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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

HOLDING ANNOUNCEMENT

Reference is made to the announcement of China Star Entertainment Limited (the “**Company**”) published on 3 November 2014 regarding the halt of trading in the shares of the Company on The Stock Exchange of Hong Kong Limited with effect from 9:00 a.m. on 3 November 2014 pending the release of an announcement (the “**Announcement**”) in relation to inside information and a transaction which if proceeds would constitute a very substantial disposal of the Company.

The board of directors of the Company (the “**Board**”) wishes to inform the public of the current status of the Company. As at the date of this announcement, the Company is in the process of preparing the Announcement in relation to, among others, a binding letter of intent entered into by the Company on 31 October 2014 which constitutes a proposed very substantial disposal of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Board considers that additional time is required for such purpose. The disposal relates to properties, namely Lot 6B, 6C, 6D and 6E, details of such properties having been previously disclosed in the Company’s announcement dated 7 January, 2011 (the “**Property Disposal**”). In addition, the Board would use its best endeavors to prepare the Announcement and relevant documents in order to resume trading in the shares of the Company as soon as practicable. An announcement setting out, among other things, details of the above matters will be published as and when appropriate.

The Board would also like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company is in the late stage of negotiations with an independent third party relating to a possible disposal of Hotel Lan Kwai Fong in Macau (the “**Hotel Disposal**”). The terms of the Hotel Disposal are subject to final negotiations. As at the date of this announcement, no agreement has been entered into by the Company regarding the Hotel Disposal.

The Board wishes to inform the Shareholders and potential investors that in the event the Hotel Disposal materialises, it may constitute a very substantial disposal of the Company under the Listing Rules, but there is no assurance that a deal may be concluded nor when an agreement may be signed. The Company will make further announcement as and when appropriate pursuant to the requirements under the Listing Rules.

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

Trading in the shares of the Company will remain suspended pending 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, 13 November 2014

As at the date of this announcement, the executive directors of the Company 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.