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## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 326)**

**(I) RESULT OF THE OPEN OFFER ON THE BASIS OF 2 OFFER SHARES FOR EVERY 5 SHARES HELD ON THE RECORD DATE AT HK\$0.125 PER OFFER SHARE**

**(II) RESULT OF THE NEW BONUS CBs SUBSCRIPTION ON THE BASIS OF 2 NEW BONUS CBs FOR EVERY 5 EXISTING BONUS CBs HELD ON THE NEW BONUS CBs SUBSCRIPTION RECORD DATE AT HK\$0.125 PER NEW BONUS CB;**

**AND**

**(III) ADJUSTMENTS OF THE EXERCISE PRICES AND NUMBER OF OPTIONS AND THE CONVERSION PRICE OF 8% CBs**

**(I) RESULT OF THE OPEN OFFER ON THE BASIS OF 2 OFFER SHARES FOR EVERY 5 SHARES HELD ON THE RECORD DATE AT HK\$0.125 PER OFFER SHARE**

The Board announces that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. Accordingly, the Open Offer has become unconditional at 4:00 p.m. on Monday, 20 January 2014.

As at 4:00 p.m. on Wednesday, 15 January 2014, being the latest time for acceptance of and payment for the Offer Shares, a total of 37 valid acceptances in respect of 1,380,851,168 Offer Shares provisionally allotted to the Qualifying Shareholders under the Open Offer have been received, representing approximately 52.57% of the total number of the 2,626,923,658 Offer Shares available for subscription under the Open Offer.

HWKFE has successfully subscribed for 1,331,760,735 Offer Shares under its entitlement pursuant to the HWKFE Undertaking.

Based on the results of the Open Offer, the Open Offer was under-subscribed by 1,246,072,490 Offer Shares. In accordance with the Underwriting Agreement as supplemented by the Supplemental Underwriting Agreement, the sub-underwriters, who are Independent Third Parties, procured by the Underwriter have subscribed for all the 1,246,072,490 Untaken Shares, representing approximately 13.55% of the issued share capital of the Company as enlarged by the 2,626,923,658 Offer Shares (assuming none of the Bonus CBs and New Bonus CBs are converted upon completion of the Open Offer).

**(II) RESULT OF THE NEW BONUS CBs SUBSCRIPTION ON THE BASIS OF 2 NEW BONUS CBs FOR EVERY 5 EXISTING BONUS CBs HELD ON THE NEW BONUS CBs SUBSCRIPTION RECORD DATE AT HK\$0.125 PER NEW BONUS CB**

The Board announces that all of the conditions of the New Bonus CBs Subscription have been fulfilled in accordance with the conditions set out in the Circular. Accordingly, the New Bonus CBs Subscription has become unconditional at 4:00 p.m. on Monday, 20 January 2014.

As at 4:00 p.m. on Wednesday, 15 January 2014, being the latest time for returning the Subscription Form and payment for the New Bonus CBs, a total of 1 valid subscriptions in respect of 7,540,521 units of New Bonus CBs offered by the Company under the New Bonus CBs Subscription have been received. According to the register of Bonus CBs Holders of the Company, 7,540,521 units of New Bonus CBs were subscribed by Mr. Lei.

Based on the results of the New Bonus CBs Subscription as set out above, 7,540,521 units of the New Bonus CBs will be issued by the Company to Mr. Lei by the Company under the New Deed Poll.

Immediately after the completion of the issue of the New Bonus CBs, the Company has outstanding Bonus CBs in the aggregate principal amount of HK\$265,079.61 convertible into 26,507,961 new Shares at an initial conversion price of HK\$0.01 per Share.

**(III) ADJUSTMENTS OF THE EXERCISE PRICES AND NUMBER OF OPTIONS AND THE CONVERSION PRICE OF THE 8% CBs**

As a result of the Open Offer and the New Bonus CBs Subscription, adjustments to the exercise prices and number of the Options are required to be made pursuant to the relevant rules of the Share Option Schemes and in compliance with the requirements set out in Rule 17.03(13) of the Listing Rules and the Supplemental Guidance and no adjustment to the conversion price of the 8% CBs is required to be made pursuant to the relevant terms under the deed poll constituting the 8% CBs. The adjusted exercise prices and the number of Options are disclosed in this announcement.

