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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 REGARDING ACCOUNTS RECEIVABLE
FROM AVIC CULTURE

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of CNC Holdings Limited (the “**Company**”) pursuant to Rules 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 provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcements of the Company dated 24 August 2012 and 15 October 2012 in relation to, among other things, the continuing connected transactions entered into between the Company and CNC HK in respect of the advertisement operation cooperation with AVIC Culture (the “**Announcements**”). Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

The Board wishes to inform the Shareholders and potential investors of the Company that the Company noted an article which appeared in the newspaper on 14 April 2014 in respect of the termination of the initial public offering application of AVIC Culture as announced by China Securities Regulatory Commission. As one of the usages of the funds from the initial public offering of AVIC Culture is to settle the remaining amount of advertising fee due to the Group, such funding will not be available after the termination of the initial public offering application of AVIC Culture. As at 31 March 2014, the accounts receivable from CNC HK in respect of advertisement operation cooperation with AVIC Culture amounted to approximately HK\$9.8 million which was still outstanding. In view of this, the Company will likely make a full provision, subject to agreement by the Company’s auditors, for doubtful debt for the aforesaid accounts receivable of approximately HK\$9.8 million which will reduce both the Company’s results and the Company’s asset value by the same amount for the year ended 31 March 2014. The Group will also reduce both the revenue from CNC HK in respect of advertisement operation cooperation with AVIC Culture and the profit of the Group for an estimated amount of approximately HK\$9.8 million per year in the subsequent years from 1 April 2014 till 25 August 2016.

The information contained in this announcement is only a preliminary assessment based on the information currently available to the Company, and save for the doubtful debts from CNC HK in respect of advertisement operation cooperation with AVIC Culture, which has not been reviewed or confirmed by the Company's audit committee and has not been reviewed or audited by the Company's auditors. The Company's final results announcement for the year ended 31 March 2014 is expected to be released on or before 11 June 2014.

The Company has negotiated with CNC HK and is planning to seek legal opinion on this matter. The Company may take appropriate actions in relation to this matter to protect the rights and interests of its Shareholders as a whole.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 15 April 2014

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 Kar Hin, Eric John

Non-executive Directors:

Mr. Li Yong Sheng

Ms. Liang Hui

Independent non-executive Directors:

Mr. Jin Hai Tao

Mr Wong Chung Yip, Kenneth

Mr. Hau Chi Kit

Mr. Chu Siu Lun, Ivan

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.cnctv.hk>.