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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 March, 2008, the Company, the Purchaser and Riche entered into the Deed of Variation pursuant to which the parties mutually agreed to further extend the longstop date in the S&P Agreement from 31st March, 2008 to 30th May, 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 and announcements of the Company dated 31st December, 2007 and 28th February, 2008 in relation to the extension of the longstop date in the S&P Agreement. Terms used herein shall have the same meanings as defined in the Circular unless defined otherwise.

EXTENSION OF LONG STOP DATE

On 31st March, 2008, the Company, the Purchaser and Riche (the guarantor of the Purchaser) entered into a deed of variation (the "Deed of Variation") pursuant to which the parties mutually agreed to further extend the longstop date in the S&P Agreement from 31st March, 2008 to 30th May, 2008.

From an administrative standpoint additional matters thereafter need to be dealt with in order for Completion to take place which are beyond the Company's control (ie. administrative matters for the bank to 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 March, 2008

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.