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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(Warrant Code: 1056)

ANNOUNCEMENT

FURTHER DELAY IN DESPATCH OF CIRCULAR AND ACCEPTANCE FORM

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 of the Company at a price of HK\$0.35 per Share. References are also made to the announcements of the Company dated 25 June 2012 (the “**June Announcement**”) and 17 July 2012 (the “**July Announcement**”) in relation to the delay in despatch of the Circular and Acceptance Form. 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 on or before 25 June 2012, being the 21 days from the date of the Announcement, in accordance with the Rule 8.2 of the Takeovers Code. As stated in the June Announcement, an application has been made for the consent of the Executive to waive the requirement of Rule 8.2 of the Takeovers Code and to extend the deadline for the despatch of the Circular to 17 July 2012. The Executive has granted the consent for such extension on 6 July 2012. As stated in the July Announcement, an application has been made for the consent of the Executive to waive the requirement of Rule 8.2 of the Takeovers Code and to extend the deadline for the despatch of the Circular to 31 July 2012. The Executive has granted the consent for such extension on 25 July 2012.

As additional time is required for the Company to prepare and finalise relevant information for compiling the Circular, in particular, the letter from the joint independent financial advisers to advise the Independent Board Committee in respect of the Offer and the Whitewash Waiver, 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 to further extend the date of despatch of the Circular to a date falling on or before 23 August 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 23 August 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 and holders of the Warrants II and potential investors are advised to exercise caution when dealings 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, 31 July 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.