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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(Warrant Code: 972/1056)

ADJUSTMENTS TO THE SUBSCRIPTION PRICE OF THE WARRANTS AND THE CONVERSION PRICE OF THE CONVERTIBLE BOND

As a result of declaration of the Special Dividend, the subscription price of the 2010 Warrants and 2011 Warrants and the conversion price of the Convertible Bond are required to be adjusted.

Reference is made to the announcement (the “**Announcement**”) of China Star Entertainment Limited (the “**Company**”) dated 21 October 2011 in relation to the declaration of special dividend of HK3.3 cents per share of the Company (the “**Share**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

The Board is please to announce that the register of members of the Company has been closed from Monday, 14 November 2011 to Thursday, 17 November 2011 (both days inclusive) for the purpose of determining the entitlement of the Special Dividend of the shareholders of the Company (the “**Shareholders**”). The Special Dividend of HK3.3 cents per Share will be distributed to Shareholders whose names appeared on the Company’s register of member on Thursday, 17 November 2011 (the “**Record Date**”).

As a result of declaration of the Special Dividend, the subscription price of the warrants of the Company and the conversion price of the convertible bond of the Company are required to be adjusted.

ADJUSTMENTS TO THE SUBSCRIPTION PRICE OF THE WARRANTS

- (a) Pursuant to the terms and conditions of the warrant instrument of the Company dated 15 June 2010 (the “**2010 Warrant Instrument**”), the subscription price of the warrants of the Company issued on 15 June 2010 (the “**2010 Warrants**”) which are convertible into Shares on or before 14 June 2012 shall be adjusted from the existing subscription price of HK\$1.010 per Share to the adjusted subscription price of HK\$0.835 per Share with effect from the date next following the Record Date.
- (b) Pursuant to the terms and conditions of the warrant instrument of the Company dated 29 June 2011 (the “**2011 Warrant Instrument**”), the subscription price of the warrants of the Company issued on 29 June 2011 (the “**2011 Warrants**”) which are convertible into Shares on or before 28 December 2012 shall be adjusted from the existing subscription price of HK\$0.250 per Share to the adjusted subscription price of HK\$0.207 per Share with effect from the date next following the Record Date.

ADJUSTMENT TO THE CONVERSION PRICE OF THE CONVERTIBLE BOND

Pursuant to the terms and conditions of the instrument of the Company dated 7 July 2011 (the “**Bond Instrument**”), the conversion price of the convertible bond of the Company issued on 7 July 2011 (the “**Convertible Bond**”) which are convertible into Shares on or before 6 July 2016 shall be adjusted from the existing conversion price of HK\$0.44 per conversion Share to the adjusted conversion price of HK\$0.36 per conversion Share with effect from the date next following the Record Date.

The auditors (the “**Auditors**”) of the Company have reviewed the adjustments with respect to the subscription price of the 2010 Warrants and 2011 Warrants and agreed that the adjustments are in accordance with the 2010 Warrant Instrument and 2011 Warrant Instrument respectively. The Auditors have also reviewed the adjustment with respect to the conversion price of the Convertible Bond and agreed that the adjustment is in accordance with the Bond Instrument.

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

Hong Kong, 17 November 2011

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.