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CHINA STAR INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

ANNOUNCEMENT FURTHER INFORMATION AND CLARIFICATION IN RESPECT OF PROPOSED RIGHTS ISSUE

The Company would like to provide further information and clarify certain information in respect of the Rights Issue as follows:

- (1) The Directors confirm that they have not received any information from any substantial Shareholders of their intention to take up the Rights Shares provisionally allotted or offered to them or to be provisionally allotted or offered to them.
- (2) The Board intends to apply all the proceeds from the Rights Issue for the fund required under the Facility. The Directors would like to announce if the Company cannot complete the Transactions, the Company intends to use the proceeds raised from the Rights Issue to expand into property investment/development business on its own. In the event that the Company completes the Transactions and the JV Co. fails to acquire the land for the purpose of the Target Project, the Company intends to use the proceeds raised from the Rights Issue, through the JV Co., for other property investment/development projects.
- (3) The net proceeds of approximately HK\$27.70 million raised from the subscription of 56,000,000 new Shares announced by the Company on 20 November 2009 has not yet been utilised. The Board would like to announce that, upon completion of the Transactions, the net proceeds of HK\$27.70 million would be utilised to fund the Facility.
- (4) The Note disclosed under the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” on page 14 of the Announcement is referring to the Underwriter on the shareholding charts on pages 13 and 14 of the Announcement.

Reference is made to the announcement of China Star Investment Holdings Limited (the “**Company**”) dated 28 July 2010 (the “**Announcement**”) in respect of the proposed rights issue on the basis of three (3) rights shares for every one (1) existing share held on record date pursuant to the underwriting agreement entered into between the Company and Kingston Securities Limited on 28 July 2010. Unless otherwise stated, terms defined in the Announcement have the same meanings when used in this announcement.

The Company would like to provide further information and clarify certain information in respect of the Rights Issue as follows:

- (1) The Directors confirm that they have not received any information from any substantial Shareholders of their intentions to take up the Rights Shares provisionally allotted or offered to them or to be provisionally allotted or offered to them.
- (2) As disclosed in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” on pages 14 to 15 of the Announcement, the Board intends to apply all the proceeds from the Rights Issue for the fund required under the Facility. The Directors would like to announce if the Company cannot complete the formation of the JV Co. and the granting of the Facility announced on 23 July 2010 (the “**Transactions**”), the Company intends to use the proceeds raised from the Rights Issue to expand into property investment/development business on its own. In the event that the Company completes the Transactions and the JV Co. fails to acquire the land for the purpose of the Target Project, the Company intends to use the proceeds raised from the Rights Issue, through the JV Co., for other property investment/development projects.
- (3) As disclosed in the section headed “FUND RAISING EXERCISES IN THE PAST TWELVE MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT” on page 15 of the Announcement, the net proceeds of approximately HK\$27.70 million raised from the subscription of 56,000,000 new Shares announced by the Company on 20 November 2009 has not yet been utilised. The Board would like to announce that, upon completion of the Transactions, the net proceeds of HK\$27.70 million would be utilised to fund the Facility.
- (4) The Note disclosed under the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” on page 14 of the Announcement is referring to the Underwriter on the shareholding charts in pages 13 and 14 of the Announcement.

By Order of the Board
China Star Investment Holdings Limited
Lei Hong Wai
Chairman

Hong Kong, 3 August 2010

As at the date of this announcement, the Board comprises two executive Directors namely, Mr. Lei Hong Wai and Mr. Chan Kin Wah, Billy; and three independent non-executive Directors namely, Mr. Tang Chak Lam, Gilbert, Mr. Hung Hing Man and Mr. Wan Shing Chi.