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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 the special general meeting (the “**SGM**”) of China Star Entertainment Limited (the “**Company**”) will be held at Macau Jockey Club, 4/F., East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Friday, 23 October 2015 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the New Shares (as defined below) and the New Shares which may be allotted and issued upon exercise of the conversion rights attaching to the options to subscribe for shares under the share option schemes adopted by the Company on 27 May 2002 and 28 June 2012 respectively and the conversion of the bonus convertible bonds constituted by the deed polls executed by the Company on 9 January 2013 and 22 January 2014 respectively; and (ii) compliance by the Company with the relevant procedures and requirements under Bermuda law and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to effect the Capital Reorganisation (as defined below), with effect from the first business day (as defined under the Listing Rules) immediately following the date on which this resolution is passed by the shareholders of the Company:

- (a) every twenty-five (25) existing ordinary shares of par value of HK\$0.01 each in both the issued and unissued share capital of the Company (the “**Shares**” and each a “**Share**”) shall be consolidated into one (1) consolidated share of par value of HK\$0.25 each (the “**Consolidated Shares**” and each a “**Consolidated Share**”) (the “**Share Consolidation**”);

- (b) immediately following the Share Consolidation, the issued share capital of the Company shall be reduced through the cancellation of (i) the paid up capital of the Company to the extent of HK\$0.24 on each of the issued Consolidated Shares so that the par value of each issued Consolidated Share shall be reduced from HK\$0.25 to HK\$0.01 (the “**New Shares**” and each a “**New Share**”); and (ii) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation (the “**Capital Reduction**”);
- (c) immediately following the Capital Reduction becoming effective, each unissued Consolidated Share in the authorised share capital of the Company shall be subdivided into twenty-five (25) New Shares of par value of HK\$0.01 each (the “**Share Sub-division**”, together with the Share Consolidation and the Capital Reduction, the “**Capital Reorganisation**”);
- (d) the credit arising from the Capital Reduction be credited to the contributed surplus account of the Company and the directors of the Company be and are hereby authorised to apply the entire amount standing to the credit of the contributed surplus account of the Company in such manner as (subject to the Companies Act 1981 of Bermuda and the bye-laws of the Company) they consider appropriate, including but not limited to setting off against the accumulated losses of the Company from time to time (the “**Authorisation**”); and
- (e) any one or more of the directors of the Company be and is/are hereby authorised to take all such actions and execute all such actions and execute all such documents, including under seal where applicable, as he/she/they consider(s) necessary or expedient in his/her/their opinion to implement and/or give effect to the Capital Reorganisation and the Authorisation.”

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

Hong Kong, 30 September 2015

Registered office:
Canon’s Court
22 Victoria Street
Hamilton HM12
Bermuda

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

Notes:

1. A form of proxy for use at the SGM is enclosed in the circular to the shareholders of the Company dated 30 September 2015.
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 SGM 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 (the "**Registrar**"), Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Please note that 21 October 2015 is a public holiday in Hong Kong and the Registrar's office will not be open on that day for physical delivery of the forms of proxy. To be effective, all proxy appointments must be lodged with the Registrar before the deadline.
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 SGM 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 notice, 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 of the Company are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.