

SUSPENSION AND RESUMPTION OF TRADING

Trading in the issued CSE Shares and the issued CSI Shares on the Stock Exchange was suspended at the request of CSE and CSI respectively with effect from 9:30 a.m. on 24 July 2009 pending the release of this announcement. Each of CSE and CSI has applied for a resumption of trading in the issued CSE Shares and the issued CSI Shares respectively with effect from 9:30 am on 28 July 2009.

Reference is made to the announcement dated 12 March 2009 issued by CSI in respect of the Loan Facility of up to HK\$200 million. The maximum amount of the Loan Facility of HK\$200 million was drawn by CSE on 29 April 2009.

THE CB SUBSCRIPTION

On 23 July 2009 (after trading hours), CSE and CSI entered into the CB Subscription Agreement, pursuant to which CSE has conditionally agreed to issue and CSI has conditionally agreed to subscribe or procure subscription for the Convertible Bond in the principal amount of HK\$200 million, the subscription price of which shall be satisfied by setting off against the Loan Advance.

As at the date of this announcement, (i) Mr. Heung and Ms. Chen are the common executive directors of CSI and CSE and Mr. Ho Wai Chi, Paul is the common independent non-executive director of CSI and CSE; (ii) Mr. Heung, Ms. Chen and their associates are the common shareholders of CSI and CSE who are beneficially interested in 32,928,286 CSI Shares, representing approximately 29.90% of the entire issued share capital of CSI, and 70,403,099 CSE Shares, representing approximately 6.77% of the entire issued share capital of CSE; (iii) Mr. Heung and Ms. Chen are also interested in 26,367 and 26,367 share options of CSE respectively; and (iv) Mr. Ho Wai Chi, Paul is not interested in any CSI Shares or CSE Shares.

To the best of the CSE Directors' information, knowledge and belief having made all reasonable enquiries, save as disclosed above, CSI and its associates are independent of and not connected with any connected person (as defined under the Listing Rules) of CSE.

To the best of the CSI Directors' information, knowledge and belief having made all reasonable enquiries, save as disclosed above, CSE and its associates are independent of and not connected with any connected person (as defined under the Listing Rules) of CSI.

The principal terms of the Convertible Bond are summarised as follows:

Issuer: CSE

Principal amount: HK\$200 million

Maturity: the third anniversary from the date of issue of the Convertible Bond

Interest: The Convertible Bond carries an interest to be accrued at the Prime Rate on the actual number of days elapsed and on the basis of a 365-day year. A default interest rate of three (3) % per annum above the Prime Rate is payable on any overdue amount, whether principal or interest.

Interest on the Convertible Bond shall be payable on the last day of each interest period, which is of six (6) months intervals commencing from the date of issue of the Convertible Bond.

The above terms regarding the interest and default interest are identical to those under the Loan Advance. The interest rate and default interest rate were determined after arms' length negotiation between CSI and CSE based on the fact that given the coupon rate for three (3)-year US Treasuries is currently at 1.50% and the Prime Rate is currently at 5.00%, there is a risk premium of 3.50% for the Loan Advance and the Convertible Bond.

Redemption: CSE may at any time upon the date of issue and before the maturity date of the Convertible Bond, by serving at least seven days' prior written notice to the bondholder(s) with the total amount proposed to be redeemed from the bondholder(s) specified in the Convertible Bond, redeem the Convertible Bond at par.

Any amount of the Convertible Bond which remains outstanding on the maturity date shall be redeemed at its then outstanding principal amount.

Conversion Price: HK\$0.20 per Conversion Share (subject to adjustment). The adjustments are subject to review by CSE's auditors or an approved merchant bank. The adjustments for the Conversion Price include the followings:

- (i) an alteration of the nominal amount of each CSE Share by reason of any consolidation or subdivision;

- (ii) an issue (other than in lieu of a cash dividend) by CSE of CSE Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution being made by CSE, whether on a reduction or otherwise, to CSE Shareholders (in their capacity as such);
- (iv) an offer of new CSE Shares for subscription by way of rights, or grant of options or warrants to subscribe new CSE Shares being made by CSE to CSE Shareholders (in their capacity as such);
- (v) an issue wholly for cash being made by CSE of securities convertible into or exchangeable for or carrying rights of subscription for new CSE Shares and the total effective consideration per CSE Share receivable for such securities is less than 90% of the market price on the date of announcement of the terms of the issue of such securities;
- (vi) an issue of CSE Shares wholly for cash at a price per CSE Share which is less than 90% of the market price on the date of announcement of the terms of such issue; and
- (vii) an issue of CSE Shares for acquisition of assets at a total effective consideration per CSE Share which is less than 90% of the market price of the date of the announcement of the terms of such issue.

