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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of China Star Entertainment Limited (the “**Company**”) will be held at Unit 3409, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong at 12:00 noon on Thursday, 3 September 2009 for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) subject to the fulfillment or waiver of the conditions as set out in the conditional subscription agreement (the “**CB Subscription Agreement**”, a copy of which having been produced to the Meeting marked “A” and initialled by the chairman of the Meeting for the purpose of identification) dated 23 July 2009 and entered into between the Company and China Star Investment Holdings Limited (“**CSI**”) in respect of the subscription of convertible bond (the “**Convertible Bond**”) in the principal amount of HK\$200,000,000, the CB Subscription Agreement and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) the issue and the creation of the Convertible Bond be and is hereby generally and unconditionally approved in all respects and any one or more of the directors (the “**Directors**”) of the Company be and is/are hereby authorised to execute by way of deed poll the instrument (the “**CB Instrument**”) constituting the Convertible Bond;

- (c) the allotment and issue of the new shares (the “**Conversion Shares**”) upon exercise of the conversion right attaching to the Convertible Bond be and is hereby approved and any one or more of the Directors be and is/are hereby authorised to allot and issue the Conversion Shares pursuant to and in accordance with the terms and conditions of the CB Instrument; and
- (d) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient in his/her/their opinion to implement and/or give effect to the CB Subscription Agreement, including but not limited to the issue and creation of the Convertible Bond to CSI and the allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bond, and any other matters contemplated thereunder.”

2. “**THAT**

- (a) the refreshment (the “**Proposed Refreshment**”) of the total number of ordinary shares in the capital of the Company which may be issued upon the exercise of options to be granted under the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 27 May 2002 to up to 10 per cent. of the shares of the Company in issue as at the date of passing of this resolution be and is hereby approved; and
- (b) any one or more of the Directors be and is/are hereby authorised to take all such acts and things and execute all such documents, including under seal where applicable, as he/she/they consider(s) necessary, desirable or expedient in his/her/their opinion to implement and/or give effect to the Proposed Refreshment.”

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

Hong Kong, 17 August 2009

Registered office:
Canon’s Court
22 Victoria Street
Hamilton HM 12
Bermuda

*Head office and principal place of
business in Hong Kong:*
Unit 3409,
Shun Tak Centre, West Tower
168-200 Connaught Road Central
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed in the circular to the shareholders of the Company dated 17 August 2009.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or at any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.

As at the date of this announcement, the Board comprises three executive Directors namely, Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; and three independent non-executive Directors namely, Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.