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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(Warrant Code: 1056)

ANNOUNCEMENT

DESPATCH OF CIRCULAR AND ACCEPTANCE FORM

The Circular containing, amongst other things, further details of the Offer, the Whitewash Waiver, the Possible Bonus Issue and the proposed amendments to the Bye-laws, the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer and the Whitewash Waiver, the letter of advice from the Independent Financial Advisers to the Independent Board Committee in respect of the Offer and the Whitewash Waiver and the notice convening the SGM and the Acceptance Form have been despatched to the Shareholders and holders of Warrants II on 28 September 2012. The Circular has also been despatched to the holders of the Share Options and the Issued CBs for information purpose.

References are made to the announcement of China Star Entertainment Limited (the “**Company**”) dated 4 June 2012 and the circular of the Company dated 28 September 2012 (the “**Circular**”) in relation to the conditional cash offer by Get Nice Securities Limited on behalf of the Company to repurchase up to 887,901,665 Shares at a price of HK\$0.35 per Share. Capitalised terms used herein have the same meanings as those defined in the Circular unless otherwise specified.

DESPATCH OF CIRCULAR AND ACCEPTANCE FORM

The Circular containing, amongst other things, further details of the Offer, the Whitewash Waiver, the Possible Bonus Issue and the proposed amendments to the Bye-laws, the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer and the Whitewash Waiver, the letter of advice from the Independent Financial Advisers to the Independent Board Committee in respect

of the Offer and the Whitewash Waiver and the notice convening the SGM and the Acceptance Form have been despatched to the Shareholders and holders of Warrants II on 28 September 2012. The Circular has also been despatched to the holders of the Share Options and the Issued CBs for information purpose.

The SGM will be held at Macau Jockey Club, 1/F, Function Room, 1st Floor China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, on Thursday, 25 October 2012 at 12:00 noon.

CLOSURE OF REGISTER OF MEMBERS

The Register will be closed from Monday, 22 October 2012 to Thursday, 25 October 2012, both days inclusive, during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the SGM, all transfers, accompanied by the relevant share certificates, should be lodged with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 19 October 2012.

For avoidance of doubt, those holders of Share Options and the Warrants II who would like to attend and vote at the SGM should exercise the relevant subscription rights for Shares on or before 4:30 p.m. on Wednesday, 17 October 2012.

EXPECTED TIMETABLE

The SGM will be held at Macau Jockey Club, 1/F, Function Room, 1st Floor China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, on Thursday, 25 October 2012 at 12:00 noon at which resolutions will be proposed to approve the Offer, the Whitewash Waiver, the Possible Bonus Issue and the amendments to the Bye-laws. The tentative timetable which is extracted from the Circular is set out below for reference.

The timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be announced by the Company.

2012

Offer Period begins Tuesday, 5 June

Despatch of the Circular Friday, 28 September

Latest time for the holders of the Share Options
and the Warrants II to exercise the relevant
subscription rights for Shares in order 4:30 p.m. on
to be entitled to attend and vote at the SGM Wednesday, 17 October

Latest time to lodge transfer of Shares in order 4:30 p.m. on
to be entitled to attend and vote at the SGM Friday, 19 October

Latest time to lodge form of proxy for the SGM. 12:00 noon on Tuesday, 23 October

Closure of register of members of the Company (*Note 1*) Monday, 22 October to Thursday, 25 October

Record date for determination of entitlements to attend and vote at the SGM. Thursday, 25 October

SGM (*Note 2*) 12:00 noon on Thursday, 25 October

Announcement of the results of the SGM and whether the Offer has become unconditional in all respects Not later than 7:00 p.m. on Thursday, 25 October

Latest time for the holders of the Share Options and the Warrants II to exercise the relevant subscription rights for Shares in order to accept the Offer. 4:30 p.m. Wednesday, 31 October

Latest Acceptance Time (*Note 3*) 4:00 p.m. on Friday, 9 November

Closing date of the Offer (*Note 3*). Friday, 9 November

Announcement of the results of the Offer (*Note 4*) Not later than 7:00 p.m. on Friday, 9 November

Latest date for despatch of cheques to the Accepting Shareholders (*Note 5*). Tuesday, 20 November

Notes:

- 1. The Register will be closed from Monday, 22 October 2012 to Thursday, 25 October 2012, both days inclusive, during which period no transfer of Shares will be effected.*
- 2. The SGM will be convened on Thursday, 25 October 2012 at 12:00 noon.*
- 3. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least 21 days following the date on which this Circular was posted. The expected latest time and date for acceptance of the Offer is 4:00 p.m. on Friday, 9 November 2012 unless the Offer is extended in accordance with the Takeovers Code.*

In any announcement of an extension of the Offer, either the next closing date must be stated or a statement may be made that the Offer will remain open until further notice. In the latter case, at least 14 days' notice by way of announcement will be given, before the Offer is closed, to those Shareholders who have not accepted the Offer.

When the Offer becomes or is declared unconditional in all respects, the Offer will remain open for acceptance for a period of not less than 14 days thereafter and at least 14 days notice by way of announcement must be given before the Offer is closed to those Shareholders who have not accepted the Offer. An announcement will be made when the Offer becomes unconditional in all respects.

4. *An announcement will be issued through the Stock Exchange's website by 7:00 p.m. on Friday, 9 November 2012 and any subsequent closing date (if any) stating whether or not the Offer has been revised or extended, has expired or has become or been declared unconditional in all respects.*
5. *Subject to the Offer becomes or is declared unconditional in all respects, pursuant to Rule 20.1 of the Takeovers Code, the Shares represented by acceptances of the Offer shall be paid for by the Company as soon as possible but in any event within 7 business days of the later of the date on which the Offer becomes, or is declared, unconditional in all respects and the date of receipt of a valid Acceptance Form accompanied by the Title Documents.*

All references to times and dates in the Circular are references to Hong Kong local times and dates.

Dates or deadlines specified above may be varied or extended by the Company and are therefore tentative and indicative only. Further announcement(s) will be made by the Company on any changes to the above expected timetable, if and when appropriate.

WARNING

Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Advisers contained in the Circular before deciding whether to vote for or against the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the SGM. Shareholders should also note that their voting decision on the resolutions to be proposed at the SGM relating to the Offer and the Whitewash Waiver shall not affect their investment decision as to whether to accept the Offer or not. If the Shareholders are in any doubt as to any aspect of the Offer or the Whitewash Waiver or as to the action to take, they should seek independent professional advice.

As the Offer is subject to fulfillment of conditions, it may or may not become unconditional in all respects and the Offer may lapse. The Possible Bonus Issue is conditional on the Offer becoming or being declared unconditional in all respects and the Possible Bonus Issue may or may not be made, and if made, it would be after the Offer is closed and would be subject to fulfillment of conditions and may not become unconditional in all respects. Shareholders and 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 may or may not become unconditional in all respects and the Offer may lapse. During such period, persons dealing in the Shares and the Warrants II will bear the risk that the Offer may or may not become unconditional in all respects and the Offer may lapse. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the Warrants II. 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, 28 September 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.