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CHINA STAR INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

DISCLOSEABLE TRANSACTION

FORMATION OF THE JV COMPANY

THE JV AGREEMENT

On 24 June 2010 (after trading hours of the Stock Exchange), Max Winner and the JV Partner entered into the JV Agreement relating to the formation of the JV Company, which is engaged in organic agricultural business in the PRC.

The JV Company is owned as to 50% by Max Winner and as to 50% by the JV Partner. The total capital contribution of the JV Company is HK\$60 million. Each of Max Winner and the JV Partner shall contribute HK\$30 million in cash. Max Winner and the JV Partner will make their capital contributions to the JV Company according with the terms as set out in the “Shareholding of the JV Company and capital contribution” below.

As the relevant percentage ratios for the capital contributed by the Group in respect of the JV Agreement exceeds 5% but is less than 25%, the entering into the JV Agreement constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Rule 14.34 of the Listing Rules.

The Board is pleased to announce that on 24 June 2010 (after trading hours of the Stock Exchange), Max Winner and the JV Partner entered into the JV Agreement relating to the formation of the JV Company, which is engaged in organic agricultural business in the PRC.

PRINCIPAL TERMS OF THE JV AGREEMENT

Date

24 June 2010

Parties

Max Winner and the JV Partner

The JV Partner is principally engaged in investment holding. To the best knowledge and belief of the Board, and having made all reasonable enquiries, the JV Partner and its ultimate beneficial owner are third party independent of, and not connected with, the Company and its connected persons within the meaning of the Listing Rules.

Business of the JV Company

The JV Company is engaged in organic agricultural business in the PRC, which involves obtaining the Land Use Right for growing and sales of organic vegetables in the PRC.

Pursuant to the JV Agreement, the term of the Land Use Right shall not be less than 15 years.

Shareholding of the JV Company and capital contribution

The JV Company is owned as to 50% by Max Winner and as to 50% by the JV Partner. The total capital contribution of the JV Company is HK\$60 million. Each of Max Winner and the JV Partner shall contribute HK\$30 million in cash.

Pursuant to the JV Agreement, Max Winner shall contribute HK\$30 million in cash within 10 days from the date of the JV Agreement. The JV Partner shall contribute HK\$30 million in cash within 60 days from the date of the JV Agreement.

The total capital contribution of HK\$60 million was agreed after arm's length negotiations between Max Winner and the JV Partner taking into account the working capital requirement of the organic agricultural business in the PRC. The capital contribution on part of Max Winner will be funded from internal resources of the Group.

Apart from the capital contribution of HK\$30 million, Max Winner does not have other capital commitment that is required to be contributed to the JV Company under the JV Agreement.

Board composition of the JV Company

The board of directors of the JV Company shall comprise two members. Each of Max Winner and the JV Partner will nominate one director to the board of directors of the JV Company.

Provisions

Pursuant to the JV Agreement, if (a) the Land Use Right cannot be obtained by the JV Company or (b) the JV Partner cannot make its capital contribution of HK\$30 million within 60 days from the date of the JV Agreement, any capital contribution made by Max Winner shall be immediately returned to Max Winner. In addition, the JV Partner is obligated to pay compensation of HK\$1.50 million to Max Winner.

Reasons for and benefit of entering into the JV Agreement

The Group is principally engaged in distribution of films, sub-licensing of film rights, sales of financial assets, provision of management services to concierge departments of gaming promoters and investment holding.

As healthy awareness and concern increase amongst the general public, the demand of organic products has increased gradually in the world. The Directors are of view that the entering into the JV Agreement will provide an opportunity to the Group engaging in the organic products business and diversify the income sources of the Group. As such, the Directors consider that the entering of the JV Agreement is in the interest of the Company and its shareholders as a whole.

Implication under the Listing Rules

As the relevant percentage ratios for the capital contributed by the Group in respect of the JV Agreement exceeds 5% but is less than 25%, the entering into the JV Agreement constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Rule 14.34 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:

“Board”	the board of Directors
“Company”	China Star Investment Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the joint venture agreement dated 24 June 2010 entered into between Max Winner and the JV Partner in relation to the formation of the JV Company
“JV Company”	a joint venture company to be owned as to 50% by Max Winner and as to 50% by the JV Partner and to be engaged in organic agricultural business in the PRC
“JV Partner”	Yiu Hing International Limited, a company incorporated in Hong Kong with limited liability
“Land Use Right”	a land use right of 5,000 hectares in Dingnan County, Ganzhou, Jiangxi Province, the PRC with a term of not less than 15 years for agricultural use
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Max Winner”	Max Winner Investments Limited, an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
China Star Investment Holdings Limited
Lei Hong Wai
Chairman

Hong Kong, 24 June 2010

As at the date of this announcement, the Board comprises two executive Directors namely Mr. Lei Hong Wai and Mr. Chan Kin Wah, Billy; and three independent non-executive Directors namely Mr. Tang Chak Lam, Gilbert, Mr. Hung Hing Man and Mr. Wan Shing Chi.