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SINOSTAR

中國華星

China Sinostar Group Company Limited
中國華星集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 485)

INSIDE INFORMATION
POSSIBLE AMENDMENTS OF THE TERMS
AND CONDITIONS OF 2017 CONVERTIBLE BONDS

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

Reference is made to the announcements of the Company dated 21 March 2014, 29 May 2014, 30 July 2014 and 26 January 2016, respectively, and circular of the Company dated 24 May 2014 in relation to, among other things, the 3% convertible bonds in the aggregate principal amount of HK\$75,000,000 issued by the Company (the “**2017 Convertible Bonds**”). As at the date of this announcement, none of the 2017 Convertible Bonds have been redeemed nor converted and the conversion price of the 2017 Convertible Bonds is HK\$0.23 per conversion Share taking into account the intervening adjustments since the issue of the 2017 Convertible Bonds. The maturity date (the “**Maturity Date**”) on which the principal amount outstanding under the 2017 Convertible Bonds shall fall due would be the third anniversary of the date of issue of the 2017 Convertible Bonds, being 30 July 2017.

The board of directors of the Company (“**Board**”) is pleased to announce that the Company and Lushan Investment Holdings Limited (the “**Bondholder**”), the sole holder of the 2017 Convertible Bonds, have reached an agreement in principle on the extension of the Maturity Date from 30 July 2017 to 30 October 2017 and that subject to the Company paying the Bondholder all outstanding interest under the 2017 Convertible Bonds up to (and including) 30 July 2017 within the prescribed period, no interest on the outstanding principal amount of the 2017 Convertible Bonds shall be payable by the Company for such extended period (collectively, the “**Proposed Amendment**”). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Bondholder is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of China Huarong International Holdings Limited 中國華融國際控股有限公司.

The Board considers that the Proposed Amendment would enable the Company to retain the funds for potential investments or opportunities and hence improving its cash flow position and have no material adverse impact on the financial and operational position of the Company.

As at the date of this announcement, no formal agreement has been entered into by the Company and the Bondholder in respect of the Proposed Amendment. Further announcement(s) in relation to the Proposed Amendment will be made by the Company as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Sinostar Group Company Limited
Wang Jing
Chairman

Hong Kong, 28 July 2017

As at the date of this announcement, the Board comprises Mr. Wang Jing, Mr. Wang Xing Qiao and Mr. Zhao Shuang as executive Directors; and Mr. Wang Ping, Mr. Cheng Tai Kwan Sunny and Mr. Song Wenke as independent non-executive Directors.