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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 Rules 14.38 and 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 26 June 2009.

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. 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, further information in respect of the Acquisition, the letter of advice from the Independent Board Committee to Independent Shareholders and the recommendation of the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, the accountants' reports on the Target Companies Group, the independent valuation report of the Property, together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company is required to send the Circular to Shareholders within 21 days after publication of the Announcement (ie. 26 May 2009). However, given that additional time is required (i) to prepare and perform the audit of the financial information for the Target Companies, which is currently conducted at preliminary stage and expected to require at least a further one week; (ii) for the Company to review such financial information following their finalisation and to prepare the pro forma financial information on the enlarged group for the auditors to review; and (iii) for the independent professional valuer to obtain sufficient information for assessing the valuation of Property, an application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rules 14.38 and 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 26 June 2009.

**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, 26 May 2009

*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.*