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## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 326)**

### **TERMINATION OF VERY SUBSTANTIAL DISPOSAL OF PROPERTY LEASEHOLD RIGHTS**

Reference is made to the announcements of China Star Entertainment Limited (the “Company”) dated 21 November, 2014 and 12 December 2014 (the “Announcements”) regarding, inter alia, the proposed disposal of the entire issued share capital of Triumph Top Limited and its sale loan (the “Proposed Disposal”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board announces that after trading hours on 25 March 2015, the parties to the Disposal Agreement entered into a deed of termination (the “Deed”), pursuant to which, the parties to the Disposal Agreement mutually irrevocably and unconditionally agreed that the Proposed Disposal be terminated and cease to have any effect. Initial deposit and part payment of the Initial Consideration in the sum of HK\$50,000,000 held by the Vendor’s solicitors will be returned to the Purchaser. The reason for the termination of the Disposal Agreement is the anticipated inability of the entering into of the Supplemental Property Leasehold Right Agreement by 31 March 2015. 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 whatsoever under the Disposal Agreement and from all actions, proceedings, claims, demands, damages, costs and expenses arising from such obligations, duties and liabilities.

The Board considers that the termination of the Proposed Disposal would not have any material adverse effect on the existing financial position or business operation of the Group.

The Board would also like to inform the shareholders of the Company and potential investors that negotiations with an independent third party relating to a possible disposal of Hotel Lan Kwai Fong in Macau as announced by the Company on 13 November 2014 and 21 November 2014 has ceased and such transaction will therefore not proceed. No formal documentation has been entered into by the Company.

Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the shares of the Company.

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

Hong Kong, 25 March 2015

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