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B&S **ENTERTAINMENT HOLDINGS LIMITED**

中大娛樂控股有限公司

(incorporated in the Cayman Islands with limited liability)

Listing on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited by way of Placing of New Shares and Sale Shares

**Number of Placing Shares: 100,000,000 Shares comprising
60,000,000 New Shares and
40,000,000 Sale Shares
(subject to the Over-allotment Option)**

Placing Price : HK\$0.50 per Placing Share
Nominal value : HK\$0.01 each
Stock code : 8167

Sponsor

KIM ENG
CAPITAL

KIM ENG CAPITAL (HONG KONG) LIMITED

Lead Manager



Shenyin Wanguo Capital (H.K.) Limited

Underwriters

**Shenyin Wanguo Capital
(H.K.) Limited**

**Taiwan Concord Capital Securities
(Hong Kong) Limited**

CSC Securities (HK) Limited

**Grand Cathay Securities
(Hong Kong) Limited**

Phoenix Capital Securities Limited

Summary

- A total of 100,000,000 Placing Shares initially available for subscription under the Placing (without taking into account any Shares which may fall to be issued pursuant to the exercise, if any, of the Over-allotment Option and of option which may be granted under the Share Option Scheme) have been fully subscribed and conditionally placed by the Underwriters to professional, institutional or individual and other investors. The placees are independent of and not connected with any of the directors, management shareholders, substantial shareholders or the chief executive of the Company or any of its subsidiaries or an associate of any of them.
- The 100,000,000 Placing Shares have been allocated in full.
- Immediately following the completion of the Placing, but before any exercise of the Over-allotment Option, options which may be granted under the Share Option Scheme and the general mandate to issue Shares, the Company will have a public float of approximately 25% of its enlarged issued share capital. If the Over-allotment Option is exercised in full, the Company will have a public float of approximately 27.7% of its enlarged issued share capital.
- The Company has granted to the Underwriters, to be exercised by the Lead Manager (on behalf of the Underwriters), the Over-allotment Option, exercisable at any time within 30 days from the date of the Prospectus, to require the Company to allot and issue up to an aggregate of 15,000,000 additional Shares, representing 15% of the total number of Shares initially available under the Placing to cover the over-allocations in the Placing. Up to the date of this announcement, the Over-allotment Option has not been exercised by the Lead Manager. In the event that the Over-allotment Option is exercised, a separate announcement will be made.
- **There is a high concentration of the Placing Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Placing Shares. Shareholders and potential investors are advised to exercise extreme caution in dealing with the Placing Shares.**
- **Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Tuesday, 6th August, 2002.**

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as defined in the prospectus (the “Prospectus”) of B&S Entertainment Holdings Limited (the “Company”) dated 29th July, 2002. The Placing is subject to the terms and conditions contained in the Prospectus.

Placing Price

The Placing Price is HK\$0.50 per Share.

Level of interest

A total of 100,000,000 Placing Shares initially available for subscription under the Placing have been fully subscribed and conditionally placed by the Underwriters. The Placing Shares represent approximately 25% of the Company’s enlarged issued share capital and have been allocated to 147 professional, institutional, individual and other investors. The placees are independent of and not connected with any of the directors, management shareholders, substantial shareholders or the chief executive of the Company or any of its subsidiaries or an associate of any of them.

Out of the 100,000,000 Placing Shares, 10,000,000 Placing Shares were allotted to Shenyin Wanguo Asset Management (Asia) Limited, an affiliated company of Shenyin Wanguo Capital (H.K.) Limited, the Lead Manager, representing 10% and 2.5% of the Placing Shares and total issued share capital of the Company respectively. Such 10,000,000 Shares were allocated through Shenyin Wanguo Securities (H.K.) Limited. Shenyin Wanguo Capital (H.K.) Limited, Shenyin Wanguo Securities (H.K.) Limited and Shenyin Wanguo Asset Management (Asia) Limited are wholly owned subsidiaries of Shenyin Wanguo (H.K.) Limited, which is a company listed on the Stock Exchange. The investment portfolio of Shenyin Wanguo Asset Management (Asia) Limited has consisted of shares of companies subscribed through initial public offerings. Shenyin Wanguo Asset Management (Asia) Limited had no intention to apply the Placing Shares under its own account before the issue of the Prospectus in relation to the Placing.

