

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement has been prepared pursuant to, and in order to comply, with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Code on Share Repurchases, and does not constitute an offer to buy, or the solicitation of an offer to sell or subscribe for, any securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to buy, sell or subscribe for any securities.*



## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 326)

(Warrant Code: 1056)

### **ANNOUNCEMENT PURSUANT TO RULE 3.8 OF THE HONG KONG CODE ON TAKEOVERS AND MERGERS**

#### **UPDATE OF NUMBER OF RELEVANT SECURITIES IN ISSUE**

This announcement is made pursuant to Rule 3.8 of the Takeovers Code.

References are made to the circular of China Star Entertainment Limited (the “**Company**”) dated 28 September 2012 (the “**Circular**”) in relation to, inter alia, (i) the proposed conditional cash offer by Get Nice Securities Limited on behalf of the Company to repurchase up to 887,901,665 issued ordinary shares of the Company at a price of HK\$0.35 per share; (ii) the application for whitewash waiver; (iii) the possible bonus issue and issue of bonus convertible bonds to fulfill the minimum public float requirement; and (iv) the proposed amendments to the Company’s bye-laws; and the announcement of the Company dated 25 October 2012 (the “**SGM Results Announcement**”) in relation to the poll results of the special general meeting of the Company held on 25 October 2012 and the proposed conditional cash offer becoming unconditional. Capitalised terms used herein have the same meanings as those defined in the Circular unless otherwise specified.

On 5 November 2012, 376,132,205 Shares, representing approximately 22.48% of the issued share capital of the Company of 1,673,453,360 Shares as at the date of this announcement, were repurchased and cancelled by the Company under the Offer. The total consideration payable by the Company for the 376,132,205 Shares is approximately HK\$131,646,272.

Immediately after the cancellation of the 376,132,205 Shares today under the Offer, the total number of Shares in issue decreased from 2,049,585,565 Shares as at the date of the SGM Results Announcement to 1,673,453,360 Shares as at the date of this announcement.

As at the date of this announcement, there are

- (i) 1,673,453,360 Shares in issue, of which 1,174,679,702 Shares are held by the Concert Group and the remaining 498,773,658 Shares are held by the Independent Shareholders;
- (ii) 2,976,198 Share Options, of which 270,262 Share Options are held by the Concert Group, 10,558 Share Options are held by a Director, 2,229,487 Share Options are held by employees of the Company and the remaining 465,891 Share Options are held by other participants of the share options scheme of the Company, entitling the holders thereof to subscribe for an aggregate of 2,976,198 new Shares;
- (iii) the Warrants II in an aggregate principal amount of HK\$56,127,140.71, of which HK\$53,999,975.00 are held by the Concert Group and the remaining HK\$2,127,165.71 are held by other holders of the Warrants II, entitling the holders thereof to subscribe for an aggregate of 271,145,607 new Shares; and
- (iv) the Issued CBs in an aggregate principal amount of HK\$350.00 million, carrying rights entitling Eternity Finance to convert their principal amount into 972,222,222 new Shares.

Save as disclosed in the Circular and immediately above, there is no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

The table below shows the shareholding structure of the Company (i) as at the date of the SGM Results Announcement; (ii) as at the date of this announcement; and (iii) assuming all of the Share Options and the Warrants II (except for those held by the Undertaking Parties) are exercised in full and all Shareholders (except for the Undertaking Parties) accept the Offer in full on the closing of the Offer:

	As at the date of the SGM Results Announcement		As at the date of this announcement (Note 1)		Assuming all of the Share Options and the Warrants II (except for those held by the Undertaking Parties) are exercised in full and all Shareholders (except for the Undertaking Parties) accept the Offer in full on the closing of the Offer (Note 2)	
	Shares	Approx.%	Shares	Approx.%	Shares	Approx.%
<b>The Concert Group</b>						
Heung Wah Keung Family						
Endowment Limited	898,686,000	43.85	898,686,000	53.70	898,686,000	76.50
Mr. Lei Hong Wai	7,980,000	0.39	7,980,000	0.48	7,980,000	0.68
Simple View Investment Limited	200,000,000	9.76	200,000,000	11.95	200,000,000	17.03
Victory Peace Holdings Limited	68,000,000	3.31	68,000,000	4.06	68,000,000	5.79
Dorest Company Limited	13,702	0.00	13,702	0.00	0	0.00
<b>Sub-total</b>	<b>1,174,679,702</b>	<b>57.31</b>	<b>1,174,679,702</b>	<b>70.19</b>	<b>1,174,666,000</b>	<b>100.00</b>
<b>Public Shareholders</b>	<b>874,905,863</b>	<b>42.69</b>	<b>498,773,658</b>	<b>29.81</b>	<b>0</b>	<b>0.00</b>
<b>Total</b>	<b>2,049,585,565</b>	<b>100.00</b>	<b>1,673,453,360</b>	<b>100.00</b>	<b>1,174,666,000</b>	<b>100.00</b>

Notes:

1. On 5 November 2012, 376,132,205 Shares were repurchased and cancelled by the Company under the Offer at the Offer Price of HK\$0.35 per Share.
2. For illustration purpose only. Pursuant to Note 1 to Rule 8.08(1)(b) of the Listing Rules, if the percentage of Shares held by the public falls below the prescribed minimum (being 25% of the total issued share capital of the Company), the Stock Exchange reserves the right to suspend trading of the Shares until appropriate steps have been taken to restore the minimum percentage of Shares in the hands of the public. Detailed information relating to the public float has been disclosed in the SGM Results Announcement.

The Concert Group and parties acting in concert with any of them had not dealt in any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the date of this announcement.

## **WARNING**

**Shareholders should note that their voting decision on the resolutions proposed at the SGM shall not affect their investment decision as to whether to accept the Offer or not. Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Advisers contained in the Circular before deciding whether to accept the Offer or not. If the Shareholders are in any doubt as to any aspect of the Offer or the Whitewash Waiver or as to the action to take, they should seek independent professional advice.**

**Until the closing of the Offer, it is not possible for the Company to determine whether the Possible Bonus Issue is a sole feasible solution or a feasible solution to restore the minimum public float of the Company, and thus whether the Possible Bonus Issue will be made or (if made) what the ratio of the Possible Bonus Issue and when the record date for determining entitlements to the Possible Bonus Issue should be. Shareholders and holders of the Warrants II and potential investors are advised to exercise caution when dealing in the Shares.**

**Dealings in the Shares and the Warrants II will continue before the close of the Offer. Shareholders and holders of the Warrants II are advised to exercise caution when dealings in the Shares and the Warrants II and should consult their professional advisers if in doubt.**

By Order of the Board  
**China Star Entertainment Limited**  
**Heung Wah Keung**  
*Chairman*

Hong Kong, 5 November 2012

*As at the date of this announcement, the executive Directors are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; and the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, 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.*

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the day of its publication and will be published and remains on the website of the Company at [www.chinastar.com.hk](http://www.chinastar.com.hk) and [www.irasia.com/listco/hk/chinastar](http://www.irasia.com/listco/hk/chinastar).*