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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

DELAY IN DESPATCH OF CIRCULAR

An application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 of the Listing Rules by extending the despatch date of the Circular to no later than 20th October, 2006.

Reference is made to the announcement of China Star Entertainment Limited (the "Company") dated 14th September, 2006 (the "Announcement") in relation to the disposal of the Film Library, which constitute a major transaction for the Company under the Listing Rules. Terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise.

As stated in the Announcement, a circular (the "Circular") containing, among other things, details of the Agreement and notice of SGM for the purpose of approving the Agreement will be despatched to Shareholders as soon as practicable in accordance with the Listing Rules.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to send the Circular to Shareholders within 21 days after publication of the Announcement (ie. 6th October, 2006). However, given that additional time is required for the financial adviser to review the indebtedness statement and working capital forecast of the Group, an application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 of the Listing Rules by extending the despatch date of the Circular to no later than 20th October, 2006.

Shareholders and potential investors of the Company should note that the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 6th October, 2006

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 and the independent non-executive directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Fung Ho Sum.

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*