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CHINA STAR ENTERTAINMENT LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 326)

FURTHER DELAY IN DESPATCH OF CIRCULAR

In light of, inter alia, the 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, further information will need to be included in the Circular in order for Shareholders to have a comprehensive understanding of the Property.

A further application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rules 14.38A and 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 17 August 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 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 (as defined below). Terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise.

In light of, inter alia, the letter from the Macau Government informing that the draft contract of amendment to the land grant for the Property (the "Land Grant") has been rejected due to Mr. Ao Man Lung's involvement in approval of the amended Land Grant, further information will need to be included in the Circular in order for Shareholders to have a comprehensive understanding of the Property.

As stated in the Announcement, 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 14.38A 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). Extensions had been granted to the Company to extend the date for despatch of the Circular to no later than 17 July 2009. However, additional time is required (i) to include comprehensive information in the Circular relating to the rejection of the amended Land Grant and matters relating thereto; (ii) to finalise the pro-forma financial information on the Enlarged Group which is expected to require at least a further one week; (iii) for the Company to review such financial information following their finalisation; and (iv) to finalise 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 14.38A and 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 17 August 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, 17 July 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.