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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of China Sinostar Group Company Limited dated 26 September 2017 (the “**Company**”) in relation to the acquisition of 100% equity interest in Benxi Tongsheng Property Development Limited and the disposal of 100% equity interest in and Sale Loan owed by Tong Sheng Yuan Holdings Limited. Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless otherwise stated.

The Company wishes to clarify as follows:

1. The section headed “The Purchase Agreement – Information of Benxi Tongsheng” in the Announcement: The purchase price of the Land Use Right is RMB72 million, of which RMB12.5 million has been paid and the balance of RMB59.5 million shall be paid by 30 May 2018 by Dongfang Industrial.
2. The section headed “The Disposal Agreement – Financial effect of the Disposal” in the Announcement: The Group is expected to record an unaudited gain on disposal of approximately RMB0.82 million (equivalent to approximately HK\$0.96 million) with reference to (i) the unaudited net assets value of Tong Sheng Yuan as at 31 August 2017 of approximately HK\$183.7 million (excluding the Sale Loan); (ii) the Sale Loan in the amount of HK\$38.7 million; (iii) the Disposal Consideration of RMB125 million (equivalent to approximately HK\$146.46 million); and (iv) all relevant expenses of approximately HK\$0.5 million.

Save for the aforesaid, all information and contents set out in the Announcement remain unchanged.

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

Hong Kong, 26 September 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.