

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Seven Star Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSED REFRESHMENT OF OPTION SCHEME LIMIT  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the extraordinary general meeting of the Company to be held at the Boardroom, Basement 2, the Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on 5 June 2015, Friday, immediately after the conclusion or adjournment of the annual general meeting of the Company to be held on the same day is set out on pages 8 to 9 of this circular.

A form of proxy for use at the extraordinary general meeting is also enclosed. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the meeting to the office of the Company's registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof if you so wish.

6 May 2015

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## DEFINITIONS

*In this circular, the following expressions have the following meanings, unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at the Boardroom, Basement 2, the Wharney Guang Dong Hotel Hong Kong, 57–73 Lockhart Road, Wanchai, Hong Kong on 5 June 2015, Friday, at 10:30 a.m., or any adjournment thereof
“Articles”	the existing articles of association of the Company
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	China Seven Star Holdings Limited (中國七星控股有限公司) (Stock Code: 245), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Date of Adoption”	9 December 2013, being the date on which the New Share Option Scheme was adopted by the Company
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at the Boardroom, Basement 2, the Wharney Guang Dong Hotel Hong Kong, 57–73 Lockhart Road, Wanchai, Hong Kong on 5 June 2015, Friday, immediately after the conclusion or adjournment of the AGM to be held on the same day to consider and, if appropriate, to approve the resolution(s) contained in the notice of the meeting which is set out on pages 8 to 9 of this circular, or any adjournment thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	29 April 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“New Share Option Scheme”	the share option scheme adopted by the Company on the Date of Adoption
“Old Share Option Scheme”	the share option scheme adopted by the Company on 28 May 2004 and terminated on 9 December 2013
“Option Scheme Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“Refreshment of Option Scheme Limit”	the proposed refreshment of the Option Scheme Limit
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



**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)**

*Executive Directors:*

Mr. NI Xinguang (*Chairman*)

Ms. CHEN Xiaoyan

*Non-executive Director:*

Mr. TU Baogui

*Independent non-executive Directors:*

Mr. WONG Chak Keung

Mr. LU Wei

Mr. LING Yu Zhang

*Registered and principal office:*

Unit A02, 11/F

Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

6 May 2015

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF OPTION SCHEME LIMIT  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

On 28 April 2015, the Board announced that the Company proposes to refresh the Option Scheme Limit which, if refreshed, shall not in aggregate exceed 10% of the Shares in issue as at the date of the EGM.

The purpose of this circular is to provide you with, among other things, (i) details of the Refreshment of Option Scheme Limit; and (ii) the notice of the EGM to be convened and held for the purpose of considering and, if thought fit, passing the relevant resolution(s) to approve, among other things, the proposed Refreshment of Option Scheme Limit.

## LETTER FROM THE BOARD

### REFRESHMENT OF THE OPTION SCHEME LIMIT UNDER THE SHARE OPTION SCHEME

#### Terms of the Option Scheme Limit

The Old Share Option Scheme was adopted by resolution of the Shareholders on 28 May 2004 and terminated by an ordinary resolution at the extraordinary general meeting held on 9 December 2013. The Share Option Scheme was conditionally adopted by the Company on the Date of Adoption. As at the Latest Practicable Date, apart from the New Share Option Scheme, the Group has no other share option scheme in force. The purpose of the New Share Option Scheme is to enable the Group to grant options to the eligible participants under the New Share Option Scheme as incentives or rewards for their contribution to the Group and to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Pursuant to the New Share Option Scheme and in compliance with Chapter 17 of the Listing Rules:

- (i) the total number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue on its date of adoption unless the Company seeks the approval of the Shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme provided that options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit.
- (ii) the Company may seek approval of the Shareholders in general meeting for refreshing the 10% limit as prescribed in (i) above such that the total number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of the approval of the Shareholders on the refreshment of the 10% limit provided that options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the limit as “refreshed”.
- (iii) the maximum number of Shares which may be issued upon exercise of all outstanding options granted under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time.

<b>LETTER FROM THE BOARD</b>
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**Details of the Option Scheme Limit**

Pursuant to the terms of the New Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon the exercise of all the options granted or to be granted under the New Share Option Scheme or any other share option schemes of the Company must not, in aggregate, exceed 219,833,125 Shares, being 10% of the Shares in issue as at the Date of Adoption. The Option Scheme Limit has not been previously refreshed since the Date of Adoption. According to the terms of the New Share Option Scheme, the Company may seek prior approval from the Shareholders to refresh the Option Scheme Limit to the extent not exceeding 10% of the Shares in issue as at the date of such Shareholders' approval.

Details of the total number of options granted under the New Share Option Scheme since Date of Adoption up to the Latest Practicable Date are set out below:

	Number of options				
	Granted	Exercised	Cancelled	Lapsed	Outstanding
New Share Option Scheme	219,600,000	—	—	—	219,600,000

As at the Latest Practicable Date, 1,476,960 share options granted under the Old Share Option Scheme remain outstanding entitling the holders of the share options to subscribe for an aggregate of 1,476,960 Shares, representing approximately 0.06% of the Shares in issue as at the Latest Practicable Date and 219,600,000 options granted to eligible participants under the New Share Option Scheme remain outstanding, representing approximately 9.51% of the Shares in issue, which is 2,308,331,250 Shares, as at the Latest Practicable Date. All of these options were granted in accordance with the rules of the New Share Option Scheme.

