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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 IMPAIRMENT LOSS ON
GOOLWILL AND TELEVISION BROADCASTING RIGHT**

This announcement is made by CNC Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 announcement of the Company dated 15 April 2014 in relation to the profit warning regarding accounts receivable from AVIC Culture (the “**Announcement**”). Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

The Company is currently finalising the unaudited consolidated management accounts of the Group for the year ended 31 March 2014 (the “**Year**”). The Board wishes to inform the shareholders of the Company that, in addition to the probable provision for doubtful debt for the accounts receivable from AVIC Culture as disclosed in the Announcement, the Group is expected to record a significant loss as compared to last year. During the Year, the Group’s waterworks business is expected to remain profitable while both the television broadcasting business and the large outdoor display screen advertisement business are expected to generate advertising revenue to the Group. Nevertheless, the Group is still expected to record a significant loss for the Year which is primarily attributable to (i) the impairment loss on goodwill related to the acquisition (the “**Acquisition**”) of the entire issued share capital of Xinhua TV Asia-Pacific Operating Co., Limited during the year ended 31 March 2012; and (ii) the impairment loss on the television broadcasting right acquired through the Acquisition.

The Company is expected to record impairment loss on goodwill and television broadcasting right in relation to the Acquisition in an aggregate amount of approximately HK\$420.5 million for the Year. Such impairment loss is primarily attributable to the fact that the television broadcasting business is still under development and has not yet brought in

satisfactory return to the Group for the Year. The Board would like to emphasize that the impairment loss on goodwill and intangible assets is a non-cash item and has no effect on the cash flow of the Group's operations.

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 reviewed or audited by the Company's auditors. The Company's final results announcement for the Year is expected to be released on or before 11 June 2014.

Shareholders of the Company and potential investors 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, 25 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>.