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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

ANNOUNCEMENT

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Board”) of China Star Entertainment Limited (the “Company”) has noted today’s increase in the trading volume of the shares of the Company and wish to state that the Board is not aware of any reasons for such increase. The Company also wishes to state that it is currently in preliminary negotiation with independent third parties for the possible sale (“Possible Sale”) of film rights for certain films in the film library held by the subsidiaries of the Company.

Given that the discussion is at a very preliminary stage and no terms of the Possible Sale has been agreed, the Possible Sale may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealings in the shares of the Company.

Save as referred to the above, the Board also confirm that save and except for the Company's announcements dated 16 September 2005, 7 October 2005, 28 October 2005, 10 November 2005, 14 December 2005, 10 March 2006 and circular dated 24 November 2005 in relation to the placing of a deposit for the purpose of negotiation in a proposed acquisition of an equity interest in a company involved in the Macau gaming business, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities ("Listing Rules") of the Stock Exchange, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
Heung Wah Keung
Chairman

Hong Kong, 27 April 2006

As at the date of this announcement, the executive directors of the Company are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung and the independent non-executive directors of the Company are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Fung Ho Sum.