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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

RESULTS OF THE RIGHTS ISSUE AND ADJUSTMENTS TO OPTIONS AND WARRANTS

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that the Rights Issue has become unconditional at 4:00 p.m. on Monday, 9 August 2010.

As at 4:00 p.m. on Wednesday, 4 August 2010, being the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares, a total of 98 valid acceptances and excess applications had been received for a total of 1,014,345,721 Rights Shares (representing approximately 70.21% of the total number of Rights Shares), comprising (i) 39 valid acceptances of provisional allotments for a total of 938,122,744 Rights Shares (representing approximately 64.94% of the total number of the Rights Shares); and (ii) a total of 59 valid applications of excess applications for a total of 76,222,977 excess Rights Shares (representing approximately 5.28% of the total number of the Rights Shares).

Based on the above subscription results, the Rights Issue was under-subscribed by 430,297,463 Rights Shares and accordingly the Untaken Shares will be underwritten by the Underwriter pursuant to the Underwriting Agreement.

It is expected that the share certificates for the Rights Shares in respect of the valid acceptances of the Rights Shares on the Provisional Allotment Letters and successful applications for excess Rights Shares on the Excess Application Forms will be despatched to the addresses (as shown on the register of members of the Company) by ordinary post on or before Wednesday, 11 August 2010 at the relevant Shareholders' own risks.

Dealings in the Rights Shares are expected to commence on the Stock Exchange at 9:30 a.m. on Friday, 13 August 2010.

ADJUSTMENTS TO OPTIONS AND WARRANTS

Pursuant to the terms of the instruments of the share option scheme of the Company and the terms and conditions under the Warrant Instrument, the exercise price and the number of outstanding Options and the subscription price of the Warrants, will be adjusted in the manners as disclosed herein as a result of the Rights Issue.

Reference is made to the prospectus of the Company dated 21 July 2010 (the “**Prospectus**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Prospectus.

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Based on the above subscription results, the Rights Issue was under-subscribed by 430,297,463 Rights Shares and accordingly the Untaken Shares will be underwritten by the Underwriter pursuant to the Underwriting Agreement.

The Board has resolved that it is fair and equitable to accept all valid excess applications for an aggregate of 76,222,977 excess Rights Shares and to allot such amount of Rights Shares to the applicants for excess Rights Shares.

It is expected that the share certificates for the Rights Shares in respect of the valid acceptances of the Rights Shares on the Provisional Allotment Letters and successful applications for excess Rights Shares on the Excess Application Forms will be despatched to the addresses (as shown on the register of members of the Company) by ordinary post on or before Wednesday, 11 August 2010 at the relevant Shareholders’ own risks.

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SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge and information, the shareholding structure of the Company as a result of the Rights Issue is as follows:

	Upon completion of the Rights Issue	
	<i>No. of Shares</i>	<i>Approximate %</i>
China Star Investment Holdings Limited	680,000,000	15.690
Porterstone (<i>Note 1</i>)	211,905,000	4.889
Dorest Company Limited (<i>Note 1</i>)	137,025	0.003
Sub-total	212,042,025	4.892
Skylight Property Ltd. (<i>Note 2</i>)	215,970,000	4.983
Yo Chen Limited (<i>Note 2</i>)	27,039,700	0.624
Sub-total	243,009,700	5.607
Public		
Subscribers procured by the Underwriter	430,297,470	9.929
Other public Shareholder	2,768,580,357	63.882
Total	<u>4,333,929,552</u>	<u>100.000</u>

Notes:

1. Dorest Company Limited is owned as to 60% by Porterstone and as to 40% by Mr. Heung, an executive Director. The Shares held by Dorest Company Limited are under a charging order.
2. Skylight Property Ltd. and Yo Chen Limited are beneficially owned as to 50% by Mr. Kwok Lung and as to 50% by Mr. Li Chi Lam.

Adjustments to the exercise price and number of the outstanding Options and the subscription price of the Warrants

Adjustments to the exercise price and number of the outstanding Options will be required under the relevant rules of the share option scheme of the Company, the provision of Rule 17.03(13) of the Listing Rules and the supplementary guidance set out by the Stock Exchange on 5 September 2005. The exercise price and number of the outstanding Options will be adjusted with effect from the date on which the Rights Issue has been completed as follows:

Exercisable Period	Existing exercise price per Share <i>HK\$</i>	Existing number of outstanding Options	Adjusted exercise price per Share as a result of the Rights Issue <i>HK\$</i>	Adjusted number of outstanding Options as a result of the Rights Issue
16 July 2002 to 15 July 2012	65.680	208,743	62.852	218,136
17 July 2003 to 16 July 2013	21.600	315,714	20.670	329,921
13 December 2004 to 12 December 2014	19.900	465,654	19.043	486,608
04 February 2005 to 03 February 2015	20.600	776,481	19.713	811,422
30 December 2005 to 29 December 2015	9.260	496,880	8.861	519,239
21 November 2006 to 20 November 2016	10.600	548,750	10.144	573,443
25 May 2007 to 24 May 2017	16.080	1,368,218	15.388	1,429,787
27 June 2007 to 26 June 2017	16.000	645,173	15.311	674,205
23 October 2007 to 22 October 2017	7.600	2,712,662	7.273	2,834,731
21 August 2008 to 20 August 2018	0.980	9,500,336	0.938	9,927,851
7 January 2010 to 6 January 2011	0.180	76,855,000	0.172	80,313,475
13 May 2010 to 12 May 2011	0.150	234,927,000	0.144	245,498,715

Adjustments to the subscription price of the Warrants will be required under the terms and conditions under the Warrant Instrument. The subscription price of the Warrants will be adjusted with effect from the date on which the Rights Issue has been completed as follows:

Subscription Period	Existing subscription price per Share HK\$	Adjusted subscription price per Share as a result of the Rights Issue HK\$
15 June 2010 to 14 June 2012	0.193	0.185

The Company's auditors have been appointed to certify the above necessary adjustments with respect to the exercise price and number of the Options and the subscription price of the Warrants.

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

Hong Kong, 10 August 2010

As at the date of this announcement, the executive Directors are Mr. Heung Wah 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. Leung Hok Man.