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## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 326)**

- (1) FURTHER DELAY IN DESPATCH OF CIRCULAR IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN PROTECTIVE CAPITAL GROUP LIMITED AND THE SHAREHOLDER'S LOAN DUE BY EIGHT ELEMENTS ENTERTAINMENT LIMITED;**  
**(2) EXTENSION OF LONG STOP DATE OF THE AGREEMENT;**  
**AND**  
**(3) DELAY IN DESPATCH OF CIRCULAR IN RELATION TO THE ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND CONNECTED TRANSACTION RELATING TO PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

This announcement is made pursuant to Rule 14.36A and Rule 14A.47 of the Listing Rules.

**(1) Further delay in despatch of the First Circular**

As additional time is required for the preparation of the audited financial information of the Target Group and relevant financial information of the enlarged Group as required under the Listing Rules for inclusion in the First Circular, the despatch date of the First Circular will be further postponed to a date falling on or before 31 October 2014.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules.

**(2) Extension of Long Stop Date of the Agreement**

As additional time is required for the fulfillment of the conditions precedent of the Agreement, after arm's length negotiations, the Purchaser and the Vendor entered into a Supplemental Agreement on 22 August 2014 to extend the long stop date of the Agreement from 31 August 2014 to 28 February 2015. Save for the above, all other terms and conditions of the Agreement shall remain unchanged and continue in full force and effect.

**(3) Delay in despatch of the Second Circular**

As additional time is required to finalise the contents of the Second Circular, the despatch date of the Second Circular will be further postponed to a date falling on or before 12 September 2014.

This announcement is made pursuant to Rule 14.36A and Rule 14A.47 of the Listing Rules.

Reference is made to the announcement of China Star Entertainment Limited (the "**Company**") dated 25 February 2014 ("**First Announcement**") in respect of the acquisition of the entire equity interest in Protective Capital Group Limited and the shareholder's loan due by Eight Elements Entertainment Limited and respective announcements of the Company dated 30 April 2014 and 23 June 2014 ("**Delay Announcements**") in respect of the delays in despatch of the circular in respect of the above ("**First Circular**"). Reference is also made to the announcement of the Company dated 8 July 2014 (the "**Second Announcement**") in relation to, among other things, the issue of new shares of the Company under specific mandate and the proposed issue of the unsecured zero-coupon convertible bonds up to an aggregate principal amount of HK\$405.00 million to Mr. Mung Kin Keung, a Co-Chairman and executive director of the Company. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the First Announcement and the Second Announcement.

**(1) Further delay in despatch of the First Circular**

As disclosed in the First Announcement and the Delay Announcements, the First Circular containing, among other things, further details of the Acquisition will be despatched to the Shareholders on or before 22 August 2014. As additional time is required for the preparation of the audited financial information of the Target Group and relevant financial information of the enlarged Group as required under the Listing Rules for inclusion in the First Circular, the despatch date of the First Circular will be further postponed to a date falling on or before 31 October 2014.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules.

**(2) Extension of Long Stop Date of the Agreement**

As additional time is required for the fulfillment of the conditions precedent of the Agreement, after arm's length negotiations, the Purchaser and the Vendor entered into a supplemental agreement to the Agreement for the Acquisition on 22 August 2014 ("**Supplemental Agreement**") to extend the long stop date of the Agreement from 31 August 2014 to 28 February 2015. Save for the above, all other terms and conditions of the Agreement shall remain unchanged and continue in full force and effect.

The Board considers that the entering into of the Supplemental Agreement is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

**(3) Delay in despatch of the Second Circular**

As disclosed in the Second Announcement, a circular, containing, among other things, (i) further information on the Share Subscription and the CB Subscription; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the CB Subscription Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the CB Subscription; and (iv) a notice convening the SGM and a form of proxy are expected to be despatched to the Shareholders on or before 22 August 2014 (the "**Second Circular**"). As additional time is required to finalise the contents of the Second Circular, the despatch date of the Second Circular will be postponed to a date falling on or before 12 September 2014.

By Order of the Board  
**China Star Entertainment Limited**  
**Heung Wah Keung**      **Mung Kin Keung**  
*Co-Chairman*              *Co-Chairman*

Hong Kong, 22 August 2014

*As at the date of this announcement, the executive Directors are Mr. Heung Wah Keung, Mr. Mung Kin 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.*