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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(Warrant Code: 1056)

ANNOUNCEMENT

**DELAY IN DESPATCH OF CIRCULAR AND ACCEPTANCE FORM
IN RELATION TO
PROPOSED CONDITIONAL CASH OFFER BY
GET NICE SECURITIES LIMITED
ON BEHALF OF
CHINA STAR ENTERTAINMENT LIMITED
TO REPURCHASE UP TO 982,830,877 SHARES
IN CHINA STAR ENTERTAINMENT LIMITED;
APPLICATION FOR WHITEWASH WAIVER;
POSSIBLE BONUS ISSUE OF SHARES
AND ISSUE OF NEW CONVERTIBLE BONDS
TO FULFIL THE MINIMUM PUBLIC FLOAT REQUIREMENT
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS**

Reference is made to the announcement of China Star Entertainment Limited (the “**Company**”) dated 4 June 2012 (the “**Announcement**”) in relation to the conditional cash offer by Get Nice Securities Limited on behalf of the Company to repurchase up to 982,830,877 Shares at a price of HK\$0.35 per Share. References are also made to the announcements of the Company dated 15 June 2012 and 20 June 2012 in relation to

update of number of relevant securities of the Company in issue. Capitalised terms used herein have the same meanings as those defined in the Announcement unless otherwise specified.

As stated in the Announcement, it is the intention of the Company that the Circular will be despatched by the Company to the Shareholders and the holders of Warrants II in accordance with the Takeovers Code.

Pursuant to Rule 8.2 of the Takeovers Code, the Circular should be despatched to the Shareholders and the holders of Warrants II within 21 days from 4 June 2012, being the date of the Announcement, i.e. on or before 25 June 2012. As additional time is required for the Company to prepare and finalise relevant information for compiling the Circular, an application has been made by the Company to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code by extending the date of despatch of the Circular to a date falling on or before 17 July 2012. The Executive has indicated that it is minded to grant such consent. Upon the Executive's confirmation on the grant of its consent on the extension, it is expected that the date of despatch of the Circular would be on or before 17 July 2012.

WARNING

As the Offer is subject to fulfillment of conditions, it may or may not become unconditional and the Offer may or may not proceed. Shareholders, holders of the Warrants II and potential investors are advised to exercise caution when dealing in the Shares and the Warrants II.

Dealings in the Shares and the Warrants II will continue notwithstanding the Offer has not become unconditional. During such period, persons dealing in the Shares and the Warrants II will bear the risk that the Offer may lapse. Shareholders and holders of the Warrants II should consult their professional advisers if in doubt.

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

Hong Kong, 25 June 2012

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; the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.

The Directors jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the day of its publication and will be published and remains on the website of the Company at www.chinastar.com.hk and www.irasia.com/listco/hk/chinastar.