

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

DISCLOSEABLE TRANSACTION IN RESPECT OF PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that, on 10 June 2015 (after trading hours), the Loan Agreement was entered into between Classic Champion as lender and the Borrower. Pursuant to the Loan Agreement, Classic Champion has conditionally agreed to grant the Borrower the Loan of HK\$275.00 million for a term of 24 months from the date of the first drawing.

The principal terms and conditions of the Loan Agreement are set out in the paragraph headed “The Loan Agreement” in this announcement.

LISTING RULES IMPLICATIONS

As three of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Loan are more than 5% but less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that, on 10 June 2015 (after trading hours), the Loan Agreement was entered into between Classic Champion as lender and the Borrower. Pursuant to the Loan Agreement, Classic Champion has conditionally agreed to grant the Borrower the Loan of HK\$275.00 million for a term of 24 months from the date of the first drawing.

The Loan Agreement

The principal terms and conditions of the Loan Agreement are summarised as follows:

- Date : 10 June 2015
- Lender : Classic Champion
- Borrower : an individual
- Principal amount of the Loan : HK\$275.00 million at any time during the availability period
- Interest rate : 12% per annum, payable semi-annually in arrears
- Availability period : 30 days (or such other number of days as Classic Champion and the Borrower may agree in writing) commencing from the date on which the Loan Agreement becoming unconditional.
- Repayment date : The date falling 24 months from the date of the first drawing.
- Repayment : the Borrower shall repay the Loan in full in one lump sum together with all outstanding interest accrued thereon on the repayment date.
- Prepayment : the Borrower may at any time during the term of the Loan prepay the Loan in full together with the accrued interest by giving not less than ten business days' prior written notice to Classic Champion before the repayment date.
- Conditions precedent : The obligation of Classic Champion to make the Loan to the Borrower is conditional upon:
- (a) the publication of an announcement of the Company in relation to the Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (b) all representations and warranties made by the Borrower in the Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of the date of drawdown with reference to the facts and circumstances then subsisting;

- (c) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the Loan being made); and
- (d) Classic Champion having received and found satisfactory such additional information and documents relating to the Borrower of the Loan Agreement as Classic Champion may reasonably require.

Long stop date : 30 June 2015 (or such later date as the Borrower and Classic Champion may agree in writing).

Funding of the Loan

The Loan will be financed by the internal resources of the Group.

Information on the Borrower

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is an Independent Third Party.

Information on the Group

The Company is an investment holding company and the Group is principally engaged in film production, distribution of film and television drama series, sales of Chinese health products, investing in operations which receive profit streams from the gaming promotion business, property and hotel investment, food and beverage operations and property development.

Reasons for and benefits of the Loan Agreement

The Board considers that the grant of the Loan under the Loan Agreement can provide the Company with stable interest income during its terms. Having taken into account to the terms and conditions of the Loan Agreement, the Board considers the terms of the Loan Agreement (including the interest rate) are fair and reasonable and the grant of the Loan is in the interests of the Company and the Shareholders as a whole.

Listing Rules Implications

As three of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Loan are more than 5% but less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement of the Listing Rules.

DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Borrower”	an individual and an Independent Third Party
“Company”	China Star Entertainment Limited, an exempted company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“Classic Champion”	Classic Champion Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the unsecured loan in the principal sum of HK\$275.00 million under the Loan Agreement
“Loan Agreement”	the conditional loan agreement dated 10 June 2015 and entered into between Classic Champion as lender and the Borrower relating to the grant of the Loan

“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“%”	per cent.

By Order of the Board
China Star Entertainment Limited
Li Yuk Sheung
Executive Director

Hong Kong, 10 June 2015

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.