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China Star Cultural Media Group Limited
中國星文化產業集團有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

DISCLOSEABLE TRANSACTION
DISPOSAL OF LISTED SECURITIES

On 19 May 2015, the Group disposed the Jiu hao Health Shares on the market through the trading platform of the Stock Exchange, at the price of HK\$1.10 per Jiu hao Health Share for a gross sale proceeds of HK\$26,895,000 (excluding transaction costs).

As two of the percentage ratios as set out in the GEM Listing Rules exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company.

THE DISPOSAL

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As the Disposal was made on the market, the Company is not aware of the identity(ies) of the purchaser(s) of the Jiu hao Health Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the purchaser(s) of the Jiu hao Health Shares and their ultimate beneficial owner(s) are third part(ies) independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Assets disposed

24,450,000 Jiu hao Health Shares, representing all the Jiu hao Health Shares held by the Group and approximately 0.373% of the issued share capital of Jiu hao Health as at the date of this announcement (based on the 6,559,904,011 Jiu hao Health Shares according to public information available to the Company).

* *for identification purpose only*

Consideration

The gross sale proceeds of the Disposal is HK\$26,895,000 (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the Jiu hao Health Shares at the time of the Disposal.

REASONS FOR AND BENEFITS OF, AND THE FINANCIAL EFFECT OF THE DISPOSAL

The Group is principally engaged in the provision of artist management services and film production and distribution. The Group intends to develop more kinds of entertainment businesses including films, dramas, concerts, sports events, and shows & etc and to establish an on-line media platform for different media contents.

The purpose of the Disposal is to realize the investment in the Jiu hao Health Shares. According to 2014 annual report of the Company, the fair value of Jiu hao Health Shares held by the Group was HK\$17,115,000 as at 31 December 2014. As a result of the Disposal, the Group is expected to recognize a gain of HK\$9,780,000 which is calculated on the basis of the difference between the fair value of Jiu hao Health Shares (i.e. HK\$17,115,000) and the consideration of the Disposal (i.e. HK\$26,895,000) (excluding transaction costs). The Group intends to use the proceeds of the Disposal for general working capital.

The Disposal was made at market price and the Directors (including the independent non-executive Directors) are of the view that the Disposal, which will enable the Group to recognize a gain and realize the investment in the Jiu hao Health Shares, is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON JIUHAO HEALTH

Jiu hao Health is a company incorporated in the Cayman Islands with limited liability and the Jiu hao Health Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 419). Jiu hao Health, through its subsidiaries, is principally engaged in (i) the provision of online healthcare service; (ii) the provision of offline healthcare and wellness services; and (iii) media business.

The following information is extracted from the 2014 annual report of Jiu hao Health:

	For the year ended	
	31 December	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales	110,137	126,192
Profit/(loss) before taxation	47,800	(31,622)
Taxation	4,235	(1,402)
Profit/(loss) for the year from continuing operations	52,035	(33,024)
Loss for the year from discontinued operations	(906)	(132,698)
Profit/(loss) for the year	51,129	(165,722)

GENERAL

As two of the percentage ratios as set out in the GEM Listing Rules exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	China Star Cultural Media Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on GEM
“Connected person(s)”	has the meanings ascribed to the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Company, through its subsidiary, of a total of 24,450,000 Jiu hao Health Shares on the market through the trading perform of the Stock Exchange on 19 May 2015 for a consideration of HK\$26,895,000 (excluding transaction costs)
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiu hao Health”	China Jiu hao Health Industry Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 419)
“Jiu hao Health Share(s)”	issued ordinary share(s) of HK\$0.20 each in the capital of Jiu hao Health
“percentage ratio”	has the meanings ascribed to the GEM Listing Rules
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
China Star Cultural Media Group Limited
Chan Kam Kwan Jason
Company Secretary

Hong Kong, 19 May 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Leung Wai Man and Ms. Wu Li, the non-executive Directors are Mr. Zou Xiao Chun and Mr. Zhou Ya Fei and the independent non-executive Directors are Mr. Fung Wai Ching, Mr. Ng Wai Hung and Mr. Lam Cheung Shing Richard.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will be published on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at www.chinastarcmg.com.hk. The Directors jointly and severally accept full responsibility for the accuracy of the 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.