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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

INSIDE INFORMATION

This announcement is made by China Star Entertainment Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 21 January 2014 and 27 January 2014 in relation to, among other things, the possible acquisition (the “**Possible Acquisition I**”) of equity or beneficial interests in a company which will be entitled to the entirety of the net profit deriving from VIP gaming promotion operations (being activities undertaken to promote casino games by way of offering transportation, accommodation, food and beverage and entertainment in exchange for a commission or other compensation paid by a gaming concessionaire) in Macau and the possible acquisition (the “**Possible Acquisition II**”) of the entire issued share capital of a company, the major asset of which is its certain indirect interest in a 20-storey commercial building located in Chaoyangmenwai Dajie (朝陽門外大街), Beijing, The People’s Republic of China.

The board of directors (the “**Board**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the negotiations in respect of the Possible Acquisition I and the Possible Acquisition II are still ongoing.

The Board confirms that as at the date of this announcement, no agreement has been entered into by the Company regarding the Possible Acquisition I or the Possible Acquisition II. The terms of the Possible Acquisition I and the Possible Acquisition II including the amount of consideration are subject to further negotiations between the Company and the relevant parties respectively.

In addition, the Company has commenced another preliminary discussion with an independent third party in relation to a possible acquisition (the “**Possible Acquisition III**”) of equity or beneficial interests in another company which will be entitled to the entirety of the net profit deriving from VIP gaming promotion operations (being activities undertaken to promote casino games by way of offering transportation, accommodation, food and beverage and entertainment in exchange for a commission or other compensation paid by a gaming concessionaire) in Macau.

The terms of the Possible Acquisition III including the amount of consideration are subject to negotiations. As at the date of this announcement, no agreement has been entered into by the Company regarding the Possible Acquisition III.

The Board wishes to inform the Shareholders and potential investors that in the event the Possible Acquisition III materialises, it may constitute a notifiable transaction 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 or would be signed at all. The Company will make further announcement as and when appropriate pursuant to the requirements under the Listing Rules.

The Possible Acquisition I, the Possible Acquisition II and/or the Possible Acquisition III may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the order of the Board. The directors of the Company collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 10 February 2014

As at the date of this announcement, the executive directors of the Company are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; the independent non-executive directors of the Company are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.