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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

SECOND DEED OF VARIATION IN RELATION TO THE LOAN AGREEMENT

This announcement is made by China Star Entertainment Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s circular dated 10 March 2017 (the “**Circular**”). Unless otherwise stated, definitions used in the Circular shall have the same meanings when used in this announcement.

The Board announces that on 28 January 2022 (after trading hours), Best Combo (the “**Lender**”) and Ms. Chen (the “**Borrower**”) entered into the second deed of variation in relation to the Loan Agreement (the “**Second Deed of Variation**”) pursuant to which the parties agreed to (i) extend the final repayment date of the Loan (the “**Final Repayment Date**”) from the date falling on the expiry of 60 months from the date of drawdown of the Loan (“**Drawdown Date**”), being 5 April 2022, to the date falling on the expiry of 69 months from the Drawdown Date, i.e., 5 January 2023; and (ii) extend the exercisable period of the Call Option (the “**Exercisable Period**”) from any time within the date falling on the expiry of 60 months from the Drawdown Date, being 5 April 2022, to any time within the date falling on the expiry of 69 months from the Drawdown Date, i.e., 5 January 2023. The terms of the Second Deed of Variation were arrived at between the parties after arm’s length negotiation.

As at the date of this announcement, the original Final Repayment Date and the original Exercisable Period is due to expire. As the Company is still in discussions with the DSSOPT regarding the future development of the Property and no approval has obtained under the Land Grant up to the date of this announcement, the Board required more time to discuss the future development of the Property with DSSOPT and considers that it is in the interest of the Company to retain the right to exercise the Call Option to acquire an additional 25% interest in the Property through the acquisition of the Call Option Shares, and as such, the Lender and the Borrower agreed to extend the Exercisable Period and correspondingly the Final Repayment Date.

The Directors consider that the terms of the Second Deed of Variation are fair, reasonable and beneficial to the Company and are in the interests of the Company and its shareholders as a whole.

Save as disclosed herein, all other terms and conditions of the Loan Agreement remain unchanged.

The Company will comply with the applicable requirements under the Listing Rules when the Call Option is exercised.

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

Hong Kong, 28 January 2022

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