References are made to the prospectus of China Star Entertainment Limited (the “**Company**”) dated 31 December 2013 (the “**Prospectus**”) in connection with the Open Offer and the circular of the Company dated 2 December 2013 (the “**Circular**”) in connection with the proposed issue of the New Bonus CBs. All capitalised terms used herein shall, unless otherwise defined, have the same meanings as those defined in the Prospectus and the Circular.

**(I) RESULT OF THE OPEN OFFER ON THE BASIS OF 2 OFFER SHARES FOR EVERY 5 SHARES HELD ON THE RECORD DATE AT HK\$0.125 PER OFFER SHARE**

The Board announces that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. Accordingly, the Open Offer has become unconditional at 4:00 p.m. on Monday, 20 January 2014.

As at 4:00 p.m. on Wednesday, 15 January 2014, being the latest time for acceptance of and payment for the Offer Shares, a total of 37 valid acceptances in respect of 1,380,851,168 Offer Shares provisionally allotted to the Qualifying Shareholders under the Open Offer have been received, representing approximately 52.57% of the total number of the 2,626,923,658 Offer Shares available for subscription under the Open Offer.

HWKFE has successfully subscribed for 1,331,760,735 Offer Shares under its entitlement pursuant to the HWKFE Undertaking.

Based on the results of the Open Offer as set out above, the Open Offer was under-subscribed by 1,246,072,490 Offer Shares (the “**Untaken Shares**”). In accordance with the Underwriting Agreement as supplemented by the Supplemental Underwriting Agreement, the sub-underwriters, who are Independent Third Parties, procured by the Underwriter have subscribed for all the 1,246,072,490 Untaken Shares, representing approximately 13.55% of the issued share capital of the Company as enlarged by the 2,626,923,658 Offer Shares (assuming none of

the Bonus CBs and New Bonus CBs are converted upon completion of the Open Offer). Accordingly, none of the Underwriter together with its parties acting in concert nor any of the placees and/or sub-underwriters and their respective parties acting in concert shall in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

**(II) RESULT OF THE NEW BONUS CBs SUBSCRIPTION ON THE BASIS OF 2 NEW BONUS CBs FOR EVERY 5 EXISTING BONUS CBs HELD ON THE NEW BONUS CBs SUBSCRIPTION RECORD DATE AT HK\$0.125 PER NEW BONUS CB**

The Board announces that all of the conditions of the New Bonus CBs Subscription have been fulfilled in accordance with the conditions set out in the Circular. Accordingly, the New Bonus CBs Subscription has become unconditional at 4:00 p.m. on Monday, 20 January 2014.

As at 4:00 p.m. on Wednesday, 15 January 2014, being the latest time for returning the Subscription Form and payment for the New Bonus CBs, a total of 1 valid subscription in respect of 7,540,521 units of New Bonus CBs offered by the Company under the New Bonus CBs Subscription have been received. According to the register of Bonus CBs Holders of the Company, 7,540,521 units of New Bonus CBs were subscribed by Mr. Lei Hong Wai (“Mr. Lei”, an employee of the Company, the chairman of the board of directors of Eternity, an executive director of Eternity and a substantial shareholder (as defined under the Listing Rules) of Eternity).

Based on the results of the New Bonus CBs Subscription as set out above, 7,540,521 units of the New Bonus CBs will be issued by the Company to Mr. Lei by the Company under the New Deed Poll.

Immediately after the completion of the issue of the New Bonus CBs, the Company has outstanding Bonus CBs in the aggregate principal amount of HK\$265,079.61 convertible into 26,507,961 new Shares at an initial conversion price of HK\$0.01 per Share.

**Despatch of certificates for the Offer Shares and the New Bonus CBs**

Share certificates for the fully-paid Offer Shares and bond certificates for the New Bonus CBs will be posted on or before Wednesday, 22 January 2014 to the Qualifying Shareholders’ registered addresses shown on the register of members of the Company and the Bonus CBs Holder’s respective addresses shown on the register of Bonus CBs Holders of the Company entitled thereto by ordinary post at their own risk.

Dealings in the fully-paid Offer Shares are expected to commence on the Stock Exchange at 9:00 am on Thursday, 23 January 2014.

