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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

MAJOR TRANSACTION EXTENSION OF LONG STOP DATE

On 31st December, 2007, the Company, Legend Rich and Riche entered into the Deed of Variation pursuant to which the parties mutually agreed to extend the Long Stop Date from 31st December, 2007 to 28th February, 2008.

Reference is made to the circular of China Star Entertainment Limited (the “Company”) dated 9th October, 2007 (the “Circular”) in relation to the disposal of a 100% interest in the issued share capital of Exceptional Gain and the Sale Loan. Terms used herein shall have the same meanings as defined in the Circular unless defined otherwise.

EXTENSION OF LONG STOP DATE

On 31st December, 2007, the Company, Legend Rich and Riche (the guarantor of the Purchaser) entered into a deed of variation (“Deed of Variation”) pursuant to which the parties mutually agreed to extend the long stop date in the S&P Agreement (the “Long Stop Date”) from 31st December, 2007 to 28th February, 2008.

As stated in the Circular, one of the conditions to Completion is the approval of the S&P Agreement by shareholders of Riche in general meeting.

As the general meeting for Riche in respect of the S&P Agreement is convened on 31st December, 2007 and from an administrative standpoint additional matters thereafter need to be dealt with in order for Completion to take place (i.e. discuss with the bank for release and charge of security provided in relation to Kingsway Hotel), additional time is required for Completion to take place. Accordingly, the parties to the S&P Agreement have entered into the Deed of Variation.

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

Hong Kong, 31st December, 2007

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 and the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.