The initial Conversion Price is arrived at after arms' length negotiation between CSE and CSI with reference to the prevailing share prices of CSE and the market risk relating to the volatility of the market condition assumed by CSI. The CSE Directors consider that the market risk relating to the volatility of the market condition assumed by CSI is fair and reasonable taking into account the placing price of HK\$0.20 per CSE Share for the placing of 800,000,000 new CSE Shares completed in June 2009 and the duration of the Convertible Bond for three years.

The initial Conversion Price represents (i) a discount of approximately 27.27% to the closing price of HK\$0.275 per CSE Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 24.81% over the average of the closing prices of HK\$0.266 per CSE Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 25.09% to the average of the closing prices of HK\$0.267 per CSE Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

Conversion Shares:

Assuming the Convertible Bond is converted into CSE Shares in full at the initial Conversion Price, CSE will allot and issue an aggregate of 1,000,000,000 new CSE Shares, representing approximately 96.20% of the existing issued share capital of CSE and approximately 49.03% of the issued share capital of CSE as enlarged by allotment and issue of the Conversion Shares.

The Conversion Shares will be allotted and issued pursuant to the specific mandate to be sought at the CSE SGM.

Conversion:

Provided that any conversion of the Convertible Bond (i) does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the bondholder(s) and their respective concerted parties which exercised the conversion right; and (ii) will not cause the public float of CSE unable to meet the requirement under the Listing Rules, the bondholder(s) shall have the right at any time during the conversion period of the Convertible Bond to convert the whole or part of the outstanding principal amount of the Convertible Bond into the Conversion Shares at the Conversion Price (in multiples of HK\$1 million), save that if at any time the aggregate outstanding principal amount of the Convertible Bond is less than HK\$1 million, the whole (but not part only) of the outstanding principal amount of the Convertible Bond may be converted into the Conversion Shares.

Transferability:

The bondholder(s) may only assign or transfer the Convertible Bond to the transferee subject to the consent of CSE.

CSE will promptly notify the Stock Exchange upon becoming aware of any dealings in the Convertible Bond by any connected person.

Ranking:	The Conversion Shares, when allotted and issued, will rank pari passu in all respects with all existing CSE Shares in issue on the date of the allotment and issue of the Conversion Shares.
Status of Convertible Bond:	The Convertible Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of CSE and rank pari passu without any preference (with the exception as may be provided by applicable legislation) equally with all other present and/or future unsecured and unsubordinated obligations of CSE.
Voting rights:	The Convertible Bond does not confer any voting rights at any general meetings of CSE.
Application for listing:	No application will be made by CSE for listing of the Convertible Bond. Application will be made by CSE to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Conditions Precedent

Completion of the CB Subscription is conditional upon:

- (1) if necessary, the CSI Shareholders having approved at the CSI SGM the transactions contemplated under the CB Subscription Agreement (including the CB Subscription and the conversion of the Convertible Bond);
- (2) if necessary, the CSE Shareholders having approved at the CSE SGM the transactions contemplated under the CB Subscription Agreement and the issue of the Convertible Bond and the issue and allotment of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bond or otherwise pursuant to the terms and conditions of the Convertible Bond;
- (3) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which CSE and CSI have no reasonable objection) the listing of, and permission to deal in, the Conversion Shares;
- (4) all necessary consents and approvals required to be obtained on the part of CSE and CSI in respect of the CB Subscription Agreement and the transactions contemplated thereby having been obtained;
- (5) all representations, warranties and undertakings made by CSE in the CB Subscription Agreement remaining true, accurate and complete in all material respects and not misleading in any material respect;

- (6) there being no occurrence of circumstances which, in the reasonable opinion of CSI, will have a material adverse effect on the financial condition, prospects, earning, business, undertaking or assets of CSE and its subsidiaries, in each case, taken as a whole, since the date of the CB Subscription Agreement; and
- (7) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of Conversion Shares upon conversion of the Convertible Bond.

Completion of the CB Subscription shall take place on the date falling on the second business day after the fulfillment of the conditions precedent set out above or such other date as the parties to the CB Subscription Agreement may agree.

If the conditions precedent set out above are not fulfilled on or before the Long Stop Date, the CB Subscription Agreement shall lapse and become null and void and the parties shall be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof, in accordance with the terms of the CB Subscription Agreement.

