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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 board of directors (the “Board”) of China Star Entertainment Limited (the “Company”) has noted today’s increase in the price of the shares of the Company and wishes to state that the Board is not aware of any reasons for such increase. The Board also wishes to state that it is currently in separate discussions with a retail bank in Macau and an independent third party regarding the financing of the acquisition of an indirect 61.5% interest in Kingsway Hotel Limited as announced by the Company on 15 June 2006 (“Initial Acquisition”). If the transactions proceed, they may constitute notifiable transactions for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Given that the discussions are at preliminary stages and no terms of the transactions have been agreed, the transactions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealings in the shares of the Company.

Save and except for the above, the Board also confirms that save and except for the Company’s announcements dated 15 June 2006, 7 July 2006, 12 July 2006, 27 July 2006, 11 August 2006, 28 August 2006, 12 September 2006, 31 October 2006 and circular dated 8 September 2006 in relation to the Initial Acquisition; the Company’s announcements dated 4 January 2007 and 25 January 2007 in relation to the acquisition of an indirect 38.5% interest in Kingsway Hotel Limited (“Subsequent Acquisition”); and the Company’s announcement dated 13 February 2007 in relation to the proposed issue of zero coupon unsecured convertible bonds for financing the Subsequent Acquisition, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, 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.

This announcement is made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

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

Hong Kong, 14th February, 2007

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. Fung Ho Sum.