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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(I) POLL RESULTS OF THE ANNUAL GENERAL MEETING AND THE SPECIAL GENERAL MEETING HELD ON 28 JUNE 2018; (II) GRANT OF THE WHITEWASH WAIVER; AND (III) COMMENCEMENT OF DEALINGS IN THE SHARES ON AN EX-RIGHTS BASIS

POLL RESULTS OF THE AGM

The Board is pleased to announce that all ordinary resolutions set out in the notice of the AGM were duly passed by the Shareholders by way of poll at the AGM held on Thursday, 28 June 2018.

POLL RESULTS OF THE SGM

The Board is pleased to announce that the Resolution set out in the notice of the SGM was duly passed by the Independent Shareholders by way of poll at the SGM held on Thursday, 28 June 2018.

GRANT OF THE WHITEWASH WAIVER

On 26 June 2018, the Executive has granted the Whitewash Waiver, subject to (i) the issue of the Rights Shares being approved by the Independent Shareholders on votes taken by way of poll at the SGM; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company being made by the Underwriter and parties acting in concert with it between the date of the Announcement and the date of completion of the Rights Issue.

COMMENCEMENT OF DEALINGS IN THE SHARES ON AN EX-RIGHTS BASIS

Pursuant to the expected timetable for the Rights Issue as set out in the SGM Circular, the last day of dealings in the Shares on a cum-rights basis will be Friday, 29 June 2018, and the Shares will be dealt in on an ex-rights basis from Tuesday, 3 July 2018.

POLL RESULTS OF THE AGM

References are made to the circular (the “**AGM Circular**”) and the notice of the annual general meeting (the “**AGM**”) of China Star Entertainment Limited (the “**Company**”) both dated 28 May 2018 and the subsequent announcement of the Company dated 5 June 2018 in relation to the proposed ordinary resolutions regarding general mandates to issue and to repurchase securities and re-election of directors, at the AGM held on Thursday, 28 June 2018 at 4:00 p.m. at Macau Jockey Club, 3/F, East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. Unless the context otherwise requires, capitalised terms used in this section of this announcement shall have the same meanings as those defined in the AGM Circular.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions at the AGM shall be taken by way of poll and the chairman of the meeting has duly demanded poll for all resolutions at the AGM. Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, was appointed and acted as scrutineer for the vote-taking at the AGM. As at 28 June 2018, the date of the AGM, the Company had 903,703,493 Shares in issue which was the total number of Shares entitling the holders to attend and vote for or against all resolutions at the AGM. There were no Shares entitling the Shareholders to attend and abstain from voting in favour of the resolutions at the AGM as set out in Rule 13.40 of the Listing Rules. There were no Shares requiring the Shareholders to abstain from voting at the AGM under the Listing Rules. No parties were indicated in the AGM Circular that they intended to vote against or to abstain from voting on the resolutions at the AGM.

The Board is pleased to announce that all ordinary resolutions set out in the notice of the AGM were duly passed by the Shareholders by way of poll at the AGM held on Thursday, 28 June 2018. The poll results in respect of the resolutions at the AGM were as follows:

Ordinary resolutions		Number of votes (approximate %)	
		For	Against
1.	To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and the independent auditors for the year ended 31 December 2017.	399,256,743 (99.47%)	2,128,001 (0.53%)
2.	(a) To re-elect Mr. Heung Wah Keung as Chairman and executive Director.	399,226,743 (99.46%)	2,158,001 (0.54%)
	(b) To re-elect Ms. Chen Ming Yin, Tiffany as Vice Chairman and executive Director.	398,926,743 (99.39%)	2,458,001 (0.61%)
	(c) To re-elect Ms. Li Yuk Sheung as executive Director.	399,256,743 (99.47%)	2,128,001 (0.53%)
	(d) To authorise the Board to fix the directors’ remuneration.	399,256,643 (99.47%)	2,128,101 (0.53%)

Ordinary resolutions		Number of votes (approximate %)	
		For	Against
3.	To re-appoint HLB Hodgson Impey Cheng Limited as independent auditors and to authorise the Board to fix their remuneration.	393,822,643 (98.12%)	7,562,101 (1.88%)
4.	To grant a general mandate to the Directors to allot, issue and deal with the Shares, in terms as set out in ordinary resolution number 4 in the notice of the AGM.	393,822,743 (98.12%)	7,562,001 (1.88%)
5.	To grant a general mandate to the Directors to repurchase the Shares, in terms as set out in ordinary resolution number 5 in the notice of the AGM.	399,256,743 (99.47%)	2,128,001 (0.53%)
6.	To approve the extension of the general mandate to be granted to the Directors to allot, issue and deal with the Shares, in terms as set out in ordinary resolution number 6 in the notice of the AGM.	393,822,743 (98.12%)	7,562,001 (1.88%)

As more than 50% of the votes were cast in favour of each of the resolutions, all the resolutions were duly passed as ordinary resolutions of the Company at the AGM.

