000</u>	<u>4.81%</u>
Subtotal — the Concert Group	—	0.00%	21,808,000,000	75.45%
<i>Other subscribers</i>				
— D.E. Shaw Composite	—	0.00%	1,720,000,000	5.95%
— WIC LP	—	0.00%	1,788,000,000	6.18%
— Mr. Xu	<u>—</u>	<u>0.00%</u>	<u>1,000,000,000</u>	<u>3.46%</u>
Subtotal — other subscribers	—	0.00%	4,508,000,000	15.59%
Total	<u><u>2,589,331,250</u></u>	<u><u>100.00%</u></u>	<u><u>28,905,331,250</u></u>	<u><u>100.00%</u></u>

1. Mr. Ni Xinguang has personal interest of 46,068,000 Shares and owns 416,004,000 Shares through Group First Limited, his wholly owned company.
2. Ms. Ye Zhu Ying and other public Shareholders are Independent Shareholders.

Under both of the Contingent Allocation and the Original Allocation, approximately 27.76% of the issued share capital of the Company will be held by the public immediately after the Closing, and accordingly the Company will be able to comply with the minimum public float requirements under Rule 8.08 of the Listing Rules.

The Company will make further announcement as and when time is appropriate.

Shareholders and potential investors of the Company should also be aware that Closing 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, 7 December 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.