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CNC HOLDINGS LIMITED

中國新華電視控股有限公司

(incorporated in the Cayman Islands with limited liability)
(stock code: 8356)

PROFIT WARNING

This announcement is made by CNC Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provision (as defined under the Rules Governing the Listing of Securities on the Stock Exchange) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Company is currently finalizing the consolidated management accounts of the Group for the year ended 31 March 2013 (the “**Year**”). The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company that the Group is expected to record a narrowed loss as compared to last year. During the Year, the Group’s waterworks business is expected to remain profitable while the television broadcasting business is expected to generate advertising revenue following its commencement of operations last year. Nevertheless, the Group is still expected to record a loss for the Year which is primarily attributable to (i) the significant impairment loss on the Group’s available-for-sale financial assets; (ii) the amortisation of television broadcasting rights after completion of the acquisition of the entire issued share capital of Xinhua TV Asia-Pacific Operating Co., Limited (the “**Acquisition**”) in December 2011; and (iii) the incurrence of interest expenses on the convertible notes issued at completion of the Acquisition. All of the aforesaid losses are non-cash items and therefore the Group is expected to retain a positive operating cash flow before the changes in working capital for the Year.

The information contained in this announcement is based on the preliminary review of the unaudited consolidated management accounts of the Group for the Year by the management of the Company and is not based on any figures or information which has been audited or

reviewed by the Company's auditors. It is expected that the Company will publish its audited annual results for the Year on or before 30 June 2013.

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

By Order of the Board
CNC Holdings Limited
Zou Chen Dong
CEO and Executive Director

Hong Kong, 15 May 2013

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Mr. Wu Jin Cai

Dr. Lee Yuk Lun

Mr. Zou Chen Dong

Mr. Kan Kwok Cheung

Mr. Chia Thien Loong, Eric John

Non-executive Directors:

Mr. Li Yong Sheng

Ms. Liang Hui

Independent non-executive Directors:

Mr. Chan Hon Yuen

Mr. Chu Siu Lun, Ivan

Mr. Hau Chi Kit

Mr. Jin Hai Tao

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 remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least seven days from the date of its posting and the Company's website at <http://www.cncv.hk>.