POLL RESULTS OF THE SGM

References are made to the circular (the “**SGM Circular**”) and the accompanying notice of the special general meeting (the “**SGM**”) of the Company both dated 7 June 2018 in relation to proposed ordinary resolution regarding, among other things, (i) the proposed Rights Issue on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date; and (ii) application for Whitewash Waiver at the SGM held on Thursday, 28 June 2018 at 4:15 p.m. at Macau Jockey Club, 3/F, East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. Unless the context otherwise requires, capitalised terms used in this sections and the below sections of this announcement shall have the same meanings as those defined in the SGM Circular.

Pursuant to Rule 13.39(4) of the Listing Rules and the Takeovers Code, the resolution at the SGM (the “**Resolution**”) shall be taken by way of poll and the chairman of the meeting has duly demanded poll for the resolution at the SGM. Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, was appointed and acted as scrutineer for the vote-taking at the SGM. As at 28 June 2018, the date of the SGM, the Company had 903,703,493 Shares in issue. As stated in the SGM Circular, the Underwriter and parties acting in concert with

it, being interested in the Rights Issue, the Underwriting Agreement and the Whitewash Waiver, were required to abstain from voting at the SGM on the Resolution. As at the date of the SGM, the Underwriter and parties acting in concert with it (including its associate, Dorest) were interested in 186,448,146 Shares, representing approximately 20.63% of the existing issued share capital of the Company. Kingston Securities Limited, an affiliated company of Kingston Corporate Finance Limited, being one of the joint financial advisers to the Company in respect of the Rights Issue was interested in 4 Shares as at the date of the SGM. Accordingly, Kingston Securities Limited was required to abstain from voting at the SGM on the Resolution. Save for the Underwriter, parties acting in concert with it and Kingston Securities Limited who had abstained from voting at the SGM on the Resolution, no Shareholders (i) were entitled to attend and abstain from voting in favour of the Resolution; (ii) were required under the Listing Rules to abstain from voting at the SGM; and (iii) had stated their intention in the SGM Circular to vote for or against the Resolution.

The Board is pleased to announce that the Resolution set out in the notice of the SGM was duly passed by the Independent Shareholders by way of poll at the SGM held on Thursday, 28 June 2018. The poll results in respect of the Resolution at the SGM was as follows:

Ordinary resolution		Number of votes (approximate %)	
		For	Against
1.	To approve the Rights Issue (including the Underwriting Agreement) and the transactions contemplated thereunder, and the Whitewash Waiver in the terms as set out in the notice of the SGM.	216,819,321 (98.63%)	3,018,127 (1.37%)

As more than 50% of the votes were cast in favour of the Resolution, the Resolution was duly passed as ordinary resolution of the Company at the SGM.

GRANT OF THE WHITEWASH WAIVER

On 26 June 2018, the Executive has granted the Whitewash Waiver, subject to (i) the issue of the Rights Shares being approved by the Independent Shareholders on votes taken by way of poll at the SGM; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company being made by the Underwriter and parties acting in concert with it between the date of the Announcement and the date of completion of the Rights Issue.

As at the date of this announcement, condition (i) as mentioned above had been fulfilled. Accordingly, subject to fulfillment of condition (ii) as mentioned above, the Underwriter will not be required to make a mandatory general offer, as a result of the underwriting of the Rights Issue, for all the securities of the Company not already owned or to be acquired by the Underwriter and parties acting in concert with it.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, set out below is the shareholding structure of the Company as at the date of this announcement, and the effect on the shareholding structure of the Company immediately upon completion of the Rights Issue in the manner contemplated under the Underwriting Agreement as set out below:

(a) Assuming no outstanding Share Options being exercised and Bonus Convertible Bonds being converted, and that there is no change in the number of issued Shares from the date of this announcement up to and including the Record Date