Termination

CSI may, by notice to CSE given at any time prior to Completion, terminate the CB Subscription Agreement in any of the following circumstances:

In the reasonable opinion of CSI, the success of the CB Subscription would be materially and adversely affected by:

- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of CSI materially and adversely affect the business or the financial or trading position or prospects of the CSE Group as a whole or is materially adverse in the context of the CB Subscription; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of CSI materially and adversely affect the business or the financial or trading position or prospects of the CSE Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the CB Subscription; or

- (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of CSI is likely to materially or adversely affect the success of the CB Subscription or otherwise makes it inexpedient or inadvisable to proceed with the CB Subscription; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any suspension in the trading of securities generally or the CSE's securities on the Stock Exchange for a period of more than 15 consecutive business days, excluding any suspension in connection with the clearance of this announcement, the circular or other documents in connection with the CB Subscription; or
- (vi) any material breach of any of the representations, warranties or undertakings contained in the CB Subscription Agreement comes to the knowledge of CSI.

If at any time prior to Completion any such notice as is referred to above is given by CSI, the obligations of all parties under the CB Subscription Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches of the CB Subscription Agreement.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CB SUBSCRIPTION AGREEMENT

The CSE Group is principally engaged in film production, distribution of film and television drama series, investing in operations which receive the profit streams from the gaming promotion business and property and hotel investment.

The CSI is an investment holding company and its subsidiaries are principally engaged in sales of financial assets and provision of management services to concierge departments of gaming promoters.

The CSE Directors consider that the CB Subscription is in the interests of CSE and the CSE Shareholders as a whole taking into account (a) the continuous financing from the issue of the Convertible Bond, the subscription price of which shall be satisfied by setting off against the Loan Advance; (b) the Conversion Price is arrived at after arms' length negotiation between CSE and CSI with reference to the prevailing share prices of CSE and the market risk relating to the volatility of the market condition assumed by CSI; (c) the restriction under the terms of the Convertible Bond that conversion of the Convertible Bond shall not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the bondholder(s) and their respective concerted parties (i.e. 30% or more of the voting rights under the existing Code); (d) the interest rate and default interest rate of the

Convertible Bond are the same as, and no less favourable to CSE than, those of the Loan Advance and were determined based on the Prime Rate which the CSE Directors consider the interest rate and the default interest rate are fair and reasonable given the Convertible Bond is unsecured; and (e) the fact that the repayment burden under the Loan Advance would be released should any principal amount of the Convertible Bond is converted into CSE Shares notwithstanding the potential dilution effect on the shareholdings of CSE upon any conversion of the Convertible Bond, and that the terms of the CB Subscription Agreement (including the Conversion Price, the interest rate and the default interest rate of the Convertible Bond) are determined after arm's length negotiations and on normal commercial terms and fair and reasonable to CSE and the CSE Shareholders as a whole.

The CSI Directors consider that the CB Subscription would enable CSI to participate in the development of the CSE Group and provide CSI with the flexibility to be benefited from the interest income from the Convertible Bond as well as the upside of the share price performance of the CSE Shares through conversion of part or whole of the Convertible Bond into CSE Shares as and when CSI considers appropriate, and taking into account (a) the Conversion Price is arrived at after arms' length negotiation between CSE and CSI with reference to the prevailing share prices of CSE and the market risk relating to the volatility of the market condition assumed by CSI; and (b) the interest rate and default interest rate of the Convertible Bond are the same as, and no less favourable to CSI than, those of the Loan Advance and were determined based on the fact that given the coupon rate for three (3)-year US Treasuries is currently at 1.50% and the Prime Rate is currently at 5.00%, there is a risk premium of 3.50% for the Loan Advance and the Convertible Bond, the CSI Directors consider that the terms of the CB Subscription Agreement (including the Conversion Price, the interest rate and the default interest rate of the Convertible Bond) are determined after arm's length negotiations and on normal commercial terms, fair and reasonable and in the interest of CSI and the CSI Shareholders as a whole.

The CSE Group recorded an audited net profit before and after taxation credit of approximately HK\$63.15 million and HK\$65.59 million (before minority interests of approximately HK\$25.01 million) for the financial year ended 31 December 2008, and an audited net loss before and after taxation charge of approximately HK\$101.86 million and HK\$103.81 million (before minority interests of approximately HK\$11.26 million) for the financial year ended 31 December 2007. The CSE Group had an audited net assets of approximately HK\$1,702.96 million as at 31 December 2008.

