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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS; INSIDE INFORMATION; AND RESUMPTION OF TRADING

This announcement is made by China Star Entertainment Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company has noted today’s increases in the price and trading volume of shares of the Company (the “**Shares**”). Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that it is not aware of any reasons for such movements and save as disclosed herein, it is not aware of any reasons for these price and volume movements or of any information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 22 October 2013, the Company was approached by an independent third party relating to the possible disposal (the “**Possible Disposal**”) of Hotel Lan Kwai Fong Macau. The Company has just commenced a preliminary negotiation with the independent third party in relation to the Possible Disposal. The Possible Disposal, if materialise, will constitute a notifiable transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Up to the date of this announcement, no legally binding agreements or contracts relating to the Possible Disposal have been entered into by the Company. In the event that any agreements or contracts regarding the Possible Disposal are entered into by the Company, the Company will comply with the relevant requirements under the Listing Rules.

The Possible Disposal may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made by the order of the Company. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on Wednesday, 23 October 2013, pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on Thursday, 24 October 2013.

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

Hong Kong, 23 October 2013

As at the date of this announcement, the executive directors of the Company are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; the independent non-executive directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.