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This announcement, for which the directors of B&S Entertainment Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 (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.



B&S
ENTERTAINMENT HOLDINGS LIMITED

中大娛樂控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8167)

DISCLOSURE OF ACCOUNTS RECEIVABLES PURSUANT TO RULES 17.15 AND 17.17 OF THE GEM LISTING RULES, RECENT BUSINESS DEVELOPMENT AND PENDING LITIGATIONS

This announcement is made pursuant to rules 17.15 and 17.17 of the GEM Listing Rules to disclose the details of accounts receivables of the Company and its subsidiaries (the “Group”) which exceed 8% of the Company’s market capitalisation.

Updated information are also given in respect of the recent business development of the Group, following the recent changes in management of the Company, and details of certain pending litigations of the Group.

Disclosures under Rules 17.15 and 17.17

As at the date of this announcement, accounts receivable amounted to approximately HK\$4,610,000, HK\$3,490,000 and HK\$3,946,000 was owed from Lupat Trading Limited (“Lupat”), S&R Corporation (“S&R”) and Parkline Trading Company (“Parkline”) which represent 27.4%, 20.8% and 23.5% respectively (and exceed 8%) of the Company’s present market capitalization of approximately HK\$16,400,000, calculated based on the average closing price of the Company’s shares of HK\$0.041 per share as stated in the Stock Exchange’s daily quotation sheets for the trading days from 5 September 2005 to 9 September 2005.

Lupat, S&R and Parkline are customers of the Group and third parties independent of any of the directors, chief executives and substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the GEM Listing Rules). Such amounts represent the outstanding balances of certain sales

* for identification only

transactions on film rights sub-licensing entered into by the Group in the usual course of the Group's principal business activities which are films production and film rights licensing. The amounts are unsecured and interest-free.

The balances of the above-mentioned receivables have exceeded 8% of the Company's market capitalization since 23 August 2004, when the Company was still managed by its former directors and the closing market price and the market capitalization was dropped to HK\$0.047 per share and HK\$18,800,000 respectively on that day. The balances due from Lupat, S&R and Parkline represented 24.5%, 18.6% and 21% respectively of the then market capitalization.

The Directors are not aware of the reason of non-disclosure during the period the Company was managed by its former directors. The Directors also admit that the non-disclosure of the above advances after their appointments was due to oversight and it constituted a breach of the GEM Listing Rules. In order to avoid any future breach of disclosure obligations under the GEM Listing Rules, the Company will implement additional focus on the compliance exercise and will seek advice from professional advisers where necessary. The Stock Exchange has indicated that it reserves the right to take action against such non-compliance.

Save as disclosed above, there is no other advances to entities which exceeds 8% of the Group's market capitalization and required to be disclosed under Rules 17.15 and 17.17 of the GEM Listing Rules as at the date of this announcement.

Recent business development of the Group

Despite the recent changes in management of the Company, the Group will continue to invest in the film production industry in Hong Kong. The directors expect certain movies with an aggregate investment of approximately HK\$10 million are to be invested in the coming year, although this estimate may vary depending on the market conditions and the availability of good stories and scripts and the casting that will be involved.

Pending litigations of the Group

As at the date of this announcement, there are two pending litigations against the Group. One of them is transferred by the Labour Tribunal to the High Court relating to claims in respect of labour costs arrears to the amount of approximately HK\$800,000. The Company is of the view that the claims are without merit and has procured appropriate legal actions for counter-claim against the relevant parties for damages for breach of contracts to the amount of approximately HK\$1,600,000. The second pending litigation is in respect of services rendered to the Group in 2003, when the Company was still controlled by the former management, to the amount of approximately HK\$210,000. The Group is negotiating with the relevant party to reach a mutual settlement agreement. The directors will consider and determine any provision required to be made in respect of the above claims in the accounts of the Group in the annual results for the year ended 30 June 2005 to be announced soon.

On behalf of the Board
Lee Man Kwong
Director

Hong Kong, 14 September 2005

As at the date of this announcement, the Board comprises of:

Mr. Lee Man Kwong (*Executive Director*)

Ms. Xiong Jingling (*Executive Director*)

Mr. Chan Kwok Sun, Dennis (*Executive Director*)

Mr. Law Kwok Keung (*Executive Director*)

Mr. Lam Kin Kau, Mark (*Independent Non-executive Director*)

Mr. Fung Wing Keung (*Independent Non-executive Director*)

Mr. Law Kwok Leung (*Independent Non-executive Director*)

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