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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

ANNOUNCEMENT

On 14 August 2009, the Company announced that the Purchaser had entered into a deed of variation with the Vendor pursuant to which the parties had agreed to amend the S&P Agreement by (i) including as a condition precedent to Completion the publication by the Macau Government of a master zoning guideline for the “C” area of Nam Van Lakes Zone and the results of a new amendment to the Land Grant to be submitted by the Macau Co having been, in light of the master zoning guideline, gazetted by the Macau Government, (ii) reducing the Second Deposit to HK\$160,000,000 with the balance of HK\$190,000,000 to be paid on Completion and (iii) referring the Adjustment to the gazetted figures rather than the constructed figures.

Reference is made to the announcement of China Star Entertainment Limited (the “Company”) dated 5 May 2009 (the “Announcement”) in relation to the acquisition of the entire issued share capital of Modern Vision (Asia) Limited and Reform Base Holdings Limited and the Sale Loans, which constitute a very substantial acquisition and connected transaction for the Company under the Listing Rules and the announcement of the Company dated 26 June 2009 regarding the decision of the Macau Government in rejecting the draft contract amendment to the Land Grant. Terms used herein shall have the same meanings as defined in the Announcements unless defined otherwise.

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Save for the above, all other terms and conditions of the S&P Agreement shall remain unchanged.

Shareholders and potential investors of the Company should note that the Acquisition 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, 14 August 2009

As at the date of this announcement, the Board comprises three executive Directors namely, Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; and three independent non-executive Directors namely, Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.