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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 326)

DELAY IN DESPATCH OF CIRCULAR IN RELATION TO A VERY SUBSTANTIAL ACQUISITION

An application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 of the Listing Rules by extending the despatch date of the Circular to no later than 12th March, 2007.

Reference is made to the announcement of the Company dated 4th January, 2007 (the "Announcement") in relation to the Company entered into the Acquisition Agreement to purchase or procure the purchase of 19.25% of the issued quota of KHL, 38.5% of the issued quota of Xin Wei, the KHL Sale Loan and the Xin Wei Sale Loan which constitute a very substantial acquisition for the Company under the Listing Rules. Terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise. Reference is also made to the Company's announcement dated 25th January, 2007.

As stated in the Announcement, a circular (the "Circular") containing, among other things, details of the Acquisition Agreement, the relevant financial information of Xin Wei and KHL will be despatched to Shareholders as soon as practicable in accordance with the Listing Rules.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to send the Circular to Shareholders within 21 days after publication of the Announcement (ie. 26th January, 2007). An application for extension had been made for the despatch of the Circular to 28th February, 2007. The Company wishes to state that the pro forma financial information on the enlarged group has been prepared and the accountants' report for KHL and Xin Wei has been completed. However, given that additional time is required for the auditors of the Company to finalise the proforma financial information and for the Company to review the same and in light of the intervening Chinese New Year holidays, an application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 of the Listing Rules by extending the despatch date of the Circular to no later than 12th March, 2007.

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, 27th February, 2007

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 are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Fung Ho Sum.