EFFECT ON SHAREHOLDING STRUCTURE OF CSE

The shareholding structure of CSE (i) as at the date of this announcement; (ii) assuming full conversion of the Convertible Bond at the initial Conversion Price; and (iii) assuming conversion of the Convertible Bond up to the extent that CSI and the parties acting in concert with it is interested in not more than 30% of the issued share capital of CSE are set out as below:

CSE Shareholders	As at the date of this announcement		Assuming full conversion of the Convertible Bond at the initial Conversion Price (Note 2)		Assuming conversion of the Convertible Bond to the extent that CSI and parties acting in concert with it are interested in not more than 30% of the issued share capital of CSE (Note 2)	
	CSE Shares	Approximate %	CSE Shares	Approximate %	CSE Shares	Approximate %
Porterstone	45,662,174	4.39	45,662,174	2.24	45,662,174	3.30
Dorest (Note 1)	137,025	0.01	137,025	0.01	137,025	0.01
Mr. Heung	23,176,653	2.23	23,176,653	1.14	23,176,653	1.68
Ms. Chen	1,427,247	0.14	1,427,247	0.07	1,427,247	0.10
CSI	—	—	1,000,000,000	49.03	342,953,212	24.81
Sub-total	70,403,099	6.77	1,070,403,099	52.49	413,356,311	29.90
Public	969,106,269	93.23	969,106,269	47.51	969,106,269	70.10
Total	1,039,509,368	100.00	2,039,509,368	100.00	1,382,462,580	100.00

Note 1: Those CSE Shares held by Dorest are under a charging order.

Note 2: For illustrative purpose only. Pursuant to the terms of the Convertible Bond, the bondholder(s) shall have the right to convert the Convertible Bond into the Conversion Shares, provided that any conversion of the Convertible Bond (i) does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the bondholder(s) and their respective concerted parties which exercised the conversion right; and (ii) will not cause the public float of CSE unable to meet the requirement under the Listing Rules.

FUND RAISING ACTIVITIES OF CSE IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Set out below is the fund raising activities conducted by CSE in the past twelve months immediately preceding the date of this announcement:

Date of initial announcement	Description	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
8 December 2008	Placing of 88,000,000 Old CSE Shares at HK\$0.102 per Old CSE Share	Approximately HK\$8.8 million	To finance the subscription of the convertible bonds of Golife Concepts Holdings Limited	The net proceeds has been fully utilised as intended
8 December 2008	Open offer of 1,064,486,080 Old CSE Shares on the basis of two offer Old CSE Shares for every one existing Old CSE Share at the subscription price of HK\$0.05 per Old CSE Share with bonus issue on the basis of three bonus Old CSE Shares for every one offer Old CSE Share taken up	Approximately HK\$51.5 million	To finance the subscription of the convertible bonds of Golife Concepts Holdings Limited	The net proceeds has been fully utilised as intended
12 May 2009	Placing of 800,000,000 new CSE Shares at HK\$0.20 per CSE Share	Approximately HK\$158 million	To finance the hotel operation and for general working capital of the CSE Group	The net proceeds will be used as intended
16 July 2009	Placing of 207,900,000 new CSE Shares at HK\$0.22 per CSE Share	Approximately HK\$45.238 million	For general working capital of the CSE Group	The planning was not yet completed

GENERAL

The CSE SGM will be convened and held for the purpose of considering and, if thought fit, approve the CB Subscription Agreement and the transactions contemplated thereunder. Mr. Heung, Ms. Chen and their associates will abstain from voting at the CSE SGM. To the best of the CSE Directors'

knowledge, information and belief and having made all reasonable enquiries, no CSE Shareholder, other than Mr. Heung, Ms. Chen and their associates (including Porterstone and Dorest), is required to abstain from voting at the CSE SGM.

A circular containing, among other things, further details of the CB Subscription Agreement and a notice convening the CSE SGM will be despatched by CSE to the CSE Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

The CB Subscription and the conversion of the Convertible Bond constitute very substantial acquisitions of CSI under the Listing Rules and are subject to CSI Shareholders' approval at the CSI SGM. The CSI SGM will be convened and held for the purpose of considering and, it thought fit, approve the transactions contemplated under the CB Subscription Agreement (including the CB Subscription and the conversion of the Convertible Bond). Mr. Heung, Ms. Chen and their associates will abstain from voting at the CSI SGM. To the best of the CSI Directors' knowledge, information and belief and having made all reasonable enquires, no CSI Shareholder, other than Classical Statue (being the associates of Mr. Heung and Ms. Chen), is required to abstain from voting at the CSI SGM.