On the other hand, 4,000,000 Placing Shares were allotted to Prime Investments Holdings Limited, a company whose shares are listed on the Stock Exchange and of which Ms. Chiu Kam Hing, Kathy, an independent non-executive Director, is a substantial shareholder, representing 4% and 1% of the Placing Shares and total issued share capital of the Company respectively. The 10,000,000 Placing Shares and 4,000,000 Placing Shares allotted to Shenyin Wanguo Asset Management (Asia) Limited and Prime Investment Holdings Limited are classified as short to medium term investments by each of them.

Save as mentioned above, none of the Placing Shares have been placed to any party or group of persons as specified under Rule 10.12(4) of the GEM Listing Rules.

Results of allocation

The following table sets out the concentration of the Placing Shares:

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after completion of the Placing (but before the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme and the general mandate to issue Shares
Top placee	14,000,000	14.0%	3.5%
Top 5 placees (<i>Note</i>)	54,000,000	54.0%	13.5%
Top 10 placees	72,000,000	72.0%	18.0%
Top 25 placees	91,680,000	91.7%	22.9%

Note: This includes Shenyin Wanguo Asset Management (Asia) Limited.

Pursuant to the Placing, 100,000,000 Shares will be held by a total of 147 placees, as analysed below:

Distribution of Placing Shares	Number of Placees	% of Placing
28,000 to 50,000	111	4.4%
50,001 to 100,000	3	0.2%
100,001 to 500,000	6	2.4%
500,001 to 1,000,000	9	8.0%
1,000,001 to 5,000,000	13	31.0%
5,000,001 to 10,000,000	3	28.0%
10,000,001 and above	<u>2</u>	<u>26.0%</u>
	Total	
	<u>147</u>	<u>100.0%</u>

There is a high concentration of the Placing Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Placing Shares. Shareholders and potential investors are advised to exercise extreme caution in dealing with the Placing Shares.

Over-allotment Option

Pursuant to the Underwriting Agreement, the Company has granted to the Underwriters, to be exercised by the Lead Manager (on behalf of the Underwriters), the Over-allotment Option, exercisable at any time from the date of the Prospectus and ending at 5:00 p.m. on the 30th day for the date of the Prospectus or if that day is not a Business Day, the Business Day, immediately preceding the said 30th day, to require the Company to allot and issue up to an aggregate of 15,000,000 additional Shares, representing 15% of the total number of Placing Shares initially available under the Placing. These Shares will be issued at the Placing Price for the purpose of covering over-allocations in the Placing. In order to facilitate the settlement of such over-allocation, the Lead Manager may borrow up to an aggregate of 15,000,000 Shares pursuant to the stock borrowing arrangements with Coxwell, and/or purchase Shares in the secondary market or otherwise in compliance with all applicable laws, rules and regulations.

Up to the date of this announcement, the Over-allotment Option has not been exercised by the Lead Manager. In the event that the Over-allotment Option is exercised, a separate announcement will be made.

Minimum public float requirement

According to Rule 11.23 of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at all time. Immediately following the Placing, but before any exercise of the Over-allotment Option, options which may be granted under the Share Option Scheme and the general mandate to issue Shares, the Company will have a public float of approximately 25% of its enlarged issued share capital. If the Over-allotment Option is exercised in full, the Company will have a public float of approximately 27.7% of its enlarged issued share capital.

As at the date of this announcement, the shareholdings of the Company germane to its public float position are set out as follows:

Category of Shareholders	Number of Shares	Percentage of enlarged issued share capital
Initial Management Shareholders (<i>Note 1</i>) Significant Shareholder	253,200,000	63.3%
— Amerose (<i>Note 2</i>)	33,200,000	8.3%
Public		
— Eagle Creek	13,600,000	3.4%
— Other public Shareholders	<u>100,000,000</u>	<u>25.0%</u>
Total	<u>400,000,000</u>	<u>100.0%</u>

Notes

1. Shares are subject to twelve-month lock-up period
2. Shares are subject to six-month lock-up period

Deposit of share certificates into CCASS

Subject to the granting of the listing of, and permission to deal in the Shares on GEM as well as the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

The share certificates for the Placing Shares to be distributed through CCASS are expected to be deposited into CCASS on or about Friday, 2nd August, 2002 for credit to the respective CCASS participants' stock accounts designated by the Underwriters, the placees or their agents (as the case may be). All new Shares are expected to be issued on Friday, 2nd August, 2002.

Commencement of dealings

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Tuesday, 6th August, 2002.

By order of the Board of
B&S Entertainment Holdings Limited
Siu Luen Fat
Chairman

1st August, 2002

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM webiste at www.hkgem.com for 7 days from the day of its posting.