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**China Star Cultural Media Group Limited**  
**中國星文化產業集團有限公司\***

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8172)**

**INSIDE INFORMATION**  
**DISPOSAL OF SHARES BY A SUBSTANTIAL SHAREHOLDER**  
**AND**  
**RESUMPTION OF TRADING**

**DISPOSAL OF SHARES BY A SUBSTANTIAL SHAREHOLDER**

The Company was informed by New Asia, a substantial shareholder of the Company, that it had entered into the Placing Agreement and the CLN Placing Agreement with the Placing Agent (after trading hours) on 23 September 2014, pursuant to which New Asia agreed to place through the Placing Agent, up to 229,326,016 Shares and the CLNs in the aggregate principal amount of up to HK\$6,200,000 held by it.

**RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on 24 September 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 25 September 2014.

This announcement is made by China Star Cultural Media Group Limited (the “**Company**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

\* *for identification purposes only*

The Company was informed by New Asia Media Development Limited (“**New Asia**”), a substantial shareholder of the Company which is wholly owned by Culture Landmark Investment Limited (Stock Code: 674) (“**Culture Landmark**”), that it had entered into a placing agreement (the “**Placing Agreement**”) with Kingston Securities Limited (the “**Placing Agent**”) on 23 September 2014 (after trading hours), pursuant to which New Asia has agreed to sell and the Placing Agent has agreed to place a maximum of 229,326,016 shares of the Company (“**Share(s)**”), on a best effort basis, to the placees (“**Placees**”) who and whose ultimate beneficial owners are third parties independent of Culture Landmark, the Company and their respective connected persons (as defined in the GEM Listing Rules), at a price of HK\$0.24 per Share (the “**Placing**”).

The 229,326,016 Shares held by New Asia represents approximately 25.32% of issued share capital of the Company as at the date of this announcement.

Pursuant to the Placing Agreement, the completion of the Placing will be on or before 17 October 2014 (or such other date as New Asia and the Placing Agent shall agree). Assuming all of 229,326,016 Shares were placed by the Placing Agent, New Asia will not hold any Shares.

The Company was also informed by New Asia that it had also entered into a placing agreement (the “**CLN Placing Agreement**”) with the Placing Agent on 23 September 2014 (after trading hours), pursuant to which New Asia has conditionally agreed to sell and the Placing Agent has conditionally agreed to place the zero interest convertible loan notes of the Company (“**CLNs**”) in the aggregate principal amount of up to HK\$6,200,000 held by New Asia( the “**CLN Placing**”), on a best effort basis, to the placees (“**CLN Placees**”) who and whose ultimate beneficial owners are third parties independent of Culture Landmark, the Company and their respective connected persons (as defined in the GEM Listing Rules), at the price of up to HK\$3,413,000 (“**CLN Placing Price**”).

The CLN holders will be entitled to convert the whole or any part of the CLNs into the new Shares at the price of HK\$0.436 (subject to adjustments) per new Share (“**Conversion Price**”). The CLNs in principal amount of HK\$6,200,000 can be converted at the Conversion Price into 14,220,183 new Shares, representing 1.57% of the issued share capital of the Company as at date of this announcement. The CLN Placing Price of HK\$3,413,000, for the whole principal amount of HK\$6,200,000 of the CLNs, is equivalent to approximately HK\$55,048 for each multiple amount of HK\$100,000. On this basis, the effective conversion price of the CLNs per Share is equivalent to HK\$0.24 per new Share.

Pursuant to the CLN Placing Agreement, the completion of the CLN Placing will be on or before 17 October 2014 (or such other date as New Asia and the Placing Agent shall agree). Assuming all the CLNs in principal amount of HK\$6,200,000 were placed by the Placing Agent, New Asia will not hold any CLNs.

The Placing and the CLN Placing are not interconditional.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table shows the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Placing assuming all of 229,326,016 Shares were placed in full; and (iii) immediately after completion of the Placing and the CLN Placing assuming all of 229,326,016 Shares and the CLNs in principal amount of HK\$6,200,000 were placed in full and all of HK\$6,200,000 of the CLNs having been fully converted into 14,220,183 new Shares.

Shareholders	As at the date of this announcement		Immediately after completion of the Placing and the CLN Placing assuming all of 229,326,016 Shares were placed in full but the CLNs NOT having converted.		Immediately after completion of the Placing and the CLN Placing assuming all of 229,326,016 Shares and the CLNs in principal amount of HK\$6,200,000 were placed in full and all of HK\$6,200,000 of the CLNs having been fully converted into 14,220,183 new Shares	
	<i>approximately</i>		<i>approximately</i>		<i>approximately</i>	
	<i>Number of Shares</i>	<i>percentage (%)</i>	<i>Number of Shares</i>	<i>percentage (%)</i>	<i>Number of Shares</i>	<i>percentage (%)</i>
Culture Landmark Eternity Investment Limited	229,326,016	25.32	—	0.00	—	0.00
	146,640,000	16.19	146,640,000	16.19	146,640,000	15.94
<b>Public Shareholders</b>						
Placees	—	0.00	229,326,016	25.32	229,326,016	24.93
CLN Placees	—	0.00	—	0.00	14,220,183	1.55
Other public shareholders of the Company	<u>529,683,710</u>	<u>58.49</u>	<u>529,683,710</u>	<u>58.49</u>	<u>529,683,710</u>	<u>57.58</u>
Total	<u>905,649,726</u>	<u>100.00</u>	<u>905,649,726</u>	<u>100.00</u>	<u>919,869,909</u>	<u>100.00</u>

## RESUMPTION OF TRADING

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**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**China Star Cultural Media Group Limited**  
**Heung Wah Keung**  
*Chairman*

Hong Kong, 24 September 2014

*As at the date of this announcement, the executive directors of the Company are Mr. Heung Wah Keung and Mr. Leung Wai Man and the independent non-executive directors are Mr. Yip Tai Him, Mr. Law Yiu Sang, Jacky and Mr. Fung Wai Ching.*

*This announcement, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will be published on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at [www.chinastarcmg.com.hk](http://www.chinastarcmg.com.hk).*