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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 9th October, 2007.

Reference is made to the announcement of China Star Entertainment Limited (the “Company”) dated 8th August, 2007 (the “Announcement”) in relation to the disposal of a 100% interest in the issued share capital of Exceptional Gain Profits Limited and a sale loan, 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, the details of the Disposal, the relevant financial information as to the Group, a valuation report on the Kingsway Hotel together with a notice convening the SGM 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. 30th August, 2007). An extension had been granted the Company to extend the date for despatch of the Circular to no later than 24th September, 2007 as additional time was required (i) to finalise the property valuation on Kingsway Hotel Limited; and (ii) for the independent professional valuer to obtain sufficient information for assessing the valuation of Kingsway Hotel. As the board meeting for the interim results of the Group for the period ended 30th June, 2007 is held on 24th September, 2007, the Company believes that it would be beneficial to Shareholders and investors to have those figures incorporated in the relevant financial information in the Circular. As such, 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 further extending the despatch date of the Circular to no later than 9th October, 2007.

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, 24th September, 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.

Please also refer to the published version of this announcement in The Standard.