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## **CHINA STAR INVESTMENT HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

### **UPDATE ANNOUNCEMENT IN RELATION TO THE ACQUISITION OF EXISTING SHARES IN HANTEC HOLDINGS INVESTMENT LIMITED**

Reference is made to the announcement of the Company dated 31 March 2010 in relation to, inter alia, the acquisition of the Sale Shares and the grant of Call Option by the Purchaser.

The Board announces that subsequent to the Completion on 16 April 2010, the Purchaser was notified by Hantec on 17 May 2010 that the registration of the transfer of the Sale Shares had been declined pursuant to the articles of association of Hantec.

In order to safeguard the interests of the Purchaser and to perfect the transfer of the Sale Shares, the Trust Deed has been executed and the Undertaking has been given by the Vendor in favour of the Purchaser on 20 May 2010. The details of the Trust Deed and the Undertaking are set out below in this announcement.

Reference is made to the announcement (the “**Announcement**”) of China Star Investment Holdings Limited (the “**Company**”) dated 31 March 2010 in relation to, inter alia, the acquisition of the Sale Shares and the grant of Call Option by the Purchaser. Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement unless context requires otherwise.

The Board announces that subsequent to the Completion on 16 April 2010, the Purchaser was notified by Hantec on 17 May 2010 that the registration (the “**Registration**”) of the transfer of the Sale Shares had been declined pursuant to the articles of association of Hantec. No reason has been provided by Hantec to the Purchaser for such denial.

As the beneficial interests of the Sale Shares have already been transferred to the Purchaser, a trust deed (the “**Trust Deed**”) has been executed on 20 May 2010 by the Vendor as trustee in favour of the Purchaser as beneficiary, pursuant to which the Vendor has agreed to act as nominee for the Purchaser in respect of the Sale Shares and to hold the Sale Shares on trust for the Purchaser.

In addition, in order to perfect the transfer of the Sale Shares, an undertaking (the “**Undertaking**”) has been given on 20 May 2010 by the Vendor in favour of the Purchaser that the Vendor shall procure the Registration by Hantec within six months from the date of the Undertaking and, should the Vendor fail to procure such Registration within the prescribed time, to exercise the Call Option to acquire the Sale Shares from the Purchaser at HK\$21.6 million. As informed by the Vendor, legal advisers have been engaged to assist in the liaison with Hantec as regards the Registration.

The Board is of the view that notwithstanding the denial of Registration, the beneficial interests in the Sale Shares have already been vested with the Purchaser. Furthermore, the Vendor has undertaken to the Purchaser to procure the Registration and to purchase the Sale Shares at HK\$21.6 million, represents a premium of 20% over the original acquisition cost, should the Registration be not successful. As such, the Board considers that such denial of Registration poses no material adverse effect on the existing operation of the Group.

Further announcement will be made by the Company as to the development on the matter as and when appropriate.

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

Hong Kong, 20 May 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. Ho Wai Chi, Paul and Mr. Lien Wai Hung.*