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## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 326)

### **UNUSUAL PRICE AND VOLUME MOVEMENTS AND RESUMPTION OF TRADING**

The Board has noted the increases in the price and trading volume of the Shares today and wishes to state that, save for the Company currently being in preliminary negotiation regarding a transaction relating to a disposal of asset by the Company which if it proceeds could constitute a notifiable transaction under Chapter 14 of the Listing Rules, the Board is not aware of any reasons for such increases.

**As the transaction may or may not proceed, shareholders and investors of the Company should exercise caution when dealing in the Shares.**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 3:22 p.m. on 30th July, 2007 pending the release of this announcement. The Company has applied for a resumption of trading in its Shares with effect from 9:30 a.m. on 31st July, 2007.

This announcement is made pursuant to Rule 13.09 of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and at the request of the Stock Exchange.

The board (the “Board”) of directors (the “Directors”) of the Company has noted the increases in the price and trading volume of the shares of the Company (the “Shares”) today and wishes to state that, save for the Company currently being in preliminary negotiation regarding a transaction relating to a disposal of asset by the Company which if it proceeds could constitute a notifiable transaction under Chapter 14 of the Listing Rules, the Board is not aware of any reasons for such increases.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to any intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, nor 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 price-sensitive nature.

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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, 30th July, 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. Leung Hok Man.*