A circular containing, among other things, further details of the CB Subscription Agreement and a notice convening the CSI SGM will be despatched by CSI to the CSI Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

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Trading in the issued CSE Shares and the issued CSI Shares on the Stock Exchange was suspended at the request of CSE and CSI respectively with effect from 9:30 a.m. on 24 July 2009 pending the release of this announcement. Each of CSE and CSI has applied for a resumption of trading in the issued CSE Shares and the issued CSI Shares respectively with effect from 9:30 am on 28 July 2009.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribe thereto under the Listing Rules;
“CB Subscription”	the proposed subscription of the Convertible Bond by CSI pursuant to the CB Subscription Agreement;
“CB Subscription Agreement”	the conditional subscription agreement dated 23 July 2009 entered into between CSE and CSI in respect of the CB Subscription;
“Classical Statue”	Classical Statue Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial CSI Shareholder, which is wholly owned by Glenstone Investment Limited which in turn is owned as to 60% by Porterstone and 40% by Mr. Heung;

“Code”	the Hong Kong Code on Takeovers and Mergers;
“Completion”	completion of the CB Subscription in accordance with the CB Subscription Agreement;
“Conversion Price”	the initial conversion price of HK\$0.20 per Conversion Share (subject to adjustment) pursuant to the terms of the Convertible Bond;
“Conversion Shares”	the new CSE Shares which would fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bond;
“Convertible Bond”	the convertible bond in the principal amount of HK\$200 million conferring rights to convert into the Conversion Shares at the Conversion Price to be issued by CSE to CSI;
“CSE”	China Star Entertainment Limited, a company incorporated in Bermuda with limited liability, the issued CSE Shares are listed on the main board of the Stock Exchange;
“CSE Board”	the board of CSE Directors;
“CSE Directors”	the directors of CSE;
“CSE Group”	CSE and its subsidiaries;
“CSE SGM”	the special general meeting of CSE to be convened to consider, if thought fit, and approve the CB Subscription Agreement and the transactions contemplated thereunder, including the issue of the Convertible Bond and the allotment and issue of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bond;
“CSE Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of CSE;
“CSE Shareholder(s)”	the holder(s) of the issued CSE Share(s);
“CSI”	China Star Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the issued CSI Shares are listed on the main board of the Stock Exchange;
“CSI Board”	the board of CSI Directors;

“CSI Directors”	the directors of CSI;
“CSI SGM”	the special general meeting of CSI to be convened to consider, if thought fit, and approve the transactions contemplated under CB Subscription Agreement (including the CB Subscription and the conversion of the Convertible Bond);
“CSI Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of CSI;
“CSI Shareholder(s)”	the holder(s) of the issued CSI Share(s);
“Dorest”	Dorest Company Limited, a company incorporated in Hong Kong with limited liability which is beneficially owned as to 60% by Ms. Chen through Porterstone and as to 40% by Mr. Heung;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Day”	23 July 2009, being the last trading day for the issued CSE Shares before the publication of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Advance”	the loan advance in the outstanding principal amount of HK\$200 million drawn by CSE under the Loan Facility as at the date of the CB Subscription Agreement;
“Loan Facility”	the unsecured loan facility of up to HK\$200 million granted by CSI to CSE, details of which were set out in the Previous Announcement;
“Long Stop Date”	31 December 2009 (or such other date as may be agreed by CSE and CSI in writing);
“Mr. Heung”	Mr. Heung Wah Keung, an executive CSE Director and an executive CSI Director;
“Ms. Chen”	Ms. Chen Ming Yin, Tiffany, an executive CSE Director and an executive CSI Director;
“Old CSE Shares”	the ordinary shares of HK\$0.05 each in the share capital of CSE prior to the capital reorganisation of CSE, which became effective on 4 May 2009;

“Porterstone”	Porterstone Limited, a company incorporated in the British Virgin Islands with limited liability which is beneficially owned by Ms. Chen. Accordingly, Mr. Heung, the husband of Ms. Chen, is deemed to be interested in the CSE Shares held by Porterstone;
“Previous Announcement”	the announcement dated 12 March 2009 issued by CSI in respect of the Loan Facility;
“Prime Rate”	the rate of interest per annum as announced or applied by The Hongkong and Shanghai Banking Corporation Limited (or such other bank as CSI may from time to time select in its absolute discretion) from time to time as its prime interest rate in Hong Kong for lending Hong Kong dollars to its prime customers;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By Order of the CSE Board
China Star Entertainment Limited
Heung Wah Keung
Chairman

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

Hong Kong, 27 July 2009

As at the date of this announcement, the CSE Board comprises three executive directors, namely Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; and three independent non-executive directors, namely Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.

As at the date of this announcement, the CSI Board comprises 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.