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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 THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF CSL

An application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 and Rule 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 30 June 2008.

Reference is made to the announcement of China Star Entertainment Limited (the "Company") dated 15 May 2008 (the "Announcement") in relation to, inter alia, the disposal of the entire issued share capital of CSL, which constitutes a very substantial disposal and connected transaction for the Company under the Listing Rules. Terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise.

As stated in the Announcement, a circular (the "Circular") containing, among other things, the details of the Disposal, letters from the Independent Board Committee and the independent financial adviser to advise the Independent Board Committee and Independent Shareholders on the terms of the S&P Agreement, an accountants' report of the Group according to Rule 4.06A of the Listing Rules together with a notice convening the SGM will be despatched to Shareholders as soon as practicable in accordance with the Listing Rules.

Pursuant to Rule 14.38 and Rule 14A.49 of the Listing Rules, the Company is required to send the Circular to Shareholders within 21 days after publication of the Announcement (i.e. 5 June 2008). Given that additional time is required to prepare (i) the accountants' report of the group according to Rule 4.06A of the Listing Rules and for the Company to review such financial information following their finalization; and (ii) the letters from the independent financial adviser to advise the Independent Board Committee and Independent Shareholders on the terms of the S&P Agreement, an application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 and Rule 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 30 June 2008.

Shareholders and potential investors of the Company should note that the Disposal 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, 5 June 2008

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.