	As at the date of this announcement		Assuming no outstanding Share Options being exercised and Bonus Convertible Bonds being converted on or before the Record Date, and that all the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Assuming no outstanding Share Options being exercised and Bonus Convertible Bonds being converted on or before the Record Date, and that no Qualifying Shareholders (except the Underwriter and its associate) have taken up any entitlements of the Rights Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Underwriter and its parties acting in concert						
The Underwriter (<i>Note 1</i>)	186,446,502	20.63	559,339,506	20.63	1,993,853,488	73.54
Dorest (<i>Note 2</i>)	1,644	0.00	4,932	0.00	1,644	0.00
Sub-total	186,448,146	20.63	559,344,438	20.63	1,993,855,132	73.54
Public Shareholders						
Other public Shareholders	717,255,347	79.37	2,151,766,041	79.37	717,255,347	26.46
Sub-total	717,255,347	79.37	2,151,766,041	79.37	717,255,347	26.46
Total	903,703,493	100.00	2,711,110,479	100.00	2,711,110,479	100.00

(b) Assuming all the outstanding Share Options being exercised and Bonus Convertible Bonds being converted in full, and that there is no other change in the number of issued Shares, from the date of this announcement up to and including the Record Date

	As at the date of this announcement		Assuming all the outstanding Share Options being exercised and Bonus Convertible Bonds being converted in full on or before the Record Date, and all the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Assuming all the outstanding Share Options being exercised and Bonus Convertible Bonds being converted in full on or before the Record Date, and no Qualifying Shareholders (except the Underwriter and its associate) have taken up any entitlements of the Rights Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Underwriter and its parties acting in concert						
The Underwriter (<i>Note 1</i>)	186,446,502	20.63	559,339,506	20.60	1,996,367,550	73.53
Dorest (<i>Note 2</i>)	1,644	0.00	4,932	0.00	1,644	0.00
Sub-total	186,448,146	20.63	559,344,438	20.60	1,996,369,194	73.53
Public Shareholders						
Holders of Share Options (<i>Note 3</i>)	-	0.00	590,142	0.02	196,714	0.01
Holders of Bonus Convertible Bonds (<i>Note 3</i>)	-	0.00	3,180,951	0.12	1,060,317	0.04
Other public Shareholders	717,255,347	79.37	2,151,766,041	79.26	717,255,347	26.42
Sub-total	717,255,347	79.37	2,155,537,134	79.40	718,512,378	26.47
Total	903,703,493	100.00	2,714,881,572	100.00	2,714,881,572	100.00

Notes:

1. HWKFE, being the Underwriter, is owned as to 50% by Mr. Heung and as to 50% by Ms. Chen.
2. Dorest is beneficially owned as to 60% by Ms. Chen and as to 40% by Mr. Heung. The Shares held by Dorest are under a charging order. These Shares had been deposited in C.A. Pacific Finance Limited which is in liquidation. Owing to the fact that the Shares held by Dorest are under charging order, Dorest has not given any undertaking in relation to acceptance of the 3,288 Rights Shares entitled by it.
3. As at the date of this announcement, there are (i) 196,714 outstanding Share Options granted by the Company exercisable into 196,714 Shares; and (ii) outstanding Bonus Convertible Bonds in respect of 1,060,317 Shares convertible under the deed polls executed by the Company. None of the Share Options and Bonus Convertible Bonds was held by the Underwriter and its parties acting in concert, and all the outstanding Share Options and Bonus Convertible Bonds are held by employees and other participants, which are counted as public Shareholders.
4. Save for Mr. Heung and Ms. Chen who are beneficially interested in the Shares held by HWKFE, none of the Directors had any interests or short position in the Shares, underlying Shares or debentures of the Company as at the date of this announcement.
5. Certain figures and percentage figures included in the above table are subject to rounding adjustments.

As illustrated in the above tables, upon completion of the Rights Issue, the Company is able to fulfill the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

COMMENCEMENT OF DEALINGS IN THE SHARES ON AN EX-RIGHTS BASIS

Pursuant to the expected timetable for the Rights Issue as set out in the SGM Circular, the last day of dealings in the Shares on a cum-rights basis will be Friday, 29 June 2018, and the Shares will be dealt in on an ex-rights basis from Tuesday, 3 July 2018.

Subject to the registration of the Prospectus Documents with the Registrar of Companies in Hong Kong, it is expected that the Prospectus Documents will be despatched to the Qualifying Shareholders on Thursday, 12 July 2018 and the Prospectus (without PAL or EAF) will be despatched to the Non-Qualifying Shareholder(s) (if any) for their information only, on the same day.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional, inter alia, upon the fulfilment of the conditions set out under the paragraph headed “The Underwriting Agreement – Conditions of the Rights Issue” in the “Letter from the Board” of the SGM Circular. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 28 June 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.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.