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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

COMPLETION OF THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



The Board is pleased to announce that the conditions as set out in the Placing Agreement have been fulfilled and completion of the Placing took place on 28 October 2016.

150,600,000 Placing Shares were placed to not less than six Places at the Placing Price of HK\$0.53 per Placing Share.

Reference is made to the announcement of the Company dated 18 October 2016 (the “**Announcement**”) in relation to the placing of 150,600,000 new shares of the Company under general mandate. Unless the context otherwise requires, capitalised terms used in this announcement shall have same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that the conditions as set out in the Placing Agreement have been fulfilled and completion of the Placing took place on 28 October 2016.

150,600,000 Placing Shares under the Placing representing (i) approximately 20.00% of the issued share capital of the Company of 753,103,493 Shares as at the date of the Announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 903,703,493 Shares as enlarged by the Placing Shares, were placed to not less than six Placees at the Placing Price of HK\$0.53 per Placing Share.

All the Placees and their ultimate beneficial owners are not connected persons of the Company and are third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates and none of them has become a substantial Shareholder (within the meaning of the Listing Rules) immediately after the completion of the Placing.

The gross proceeds from the Placing are approximately HK\$79.82 million and the net proceeds from the Placing are approximately HK\$77.64 million. The Company intends to use the net proceeds from the Placing for film production.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The effect on the shareholding structure of the Company immediately before completion of the Placing and upon completion of the Placing is set out as below:

Shareholders	Immediately before completion of the Placing		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % ⁽⁴⁾</i>	<i>Number of Shares</i>	<i>Approximate % ⁽⁴⁾</i>
Heung Wah Keung Family Endowment Limited ⁽¹⁾	186,446,502	24.76	186,446,502	20.63
Dorest Company Limited ⁽²⁾	1,644	0.00	1,644	0.00
Placees ⁽³⁾	–	–	150,600,000	16.67
Other public Shareholders	566,655,347	75.24	566,655,347	62.70
Total	<u>753,103,493</u>	<u>100.00</u>	<u>903,703,493</u>	<u>100.00</u>

Notes:

1. Heung Wah Keung Family Endowment Limited is owned as to 50% by Mr. Heung Wah Keung, the Chairman and an executive director of the Company (“**Mr. Heung**”), and as to 50% by Ms. Chen Ming Yin, Tiffany, the Vice-Chairman and an executive director of the Company (“**Ms. Chen**”).
2. Dorest Company Limited is beneficially owned as to 40% by Mr. Heung and as to 60% by Ms. Chen.

3. Pursuant to the Placing Agreement, none of the Placees will become a substantial Shareholder as a result of the Placing.
4. The percentage figures are rounded to two decimal places.

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

Hong Kong, 28 October 2016

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; the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.