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## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 326)**

**(Warrant Code: 1056)**

**ANNOUNCEMENT PURSUANT TO RULE 3.8 OF THE HONG KONG CODE  
ON TAKEOVERS AND MERGERS  
IN RELATION TO  
PROPOSED CONDITIONAL CASH OFFER BY  
GET NICE SECURITIES LIMITED  
ON BEHALF OF  
CHINA STAR ENTERTAINMENT LIMITED  
TO REPURCHASE UP TO 982,830,877 SHARES  
IN CHINA STAR ENTERTAINMENT LIMITED**

### **UPDATE OF NUMBER OF RELEVANT SECURITIES IN ISSUE**

This announcement is made pursuant to Rule 3.8 of the Takeovers Code.

Reference is made to the announcement of China Star Entertainment Limited (the “**Company**”) dated 4 June 2012 (the “**Announcement**”) in relation to the conditional cash offer by Get Nice Securities Limited on behalf of the Company to repurchase up to 982,830,877 Shares at a price of HK\$0.35 per Share. References are also made to the announcements of the Company dated 15 June 2012, 20 June 2012, 26 June 2012, 6 July 2012 and the announcement of the Company dated 16 July 2012 (the “**Previous Announcement**”) in relation to the update of number of relevant securities in issue of the Company. Capitalised terms used herein have the same meanings as those defined in the Announcement unless otherwise specified.

On 18 July 2012, the Company issued and allotted an aggregate of 241,545 Shares, representing approximately 0.01% of the issued share capital of the Company of 2,034,580,858 Shares, to the holders of the Warrants II for the exercise of the conversion rights attaching to the Warrants II. Save for the 241,545 Shares disclosed immediately above, no other Share has been issued and allotted by the Company to the holders of the Share Options and the Warrants II during the period from the date of the Previous Announcement and up to the date of this announcement.

As a result, the total number of Shares in issue has increased from 2,034,339,313 Shares as at the date of the Previous Announcement to 2,034,580,858 Shares as at the date of this announcement.

As at the date of this announcement, there are

- (i) 2,976,198 Share Options, of which 270,262 Share Options are held by the Concert Group, 10,558 Share Options are held by a Director, 2,229,487 Share Options are held by employees of the Company and the remaining 465,891 Share Options are held by other participants of the share options scheme of the Company, entitling the holders thereof to subscribe for an aggregate of 2,976,198 new Shares; and
- (ii) the Warrants II in an aggregate principal amount of HK\$59,233,115.08, of which HK\$53,999,975.00 are held by the Concert Group and the remaining HK\$5,233,140.08 are held by other holders of the Warrants II, entitling the holders thereof to subscribe for an aggregate of 286,150,314 new Shares.

Other than those disclosed in the Announcement and immediately above, there are no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

#### **WARNING**

**As the Offer is subject to fulfillment of conditions, it may or may not become unconditional and the Offer may or may not proceed. Shareholders, holders of the Warrants II and potential investors are advised to exercise caution when dealing in the Shares and the Warrants II.**

**Dealings in the Shares and the Warrants II will continue notwithstanding the Offer has not become unconditional. During such period, persons dealing in the Shares and the Warrants II will bear the risk that the Offer may lapse. Shareholders and holders of the Warrants II should consult their professional advisers if in doubt.**

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

Hong Kong, 18 July 2012

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

*The Directors jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

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