**Proposed refreshment of the Option Scheme Limit**

Given that over 99.89% of the existing Option Scheme Limit has been utilised as at the Latest Practicable Date, the Board holds the view that the Company should refresh the Option Scheme Limit in accordance with the rules of the New Share Option Scheme so that the New Share Option Scheme may continue to serve its intended purpose for the benefit of the Group.

If the Refreshment of Option Scheme Limit is approved at the EGM, based on the 2,308,331,250 Shares in issue as at the Latest Practicable Date and on the basis that no Shares would be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the EGM, the Company will be allowed under the “refreshed limit” to grant options carrying the rights to subscribe for up to a total of approximately 230,833,125 Shares, representing 10% of the Shares in issue as at the date of the EGM.

In addition, the Board holds the view that the grant of options in full under the refreshed 10% Option Scheme Limit will not cause the Shares to be issued upon exercise of all outstanding options granted and available to be granted under the New Share Option Scheme to be in excess of 30% of the Shares in issue from time to time.

## **LETTER FROM THE BOARD**

### **Reasons for the Refreshment of Option Scheme Limit**

The Board holds the view that the Refreshment of Option Scheme Limit is in the interests of the Company and the Shareholders as a whole because it enables the Board to grant options to the eligible participants under the New Share Option Scheme to subscribe for the Shares under the New Share Option Scheme as to reward and motivate the eligible participants under the New Share Option Scheme to contribute further to the success of the Group.

### **Conditions of the Refreshment of Option Scheme Limit**

The Refreshment of Option Scheme Limit is conditional upon:

- (i) the passing of an ordinary resolution at the EGM to approve the Refreshment of Option Scheme Limit; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the New Share Option Scheme up to 10% of the Shares in issue as at the date of passing of the relevant resolution at the EGM.

### **Application for listing**

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the New Share Option Scheme up to 10% of the Shares in issue as at the date of passing of the relevant resolution at the EGM.

### **EXTRAORDINARY GENERAL MEETING**

The notice of the EGM is set out on pages 8 to 9 of this circular. At the EGM, a resolution will be proposed to approve the Refreshment of Option Scheme Limit.

A form of proxy for use at the EGM is enclosed herewith. If you are unable to attend and/or vote at the EGM in person, you are requested to complete the form of proxy and return it to the Company's registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, every resolution put to the vote at the EGM will be taken by way of poll. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.



## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

### RECOMMENDATION

The Board considers that the resolution in relation to the Refreshment of Option Scheme Limit to be proposed at the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of such resolution at the EGM. Shareholders should note that the Directors will exercise their voting rights in respect of all their shareholdings (if any) in favour of the resolution.

### GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolution to be proposed at the EGM.

Yours faithfully,  
For and on behalf of the Board  
**China Seven Star Holdings Limited**  
**Ni Xinguang**  
*Chairman*



**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)**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of China Seven Star Holdings Limited (the “Company”) will be held at the Boardroom, Basement 2, the Wharney Guang Dong Hotel Hong Kong, 57–73 Lockhart Road, Wanchai, Hong Kong on 5 June 2015, Friday, immediately after the conclusion or adjournment of the annual general meeting of the Company to be held on the same day, to consider and, if thought fit, passing with or without modification the following resolution of the Company:

**ORDINARY RESOLUTION**

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, the additional shares of the Company (the “Shares”) to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 9 December 2013 (the “Share Option Scheme”), the refreshment of the general limit in respect of the grant of options to subscribe for Shares under the Share Option Scheme be and is hereby approved provided that:

- (a) the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution (the “Refreshed Limit”);
- (b) options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the Refreshed Limit;
- (c) the Directors be and are hereby unconditionally authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement; and

## NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) such increase in the Refreshed Limit shall in no event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company exceed 30% of the Shares in issue from time to time.”

By order of the Board  
**China Seven Star Holdings Limited**  
**Law Gerald Edwin**  
*Company Secretary*

Hong Kong, 6 May 2015

*Registered office:*  
Unit A02, 11/F  
Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the extraordinary general meeting convened by the above notice is entitled to appoint one or, if he holds two or more shares, more proxies to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the extraordinary general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the extraordinary general meeting or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders, seniority being determined by the order in which names stand in the register of members.
4. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the extraordinary general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at <http://www.sevenstar.hk> and on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

*As at the date of this notice, the members of the Board of the Company comprises (1) executive directors: Mr. Ni Xinguang and Ms. Chen Xiaoyan; (2) non-executive director: Mr. Tu Baogui and (3) independent non-executive directors: Mr. Ling Yu Zhang, Mr. Lu Wei and Mr. Wong Chak Keung.*