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## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 326)**

### **TERMINATION OF THE CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

References are made to the announcement of China Star Entertainment Limited (the “**Company**”) dated 8 July 2014 (the “**Announcement**”) in relation to, amongst others, the CB Subscription Agreement and transactions contemplated thereunder, including the issue of the Convertible Bonds and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares which are subject to the Shareholders’ approval and the respective announcements of the Company dated 22 August 2014, 11 September 2014 and 31 October 2014 in respect of the delays in despatch of the circular in respect of the above. Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the Announcement.

The Board announces that, on 18 November 2014 (after trading hours of the Stock Exchange), the Company and Mr. Mung entered into a deed of termination (the “**Deed**”), pursuant to which, the Company and Mr. Mung mutually irrevocably and unconditionally agreed that, on and with effect from 18 November 2014, the CB Subscription Agreement shall terminate and cease to have any effect. Following the entering into the Deed, each party to the Deed has released and discharged other party from all its or his obligations, duties and liabilities (whether accrued before 18 November 2014 or otherwise) whatsoever under the CB Subscription Agreement and from all actions, proceedings, claims, demands, damages, costs and expenses arising from such obligations, duties and liabilities.

Mr. Mung had abstained from voting at the Board meeting in respect of the entering into the Deed.

The Board is of the view that there will not be any significant adverse impact on the trading and financial positions of the Group as a result of the termination of the CB Subscription Agreement.

By Order of the Board  
**China Star Entertainment Limited**  
**Heung Wah Keung**      **Mung Kin Keung**  
*Co-Chairman*      *Co-Chairman*

Hong Kong, 18 November 2014

*As at the date of this announcement, the executive Directors are Mr. Heung Wah Keung, Mr. Mung Kin 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.*