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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

RESULTS OF THE SGM, DESPATCH OF PROSPECTUS DOCUMENTS AND ADJUSTMENTS TO THE CONVERTIBLE BONDS AND THE OPTIONS

The Board is pleased to announce that the resolutions to approve the Increase in Authorised Share Capital, the Subscription, the Open Offer and the Bonus Issue were duly passed at the SGM held on 23 January 2009.

The Company will proceed with the Open Offer in accordance with the expected timetable as set out in the Circular. The Prospectus Documents will be despatched on 29 January 2009 to the Qualifying Shareholders whose names appear on the register of members on the Record Date, i.e. 23 January 2009.

Qualifying Shareholders are reminded that the latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Monday, 16 February 2009.

Reference is made to the announcement (the “**Announcement**”) of China Star Entertainment Limited (the “**Company**”) dated 8 December 2008 and the circular (the “**Circular**”) of the Company dated 30 December 2008 in relation to, among other matters, (i) the Open Offer of not less than 888,486,080 Offer Shares and not more than 1,064,486,080 Offer Shares on the basis of two Offer Shares for every one existing Share held on the Record Date with the Bonus Issue on the basis of three Bonus Shares for every one Offer Share taken up under the Open Offer; (ii) the very substantial acquisition on the part of the Company involving the Subscription of the GC Convertible Bonds; and (iii) the Increase in Authorised Share Capital. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Circular.

RESULTS OF THE SGM

The SGM was held on 23 January 2009 for the purpose of considering and, if thought fit, approving the Increase in Authorised Share Capital, the Subscription, the Open Offer and the Bonus Issue.

Pursuant to Rule 7.24(5) of the Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates will abstain from voting in favour of the resolutions relating to the Open Offer and the Bonus Issue. As at the date of the SGM, there is no controlling Shareholder. Accordingly, Mr. Heung, Ms. Chen, Ms. Li Yuk Sheung, being the executive Directors, and their respective associates have abstained from voting in favour of the resolutions relating to the Open Offer and the Bonus Issue at the SGM.

As at the date of the SGM, there are a total of 532,243,040 Shares in issue and Mr. Heung and Ms. Chen and their respective associates are interested in 112,866,911 Shares, representing approximately 21.21% of the total issued share capital of the Company. Ms. Li Yuk Sheung is interested in one Share. Accordingly, the total number of Shares entitling the holders thereof to attend and vote for and against the resolutions in respect of the Open Offer and the Bonus Issue was 419,376,128 Shares.

As at the date of the SGM, no Shareholders have a material interest in the Subscription and the Increase in Authorised Share Capital and no Shareholders are required to abstain from voting to approve the resolutions in respect of the Subscription and the Increase in Authorised Share Capital.

Pursuant to Rule 13.39(4) of the Listing Rules, all the resolutions at the SGM shall be taken by way of poll and the chairman of the SGM have duly demanded poll for all the resolutions at the SGM.

The Board is pleased to announce that the resolutions to approve the Increase in Authorised Share Capital, the Subscription, the Open Offer and the Bonus Issue were duly passed at the SGM held on 23 January 2009.

The voting results are as follows:

	Number of Votes (%)	
	For	Against
Ordinary Resolutions		
1. To approve the Increase in Authorised Share Capital.	250,449,967 (98.13%)	4,762,357 (1.87%)
2. To approve the Subscription Agreement and the transactions contemplated thereunder.	250,449,967 (98.13%)	4,762,357 (1.87%)
3. To approve the Open Offer, the allotment and issue of the Offer Shares and the transactions contemplated thereunder.	181,353,341 (97.32%)	4,997,857 (2.68%)
Special Resolution		
4. To approve the Bonus Issue, the allotment and issue of the Bonus Shares and the transactions contemplated thereunder.	181,353,341 (97.32%)	4,997,857 (2.68%)

Computershare Hong Kong Investor Services Limited, the branch registrar of the Company in Hong Kong, has acted as the scrutineer for vote-taking at the SGM.

DESPATCH OF THE PROSPECTUS DOCUMENTS

The Company will proceed with the Open Offer in accordance with the expected timetable as set out in the Circular. The Prospectus Documents will be despatched on 29 January 2009 to the Qualifying Shareholders whose names appear on the register of members on the Record Date, i.e. 23 January 2009.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate its obligations thereunder on the occurrence of certain events. These events are set out in the paragraph headed “Termination of the Underwriting Agreement” on pages 17 to 19 of the Circular. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Open Offer will not proceed.

Adjustments to the conversion price of the Convertible Bonds and the exercise price and number of the outstanding Options

Adjustment to the conversion price of the Convertible Bonds will be required under the relevant terms and conditions constituting the Convertible Bonds. The conversion price of the Convertible Bonds will be adjusted from HK\$3.00 per Share to HK\$0.59 per Share with effect from the date on which the Open Offer and the Bonus Issue have been completed.

Adjustments to the exercise price and number of the outstanding Options will be required under the relevant rules of the share option scheme of the Company, the provision of Rule 17.03(13) of the Listing Rules and the supplementary guidance set out by the Stock Exchange on 5 September 2005. The exercise price and number of outstanding Options will be adjusted with effect from the date on which the Open Offer and the Bonus Issue have been completed as follows:

Exercise Period	Existing exercise price (per Share)	Existing number of outstanding Options	Adjusted exercise price (per Share) as a result of the Open Offer and the Bonus Issue	Adjusted number of outstanding Options as a result of the Open Offer and the Bonus Issue
28 March 2000 to 27 March 2010	154.590	126,175	32.113	607,400
02 June 2000 to 01 June 2010	74.920	90,652	15.563	436,394
16 July 2002 to 15 July 2012	15.810	867,242	3.284	4,174,862
17 July 2003 to 16 July 2013	5.200	1,311,664	1.080	6,314,289
13 December 2004 to 12 December 2014	4.790	1,934,602	0.995	9,313,084
04 February 2005 to 03 February 2015	4.960	3,703,645	1.030	17,829,174
30 December 2005 to 29 December 2015	2.230	2,064,335	0.463	9,937,612

Exercise Period	Existing exercise price (per Share)	Existing number of outstanding Options	Adjusted exercise price (per Share) as a result of the Open Offer and the Bonus Issue	Adjusted number of outstanding Options as a result of the Open Offer and the Bonus Issue
21 November 2006 to 20 November 2016	2.550	2,279,834	0.530	10,975,014
25 May 2007 to 24 May 2017	3.870	5,684,386	0.804	27,364,369
27 June 2007 to 26 June 2017	3.850	2,680,433	0.800	12,903,479
23 October 2007 to 22 October 2017	1.830	11,270,000	0.380	54,253,255
09 August 2008 to 08 August 2018	0.236	43,910,000	0.049	211,380,697

The Company's auditors have been appointed to certify the above necessary adjustments with respect to the conversion price of the Convertible Bonds and the exercise price and number of the outstanding Options.

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

Hong Kong, 23 January 2009

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.