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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

RULE 13.09 ANNOUNCEMENT AND FURTHER DELAY IN DESPATCH OF CIRCULAR

On 22 June 2009, the Vendor received a letter from the Macau Government informing that the draft contract of amendment to the Land Grant has been rejected due to Mr. Ao Man Lung's involvement in approval of the amended Land Grant. The Vendor has obtained legal opinion from Macau lawyers confirming that a new amendment to the Land Grant with similar figures can be submitted for re-approval. The Vendor will submit a new amendment to the Land Grant which has a gross floor area substantially the same as that in the Land Grant Figures to the Macau Government as soon as practicable.

A further 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 17 July 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.

On 22 June 2009, the Vendor received a letter from the Macau Government informing that the draft contract of amendment to the land grant for the Property (the "Land Grant"), issued by the Macau Government and contemplated the construction purposes and gross floor areas has been rejected due to Mr. Ao Man Lung's involvement in approval of the amended Land Grant. The Vendor has obtained legal opinion from the Macau lawyers confirming that a new amendment to the Land Grant with similar figures

can be submitted for re-approval. The Vendor will submit a new amendment to the Land Grant which has a gross floor area substantially the same as that in the Land Grant Figures to the Macau Government as soon as practicable.

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). An extension had been granted the Company to extend the date for despatch of the Circular to no later than 26 June 2009. However, additional time is required (i) to update the financial information of the Target Companies, in the light of the draft contract of amendment to the Land Grant being rejected and to update the Group’s indebtedness, which is expected to require at least a further two weeks; (ii) for the Company to review such financial statements following their finalisation; (iii) to prepare the pro forma financial information on the enlarged group for the auditors to review and (iv) preparation of the independent financial adviser letter. As such, a further 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 17 July 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 June 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.