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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

DECLARATION AND PAYMENT OF SPECIAL DIVIDEND, CLOSURE OF REGISTER OF MEMBERS AND CHANGE IN USE OF PROCEEDS

DECLARATION AND PAYMENT OF SPECIAL DIVIDEND

The Board has resolved to declare and pay the Special Dividend of HK15 cents per Share to the Shareholders whose names appear on the Company's register of members on Wednesday, 9 January 2019.

The register of members of the Company will be closed from Monday, 7 January 2019 to Wednesday, 9 January 2019 (both days inclusive) for the purpose of determining the entitlement of the Special Dividend.

CLOSURE OF REGISTER OF MEMBERS

In order to qualify the Special Dividend, all transfers of Shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Registrar, no later than 4:30 p.m. on Friday, 4 January 2019. The Special Dividend will be paid on or around Friday, 25 January 2019.

CHANGE IN USE OF PROCEEDS

The Board has resolved to revise the use of net proceeds of the Disposal towards payment of the Special Dividend with the remaining balance thereof for normal operations and business development of the Group.

DECLARATION AND PAYMENT OF SPECIAL DIVIDEND

Reference is made to the announcement of China Star Entertainment Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) dated 6 December 2018 in relation to the date of board meeting of the board of directors of the Company (the “**Board**”) and the proposed declaration and payment of a special dividend in the aggregate sum of approximately HK\$420 million.

In light of the intention of the Board to distribute dividend to the shareholders of the Company (the “**Shareholders**”) for rewarding their supports to the Company, the Board has resolved to declare and pay a special dividend (the “**Special Dividend**”) of HK15 cents per ordinary share of HK\$0.01 each of the Company (each a “**Share**”) to the Shareholders whose names appear on the Company’s register of members on Wednesday, 9 January 2019.

The register of members of the Company will be closed from Monday, 7 January 2019 to Wednesday, 9 January 2019 (both days inclusive) for the purpose of determining the entitlement of the Special Dividend. No transfer of Shares will be registered during such period.

CLOSURE OF REGISTER OF MEMBERS

In order to qualify for the Special Dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited (the “**Registrar**”) located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 4 January 2019. The record date for the Special Dividend will be Wednesday, 9 January 2019. The last day of cum-Special Dividend for dealing in Shares will be Friday, 4 January 2019. Dealing in Shares will be ex-Special Dividend from Monday, 7 January 2019. The Special Dividend will be paid on or around Friday, 25 January 2019.

CHANGE IN USE OF PROCEEDS

Reference is made to the announcements of the Company dated 16 October 2017, 17 November 2017, 11 December 2017 and 3 January 2018 respectively and the circular of the Company dated 21 November 2017 (the “**Circular**”), in relation to (among others), the very substantial disposal (the “**Disposal**”) on the part of the Company.

As disclosed in the Circular, it was intended by the Group to use the net proceeds of the Disposal to fund part of the construction costs of the Combined Site Development (as defined in the Circular). In light of the recent successful obtaining of bank financing by the Group to develop the Combined Site (as defined in the Circular), the Board has resolved to revise the use of net proceeds of the Disposal towards payment of the Special Dividend with the remaining balance thereof for normal operations and business development of the Group.

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

Hong Kong, 18 December 2018

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.