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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Reference is made to the announcement of China Star Entertainment Limited (the “**Company**”) dated 8 July 2014 (the “**Announcement**”) in relation to, among other things, the proposed issue of the unsecured zero-coupon convertible bonds up to an aggregate principal amount of HK\$405.00 million to Mr. Mung Kin Keung, a Co-Chairman and executive director of the Company. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to announce that on 23 July 2014, Donvex Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the CB Subscription Agreement and the transaction contemplated thereunder, including the issue of the Convertible Bonds and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares.

As a longer time is expected for the independent financial adviser to perform its works in making a recommendation to the Independent Board Committee on the CB Subscription Agreement and the transactions contemplated thereunder, it is stated in the Announcement that a circular, containing, among other things, (i) further information on the Share Subscription and the CB Subscription; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the CB Subscription Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the CB Subscription; and (iv) a notice convening the SGM and a form of proxy will be despatched to the Shareholders on or before 22 August 2014, which is more than 15 business days after the publication of the Announcement.

By Order of the Board
China Star Entertainment Limited
Heung Wah Keung **Mung Kin Keung**
Co-Chairman *Co-Chairman*

Hong Kong, 23 July 2014

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