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## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 326)**

### **INSIDE INFORMATION**

This announcement is made by China Star Entertainment Limited (the “**Company**”) pursuant to Rule 13.09(2)(b) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and 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 21 January 2014 in relation to, among other things, the possible acquisition (the “**Possible Acquisition I**”) of equity or beneficial interests in a company (the “**Target Company**”) which will be entitled to the entirety of the net profit deriving from VIP gaming promotion operations in Macau.

The board (the “**Board**”) of directors (each a “**Director**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, subject to further due diligence to be conducted, it is expected that the financial results of the relevant VIP gaming promotion operation vehicle will be consolidated into the Target Company through contractual arrangements. In addition, the Company has been informed by the potential vendor (the “**Potential Vendor**”) under the Possible Acquisition I that in order to facilitate the Possible Acquisition I (if materialises), the Potential Vendor has, on 27 January 2014, entered into the contractual arrangements between the Target Company and the VIP gaming promoter for facilitating the transactions to be consummated under the Possible Acquisition I. The VIP gaming promoter is currently conducting his VIP gaming promotion business in Casino Lan Kwai Fong.

In addition, the Company is also currently in preliminary negotiation with an independent third party in relation to the possible acquisition (the “**Possible Acquisition II**”) of the entire issued share capital of a company, the major asset of which is its certain indirect interest in a 20-storey commercial building located in Chaoyangmenwai Dajie (朝陽門外大街), Beijing, The People’s Republic of China.

The Board confirms that as at the date of this announcement, no agreement has been entered into by the Company regarding the Possible Acquisition I or the Possible Acquisition II. The terms of the Possible Acquisition I and the Possible Acquisition II including the amount of consideration are subject to further negotiations between the Company and the relevant parties respectively.

The Board also wishes to inform the Shareholders and potential investors that in the event the Possible Acquisition I and/or the Possible Acquisition II materialises, it may constitute a notifiable transaction of the Company under the Listing Rules, but there is no assurance that a deal may be concluded nor when an agreement may be signed or would be signed at all. The Company will make further announcement as and when appropriate pursuant to the requirements under the Listing Rules.

The Possible Acquisition I and/or the Possible Acquisition II may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the order of the Board. The Directors collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 27 January 2014

*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.*