

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 326)**

**(Warrant Code: 972)**

### **POLL RESULTS OF THE TWO SPECIAL GENERAL MEETINGS HELD ON 6 MAY 2011 AND ADJUSTMENTS TO SHARE OPTIONS AND WARRANTS**

#### **POLL RESULTS OF THE SGMS**

The Board is pleased to announce that the ordinary resolution approving the Subscription Agreement and the transactions contemplated thereunder was duly passed by the Independent Shareholders by way of poll at the First SGM.

The Board is also pleased to announce that the special resolution approving the Capital Reorganisation was duly passed by the Shareholders by way of poll at the Second SGM.

#### **ADJUSTMENTS TO SHARE OPTIONS AND WARRANTS**

Pursuant to the terms of the instruments of the share option scheme of the Company and the terms and conditions under the warrant instrument issued by the Company on 15 June 2010, the exercise price and the number of outstanding Share Options and the subscription price of the Warrants, will be adjusted in the manners as disclosed herein with effect from 9 May 2011.

Reference is made to the two circulars (the “**Circulars**”) of China Star Entertainment Limited (the “**Company**”), one of which was dated 1 April 2011 in relation to the Subscription to be approved by an ordinary resolution at a special general meeting (the “**First SGM**”) of the Company held on 6 May 2011 at 4:00 p.m., and the other of which was dated 7 March 2011 in relation to the Capital Registration to be approved by a special resolution at another special general meeting (the “**Second SGM**”, together with the First SGM, the “**SGMs**”) of the Company held on 6 May 2011 at 4:30 p.m.. Capitalised terms used in this announcement shall have the same meanings as defined in the respective Circulars, unless defined otherwise.

## **POLL RESULTS OF THE SGMs**

The Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer for the purpose of vote-taking at the SGMs. As at the date of the SGMs, the total number of Existing Shares in issue was 4,911,790,000 Existing Shares.

### **The First SGM**

As at the date of the SGMs, Eternity, Mr. Heung, Ms. Chen and their respective associates, collectively held 926,852,025 Existing Shares and they did abstain from voting at the First SGM. As such, a total of 3,984,937,975 Existing Shares, representing approximately 81.13% of the issued share capital of the Company as at the date of the SGMs, were held by the Independent Shareholders who were entitled to attend and vote for or against the ordinary resolution at the First SGM. Other than 926,852,025 Existing Shares held by Eternity, Mr. Heung, Ms. Chen and their respective associates, there was no Existing Share entitling the holder to attend and vote only against the ordinary resolution at the First SGM.

The Board is pleased to announce that the ordinary resolution approving the Subscription Agreement and the transactions contemplated thereunder was duly passed by the Independent Shareholders by way of poll at the First SGM. The poll result in respect of the ordinary resolution was as follows:

| <b>Ordinary Resolution</b>  | <b>Number of Votes (%)</b> |                       |
|---|----------------------------|-----------------------|
|   | <b>For</b>                 | <b>Against</b>        |
| To approve the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue and creation of the Convertible Bonds and the allotment and issue of the Conversion Shares to be allotted and issue upon exercise of the conversion right attaching to the Convertible Bonds | 1,834,710,729<br>(99.45%)  | 10,071,562<br>(0.55%) |

### **The Second SGM**

To the best of the Directors' knowledge, no Shareholder was required to abstain from voting at the Second SGM. As such, a total of 4,911,790,000 Existing Shares were held by the Shareholders who were entitled to attend and vote for or against the special resolution relating to the Capital Reorganisation at the Second SGM.

The Board is pleased to announce that the special resolution approving the Capital Reorganisation was duly passed by the Shareholders by way of poll at the Second SGM. The poll result in respect of the special resolution was as follows:

| Special Resolution  | Number of Votes (%)       |                      |
|---|---------------------------|----------------------|
|   | For                       | Against              |
| To approve the Capital Reorganisation comprising the share consolidation, the capital reduction and the capital increase and all transactions contemplated under the Capital Reorganisation and to authorise the directors of the Company to do all things and execute all documents they may consider appropriate and desirable to effect and implement and carry into effect this special resolution. | 2,781,510,979<br>(99.78%) | 6,170,000<br>(0.22%) |

### **ADJUSTMENTS TO THE EXERCISE PRICE AND NUMBER OF THE OUTSTANDING SHARE OPTIONS AND THE SUBSCRIPTION PRICE OF THE WARRANTS**

Adjustments to the exercise price and number of the outstanding Share 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 the outstanding Share Options will be adjusted with effect from 9 May 2011 as follows:

| Exercisable Period                   | Exercise price per Existing Share<br><i>HK\$</i> | Existing number of outstanding Share Options | Exercise price per New Share<br><i>HK\$</i> | Adjusted number of outstanding Share Options |
|--------------------------------------|--|--|---|--|
| 16 July 2002 to 15 July 2012         | 62.852   | 218,136                                      | 628.520                                     | 21,813                                       |
| 17 July 2003 to 16 July 2013         | 20.670   | 329,921                                      | 206.700                                     | 32,992                                       |
| 13 December 2004 to 12 December 2014 | 19.043   | 486,608                                      | 190.430                                     | 48,660                                       |
| 04 February 2005 to 03 February 2015 | 19.713   | 811,422                                      | 197.130                                     | 81,142                                       |
| 30 December 2005 to 29 December 2015 | 8.861  | 519,239                                      | 88.610                                      | 51,923                                       |
| 21 November 2006 to 20 November 2016 | 10.144   | 573,443                                      | 101.440                                     | 57,344                                       |
| 25 May 2007 to 24 May 2017           | 15.388   | 1,429,787                                    | 153.880                                     | 142,978                                      |

| <b>Exercisable Period</b>          | <b>Exercise price per Existing Share<br/>HK\$</b> | <b>Existing number of outstanding Share Options</b> | <b>Exercise price per New Share<br/>HK\$</b> | <b>Adjusted number of outstanding Share Options</b> |
|------------------------------------|---|---|--|---|
| 27 June 2007 to 26 June 2017       | 15.311  | 674,205   | 153.110                                      | 67,420  |
| 23 October 2007 to 22 October 2017 | 7.273   | 2,834,731   | 72.730                                       | 283,473   |
| 21 August 2008 to 20 August 2018   | 0.938   | 9,927,851   | 9.380  | 992,785   |
| 13 May 2010 to 12 May 2011         | 0.144   | 245,497,472   | 1.440  | 24,549,747  |

Adjustments to the subscription price of the Warrants will be required under the terms and conditions under the warrant instrument issued by the Company on 15 June 2010. The subscription price of the Warrants will be adjusted with effect from 9 May 2011 as follows:

| <b>Subscription Period</b>   | <b>Subscription price per Existing Share<br/>HK\$</b> | <b>Adjusted subscription price per New Share<br/>HK\$</b> |
|------------------------------|---|---|
| 15 June 2010 to 14 June 2012 | 0.182   | 1.82  |

The Company's auditors have been appointed to certify the above necessary adjustments with respect to the exercise price and number of the Share Options and the subscription price of the Warrants.

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

Hong Kong, 6 May 2011

*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; the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.*