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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

DESPATCH OF CIRCULAR IN RELATION TO
(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES
FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE;
(II) APPLICATION FOR WHITEWASH WAIVER;
AND
(III) NOTICE OF SPECIAL GENERAL MEETING

References are made to (i) the announcement of China Star Entertainment Limited (the “**Company**”) dated 19 April 2018 in relation to, among other things, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; and (ii) the announcements of the Company dated 10 May 2018 and 31 May 2018 in relation to the delay in despatch of the circular and the revised expected timetable in relation to the proposed Rights Issue; and (iii) the circular of the Company dated 7 June 2018 in relation to, among other things, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver (the “**Circular**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Circular.

DESPATCH OF CIRCULAR

The Board is pleased to announce that the Circular containing, among other things, (i) further details of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; and (iv) a notice of the SGM, has been despatched by the Company to the Shareholders on 7 June 2018.

Shareholders are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser before deciding how to vote on the resolution to be proposed at the SGM.

The SGM will be convened and held at Macau Jockey Club, 3/F, East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 28 June 2018 at 4:15 p.m..

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional, inter alia, upon the fulfilment of the conditions set out under the paragraph headed “Conditions of the Rights Issue” under the section headed “The Underwriting Agreement” of the “Letter from the Board” in the Circular. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
CHINA STAR ENTERTAINMENT LIMITED
Heung Wah Keung
Chairman

Hong Kong, 7 June 2018

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.

The Directors jointly and severally accept full responsibility for accuracy of the information contained 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.