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CHINA STAR INVESTMENT HOLDINGS LIMITED

(Incorporated in the Bermuda with limited liability)

(Stock Code: 764)

PROGRESS OF PLACING OF NEW SHARES SUBJECT TO SHAREHOLDERS' APPROVAL

Placing Agent



KINGSTON SECURITIES LIMITED

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board would like to announce that the First Tranche Placing Price of 200,000,000 First Tranche Placing Shares has been fixed at HK\$0.102 per First Tranche Placing Share after trading hours on 3 February 2009 for the first tranche of the Placing. The First Tranche Placing Price of HK\$0.102 represents (i) a discount of approximately 7.27% to the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on 3 February 2009 (being the date on which the First Tranche Placing Price is fixed) and (ii) a discount of approximately 14.29% to the average closing prices of HK\$0.119 per Share for the last 30 consecutive trading days up to and including 3 February 2009.

The 200,000,000 First Tranche Placing Shares represent (i) approximately 85.40% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 46.06% of the issued share capital of the Company as enlarged by the allotment and issue of the First Tranche Placing Shares.

Completion of the Placing is conditional upon:

- (i) the Proposed Increase in Authorised Share Capital becoming effective;
- (ii) the passing of a resolution by the Shareholders to approve the allotment, issue and dealing with the Placing Shares at the SGM;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the relevant tranche of the Placing; and
- (iv) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

As at the date of this announcement, conditions (i) and (ii) have been fulfilled.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the First Tranche Placing Shares.

The gross proceeds and net proceeds from the first tranche of the Placing are approximately HK\$20,400,000 and HK\$19,870,000 respectively. The net proceeds raised per First Tranche Placing Share is approximately HK\$0.0994.

As the first tranche of the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the circular of China Star Investment Holdings Limited (the “**Company**”) dated 21 November 2008 (the “**Circular**”). Capitalised terms used herein, unless the context otherwise requires, shall have the same meaning as ascribed to them in the Circular.

As stated in the Circular, the Company and the Placing Agent entered into the Placing Agreement after trading hours on 4 November 2008, whereby the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis a maximum of 500,000,000 Placing Shares by a maximum of 5 tranches (in which each tranche shall not be less than 100,000,000 Placing Shares, save for the last tranche) to independent investors at the Placing Price.

The Board would like to announce that the Placing Price (the “**First Tranche Placing Price**”) of 200,000,000 Placing Shares (the “**First Tranche Placing Shares**”) has been fixed at HK\$0.102 per First Tranche Placing Share after trading hours on 3 February 2009 for the first tranche of the Placing. The First Tranche Placing Price of HK\$0.102 represents (i) a discount of approximately 7.27% to the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on 3 February 2009 (being the date on which the First Tranche Placing Price is fixed) and (ii) a discount of approximately 14.29% to the average closing prices of HK\$0.119 per Share for the last 30 consecutive trading days up to and including 3 February 2009.

The 200,000,000 First Tranche Placing Shares represent (i) approximately 85.40% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 46.06% of the issued share capital of the Company as enlarged by the allotment and issue of the First Tranche Placing Shares.

Each of the Placees and their ultimate beneficial owners is independent of and not connected person (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules). None of the Placee will become a substantial/controlling Shareholder (as defined in the Listing Rules) upon the completion of the first tranche of the Placing.

Completion of the Placing is conditional upon:

- (i) the Proposed Increase in Authorised Share Capital becoming effective;
- (ii) the passing of a resolution by the Shareholders to approve the allotment, issue and dealing with the Placing Shares at the SGM;

- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the relevant tranche of the Placing; and
- (iv) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

As at the date of this announcement, conditions (i) and (ii) have been fulfilled.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the First Tranche Placing Shares.

The gross proceeds and net proceeds from the first tranche of the Placing are approximately HK\$20,400,000 and HK\$19,870,000 respectively. The net proceeds raised per First Tranche Placing Share is approximately HK\$0.0994.

As the first tranche of the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By Order of the Board
China Star Investment Holdings Limited
Heung Wah Keung
Chairman

Hong Kong, 3 February 2009

As at the date of this announcement, the Board comprises of two executive Directors, namely, Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany; and three independent non-executive Directors, namely, Mr. Tang Chak Lam, Gilbert, Mr. Ho Wai Chi, Paul and Mr. Lien Wai Hung.