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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 ANNOUNCEMENT**

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

The board of directors of the Company noted that Toys “R” Us, Inc. (“**TRU**”) had filed a voluntary petition (“**Petition**”) for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Virginia in Richmond on 18 September 2017. As disclosed in an announcement of TRU, it intends to use court-supervised proceedings to restructure its outstanding debt and establish a sustainable capital structure. It is noted that TRU stores around the world would continue to operate as usual after the Petition.

TRU is one of the five largest customers of the Group for the financial year ended 31 March 2017. As at the date of this announcement, we have account receivables exposure of approximately HK\$35.5 million from TRU (“**Account Receivables Exposure**”).

The Petition could affect the collectability of the Account Receivables Exposure. At the moment, sales to TRU is expected to decline. However, as TRU has just filed the Petition, the Company is not in the position to ascertain the extent of impact of the Petition on its financial position as of the date of this announcement. We will closely monitor the progress of the Petition and take appropriate action to minimize the negative impact on us.

We will make further announcement to inform the shareholders and potential investors of any material developments of the matter if and when appropriate.

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

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

Hong Kong, 29 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.*