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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 VERY SUBSTANTIAL DISPOSALS**

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 21st May, 2007.

Reference is made to the announcement of the Company dated 21st March, 2007 (the "Announcement") in relation to the SJM Disposal and the Most Famous Disposal which constitute very substantial disposals 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 11th April, 2007.

As stated in the Announcement, a circular (the "Circular") containing, among other things, details of the SJM Disposal and the Most Famous Disposal, the relevant financial information on the Remaining Group and accountants' report on the Group 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 the Shareholders within 21 days after publication of the Announcement (ie. 12th April, 2007). An application for extension had been made for the despatch of the Circular to 14th May, 2007. The Company wishes to state that the accountants' report on the Group and the pro forma financial information on the Remaining Group have been completed. However, given that additional time was required for the Company to review the same following their finalisation, 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 21st May, 2007.

Shareholders and potential investors of the Company should note that the Disposals 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, 11th May, 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. Leung Hok Man.*