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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(Warrant Code: 972)

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 Macau Jockey Club, 1/F Function Room, 1st Floor China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Tuesday, 7 June 2011 at 4:00 p.m. (or immediately after the conclusion or adjournment of the meeting of the Company) for the purpose of considering and, if thought fit, passing with or without modification the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the Rights Issue (as defined below) and the transactions contemplated thereunder be and are hereby approved:

For the purpose of this resolution, “**Rights Issue**” means the proposed issue of not less than 1,473,536,625 Shares (as defined below) and not more than 1,684,106,889 Shares (the “**Rights Shares**”) proposed to be offered to the qualifying shareholders of the Company whose names appear on the date by reference to which entitlement under the Rights Issue will be determined (other than those shareholders with addresses on the register of members of the Company outside Hong Kong whom the Directors, after making enquiries, consider their exclusion from the Rights Issue to be necessary or expedient) by way of rights issue on the basis of three Rights Shares for every one Share, with the proposed issue (the “**Bonus Issue**”) of the bonus warrants (the “**Bonus Warrants**”) on the

basis of one Bonus Warrant for every five Rights Shares taken up, and “**Shares**” means the ordinary share(s) of HK\$0.01 each in the capital of the Company upon the proposed capital reorganisation of the Company involving the consolidation of every ten existing shares of the Company into one consolidated share of the Company becoming effective;

- (b) any director (the “**Director**”) of the Company be and is hereby authorised to allot and issue the Rights Shares pursuant to and in connection with the Rights Issue;
- (c) the Bonus Issue and the transactions contemplated thereunder be and are hereby approved;
- (d) any Director be and is hereby authorised to issue the Bonus Warrants pursuant to and in connection with the Bonus Issue;
- (e) any Director be and is hereby authorised to allot and issue the new Shares pursuant to the exercise of the subscription rights attached to the Bonus Warrant(s) to the relevant holder(s) of the Bonus Warrant(s);
- (f) the entering into the underwriting agreement (the “**Underwriting Agreement**”) (a copy of which is produced to the Meeting marked “A” and signed by the Chairman of the Meeting for the purpose of identification) dated 29 March 2011 (as supplemented by the supplemental agreement dated 18 April 2011) by the Company with Mansion House Securities (F.E.) Limited and Heung Wah Keung Family Endowment Limited (the “**HWKFE**”) in relation to the Rights Issue and the Bonus Issue be and is hereby approved, confirmed and ratified;
- (g) subject to the Executive (as defined in the circular of the Company dated 20 May 2011 (the “**Circular**”)) granting to the Concert Group (as defined in the Circular) and parties acting in concert with them the Whitewash Waiver (as defined in the Circular) and the satisfaction of any condition attached to the Whitewash Waiver imposed by the Executive, the waiver pursuant to Note 1 on dispensations from Rules 26 of the Hong Kong Code on Takeovers and Mergers waiving any obligation on the part of the Concert Group and parties acting in concert with them to make a mandatory general offer to the shareholders of the Company to acquire shares in the Company other than those already owned or agreed to be acquired by the Concert Group and parties acting in concert with it (the terms of which is set out in the Circular (a copy of which is produced to the Meeting marked “B” and signed by the Chairman of the Meeting for the purpose of identification)) be and is hereby approved;

- (h) any Director be and is hereby authorised to do all such things and acts, including but not limited to the execution of all such documents under seal where applicable, as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of or giving effect to the Rights Issue, the Bonus Issue, the Underwriting Agreement and the transactions contemplated thereunder.”

By Order of the Board
China Star Entertainment Limited
Wong Shuk Han, Dorothy
Company Secretary

Hong Kong, 20 May 2011

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
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 20 May 2011.
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 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 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, the most senior shall alone be entitled to vote, whether in person or by proxy. 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 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.