## Shareholding structure of the Company

Set out below is the shareholding structure of the Company immediately before the completion of the Open Offer and the New Bonus CBs Subscription and upon completion of the Open Offer and the New Bonus CBs Subscription, (a) assuming none of the Bonus CBs and New Bonus CBs are converted; and (b) assuming all the Bonus CBs and New Bonus CBs are converted in full:

	Immediately before completion of the Open Offer and the New Bonus CBs Subscription		Upon completion of the Open Offer and the New Bonus CBs Subscription			
	<i>No. of Shares</i>	<i>Approx %</i>	Assuming none of the Bonus CBs and New Bonus CBs are converted		Assuming all the Bonus CBs and New Bonus CBs are converted in full	
	<i>No. of Shares</i>	<i>Approx %</i>	<i>No. of Shares</i>	<i>Approx %</i>	<i>No. of Shares</i>	<i>Approx %</i>
HWKFE ( <i>Note 1</i> )	3,329,401,839	50.70	4,661,162,574	50.70	4,661,162,574	50.55
Dorest Company Limited ( <i>Note 2</i> )	41,106	0.00	41,106	0.00	41,106	0.00
<b>Public</b>						
Mr. Lei	9,425,652	0.14	13,195,912	0.14	39,587,737	0.43
Other public Shareholders	3,228,440,521	49.16	3,273,760,694	35.61	3,273,876,830	35.51
The Underwriter ( <i>Note 3</i> )	27	0.00	27	0.00	27	0.00
Sub-underwriters procured by the Underwriter ( <i>Note 3</i> )	–	–	1,246,072,490	13.55	1,246,072,490	13.51
<b>Total</b>	<b>6,567,309,145</b>	<b>100.00</b>	<b>9,194,232,803</b>	<b>100.00</b>	<b>9,220,740,764</b>	<b>100.00</b>

### Notes:

1. HWKFE is owned as to 50% by Mr. Heung and as to 50% by Ms. Chen.
2. Dorest Company Limited is beneficially owned as to 60% by Ms. Chen and as to 40% by Mr. Heung. The Shares held by Dorest Company Limited are under a charging order.
3. None of the Underwriter together with its parties acting in concert nor any of the places and/or sub-underwriters and their respective parties acting in concert shall in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

### (III) ADJUSTMENTS OF THE EXERCISE PRICES AND NUMBER OF OPTIONS AND THE CONVERSION PRICE OF THE 8% CBs

As a result of the Open Offer and the New Bonus CBs Subscription, adjustments to the exercise prices and number of the Options are required to be made pursuant to the relevant rules of Share Option Schemes and in compliance with the requirements set out in Rule 17.03(13) of the Listing Rules and the supplementary guidance set out by the Stock Exchange dated 5 September 2005 (the “**Supplemental Guidance**”) and no adjustment to the conversion price of the 8% CBs is required to be made pursuant to the relevant terms under the deed poll constituting the 8% CBs.

#### Options

Pursuant to the relevant rules of the Share Option Schemes, the exercise prices and the number of Options were adjusted in the manner as disclosed herein with effect from the day next following the Record Date as follow:

Exercisable Period	Existing exercise price per Share <i>HK\$</i>	Existing number of Options	Adjusted exercise price per Share <i>HK\$</i>	Adjusted number of Options
13 December 2004 to 12 December 2014	37.509	247,041	38.441	241,052
04 February 2005 to 03 February 2015	38.829	411,948	39.794	401,961
30 December 2005 to 29 December 2015	17.454	263,607	17.888	257,217
21 November 2006 to 20 November 2016	19.981	291,129	20.477	284,071
25 May 2007 to 24 May 2017	30.310	725,883	31.063	708,286
27 June 2007 to 26 June 2017	30.158	342,282	30.907	333,984
23 October 2007 to 22 October 2017	14.326	1,439,163	14.682	1,404,274
21 August 2008 to 20 August 2018	1.848	5,040,045	1.894	4,917,862
14 January 2013 to 13 January 2016	0.163	203,000,000	0.167	198,078,788

#### 8% CBs

Pursuant to the terms and conditions of the instrument issued by the Company on 7 July 2011, the conversion price of the 8% CBs was not required to be adjusted and the conversion price remained the same at HK\$0.11 per Share.

Save for the adjustments to the exercise prices and number of Options as set out above, the terms and conditions of the Options and the 8% CBs remain unchanged and there is no alteration to the rights of the holders of the Options and the 8% CBs as a result of the Open Offer and the New Bonus CBs Subscription.

The Company's auditors have reviewed and issued a report dated 20 January 2014 to certify the above adjustments with respect to the exercise prices and number of the Options to be issued upon exercise of the Options are in accordance with the requirements of Rule 17.03(13) of the Listing Rules and the Supplemental Guidance and the conversion price of the 8% CBs is in accordance with the relevant terms under the deed poll constituting the 8% CBs.

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

Hong Kong, 20 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.*