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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(Warrant Code: 972/ 1056)

**DELAY IN DESPATCH OF CIRCULAR
RELATING TO THE PROPOSED ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
MOST FAMOUS ENTERPRISES LIMITED AND THE SALE LOAN**

As additional time is required to finalise the financial information to be included in the Circular pursuant to the Listing Rules, the despatch date of the Circular will be postponed to a date falling on or before 30 June 2012.

Reference is made to the announcement of China Star Entertainment Limited (the “**Company**”) dated 21 February 2012 (the “**Announcement**”) in relation to, inter alia, the proposed acquisition of the entire issued share capital of Most Famous Enterprises Limited and the Sale Loan. 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, amongst other things, further information in respect of the Acquisition, the letter of advice from the Independent Board Committee to the 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 accountant’s reports on the Target Company, the independent valuation report of the Hotel, together with a notice convening the SGM is expected to be despatched to the Shareholders on or before 31 May 2012.

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Shareholders and potential investors should note that the Acquisition is conditional upon fulfillment of various conditions precedent of the Sale and Purchase Agreement. Accordingly, the Acquisition may or may not proceed.

Any Shareholder and potential investor contemplating selling or purchasing Shares and warrants of the Company should exercise extreme caution when dealing in Shares and warrants of the Company, and if they are in any doubt about their position, they should consult his/her/its own professional adviser.

By Order of the Board
China Star Entertainment Limited
Heung Wah Keung
Chairman

Hong Kong, 31 May 2012

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; the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.