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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

COMPLETION OF VERY SUBSTANTIAL DISPOSAL: SALE AND PURCHASE AGREEMENT REGARDING THE TARGET GROUP

Reference is made to the announcements of China Star Entertainment Limited (the “**Company**”) dated 16 October 2017, 17 November 2017 and 11 December 2017 respectively (collectively, the “**Announcements**”) and the circular of the Company dated 21 November 2017 (the “**Circular**”), in relation to (among others) the disposal of the Sale Shares and Shareholder Loans of the Target Group. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as defined in the Announcements and the Circular.

The Board is pleased to announce that the Completion took place on 3 January 2018. Pursuant to the SP Agreement, the Buyer has nominated a corporate entity, Golden Dragon Entertainment Holdings Limited (the “**Buyer’s Nominee**”), to take up the Sale Shares and the Shareholder Loans at Completion. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Buyer’s Nominee and its ultimate beneficial owners are Independent Third Parties. Following Completion, the Target Group ceased to be the subsidiaries of the Company. Accordingly, the assets, liabilities and financial results of the Target Group will cease to be consolidated into the consolidated financial statements of the Remaining Group.

The remaining balance of the Sale Price in the amount of HK\$1,800 million has been fully paid in cash by the Buyer’s Nominee to the Seller. The Completion Accounts, and hence the amount of the actual working capital are pending finalisation. The Company will publish an announcement disclosing the actual working capital and amount to be paid/received by the Seller when they are determined.

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

Hong Kong, 3 January 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.