
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in China Star Entertainment Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

PROPOSED GENERAL MANDATES TO ISSUE AND TO REPURCHASE SECURITIES; PROPOSED RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of China Star Entertainment Limited (the “**Company**”) to be held at Macau Jockey Club, 3/F., East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 18 June 2020 at 4:00 p.m. is set out on pages 13 to 17 of this circular. A form of proxy for use at the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.chinastar.com.hk.

Whether or not you intend to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders and to prevent the spreading of the novel coronavirus pandemic, the following precautionary measures will be implemented at the Annual General Meeting of the Company:

- (1) Compulsory temperature checks
- (2) Wearing of surgical face mask
- (3) No provision of corporate gift and refreshments or drinks

Attendees who do not comply with the precautionary measures referred to in (1) to (3) above or is subject to any Hong Kong Government prescribed quarantine measures may be denied entry to the Annual General Meeting venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the Annual General Meeting by appointing the Chairman of the Annual General Meeting as their proxy and to return their proxy forms by the time specified above, instead of attending the Annual General Meeting in person.

20 May 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Macau Jockey Club, 3/F., East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 18 June 2020 at 4:00 p.m., a notice of which is set out on pages 13 to 17 of this circular
“Board”	the board of Directors
“Bonus CBs”	the outstanding bonus convertible bonds constituted by the deed polls executed by the Company on 9 January 2013 and 22 January 2014 respectively and issued on the respective dates which are convertible into Shares at the conversion price of HK\$0.25 per Share (after adjustment)
“Bye-laws”	the Bye-laws of the Company, as may be amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	China Star Entertainment Limited (stock code: 326), an exempted company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandates”	the Repurchase Mandate and the general mandate to issue securities to be sought at the Annual General Meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	15 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Nomination Committee”	the Nomination Committee of the Company
“Repurchase Mandate”	the proposed new general mandate, to be sought at the Annual General Meeting, to authorise the Directors to repurchase Shares in the manner as set out in the notice of the Annual General Meeting
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

Executive Directors:

Mr. Heung Wah Keung (*Chairman*)
Ms. Chen Ming Yin, Tiffany (*Vice Chairman*)
Ms. Li Yuk Sheung

Independent non-executive Directors:

Mr. Hung Cho Sing
Mr. Ho Wai Chi, Paul
Mr. Tang Chak Lam, Gilbert

Registered office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
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

20 May 2020

*To the Shareholders and, for information only,
the holders of Bonus CBs*

Dear Sir or Madam,

PROPOSED GENERAL MANDATES TO ISSUE AND TO REPURCHASE SECURITIES; PROPOSED RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

PROPOSED GENERAL MANDATES TO ISSUE AND TO REPURCHASE SECURITIES

The Directors have taken the opportunity to convene a meeting of the Shareholders to propose a resolution to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with securities not exceeding 20% of the total number of Shares in the issued share capital of the Company as at the date of the passing of the resolution. As at the Latest Practicable Date, there were 2,711,000,479 Shares in issue. Assuming there is no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the general

LETTER FROM THE BOARD

mandate to be sought at the Annual General Meeting will allow the Company to allot, issue and deal with securities not exceeding 542,200,095 Shares. An ordinary resolution will also be proposed at the Annual General Meeting to grant to the Directors a general mandate to repurchase Shares not exceeding 10% of the total number of Shares in the issued share capital of the Company as at the date of the passing of such resolution. In addition, if the General Mandates are granted, an ordinary resolution will also be proposed at the Annual General Meeting to grant to the Directors an extension of general mandate to allot, issue and deal with additional Shares repurchased under the Repurchase Mandate.

The General Mandates will end on the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting of the Company is required to be held by law, the Bye-laws and the Companies Act; or (iii) the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the General Mandates were granted at the Annual General Meeting. The need for an issue of securities under the general mandate to issue securities could, for example, arise in the context of a transaction, such as an acquisition by the Group where securities are to be issued as consideration, which has to be completed speedily. The Directors currently have no intention of any acquisition by the Company nor any plan for raising capital by issuing new securities.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of a mandate to the Directors to exercise the powers of the Company to repurchase its own Shares. Such explanatory statement is set out in the Appendix I to this circular.

PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to Bye-laws 99(A) and 99(B) of the Bye-laws, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert shall retire from office by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and the Company's policy for nomination of Directors as set forth in the terms of reference of the Nomination Committee, the Company's corporate strategy, and the independence of all Independent Non-executive Directors. Having evaluated the re-appointment, the Nomination Committee considers that each retiring Director continues to satisfy the selection criteria as set out in the Company's policy. In addition, the Nomination Committee considers that each of Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert is independent as each of them meets the independence criteria as set out in Rule 3.13(1) to (8) of the Listing Rules.

With the recommendation of the Nomination Committee, the Board proposes to re-elect Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert as independent non-executive Directors at the Annual General Meeting.

Particulars relating to Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert are set out in the Appendix II to this circular.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

VOTING BY POLL

Pursuant to the Listing Rules, any vote of the Shareholders at a general meeting (except resolution relates purely to procedural or administrative matter) must be taken by poll. Therefore, the Chairman of the Annual General Meeting will demand a poll for all the resolutions set out in the notice of the Annual General Meeting. After the conclusion of the Annual General Meeting, the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.chinastar.com.hk).

ANNUAL GENERAL MEETING

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the Annual General Meeting by appointing the Chairman of the Annual General Meeting as their proxy and to return their proxy forms by the time specified above, instead of attending the Annual General Meeting in person.

Set out on pages 13 to 17 of this circular is the notice dated 20 May 2020 convening the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.chinastar.com.hk. Whether or not you intend to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 15 June 2020 to Thursday, 18 June 2020, both days inclusive, during which period no transfer of Shares can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the Annual General Meeting, all Share transfers, accompanied by the relevant share certificates, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2020.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the proposed grant of the General Mandates, the extension of the general mandate to allot, issue and deal with additional Shares and the proposed re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the Appendixes to this circular.

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

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the granting of the Repurchase Mandate to be proposed at the Annual General Meeting.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 2,711,000,479 Shares.

Assuming no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 271,100,047 Shares during the relevant period referred to in ordinary resolution numbered 5 of the notice of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASES

The Directors believe that the grant of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-laws and the Companies Act. Any Shares repurchased pursuant to the Repurchase Mandate would be funded out of the capital paid up on the purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for such purpose.

The Company is empowered by its memorandum of association and the Bye-laws to repurchase its Shares.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing level which, in the opinion of the Directors, are from time to time appropriate for the Company.

4. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), have any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

No core connected person of the Company has notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

5. EFFECT OF THE TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all Shares not already owned by such Shareholder or a group of Shareholders.

As at the Latest Practicable Date, the controlling Shareholders of the Company, Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Heung Wah Keung Family Endowment Limited (collectively "**Mr. Heung and his associates**") were interested in an aggregate of 1,640,375,595 issued Shares, representing approximately 60.50% of the issued share capital of the Company.

To the best of the knowledge and belief of the Company, save as disclosed above, no other person, together with his/her associates, was beneficially interested in issued Shares representing 10% or more of the issued share capital of the Company.

On the basis that no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting and assuming that none of the Bonus CBs will be exercised prior to the exercise in full of the Repurchase Mandate, in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the shareholding percentage of Mr. Heung and his associates would be increased to approximately 67.23%.

The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

The Directors have no present intention to repurchase any Shares to the extent that it will trigger the obligations under the Takeovers Code to make a mandatory offer or which will result in the number of issued Shares held by the public being reduced to less than 25% of the total issued shares of the Company.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the twelve months immediately preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
May	0.85	0.57
June	0.84	0.66
July	0.96	0.81
August	0.88	0.72
September	1.03	0.80
October	0.92	0.78
November	1.18	0.81
December	1.60	1.14
2020		
January	2.05	1.35
February	1.67	1.40
March	1.67	1.14
April	1.81	1.59
May (up to and including the Latest Practicable Date)	1.77	1.75

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

7. REPURCHASE OF SHARES MADE BY THE COMPANY

In the six months immediately preceding the Latest Practicable Date, the Company repurchased Shares on the Stock Exchange for an aggregate consideration of HK\$97,806,800 before expenses. All these repurchased Shares are not yet cancelled and will be subsequently cancelled.

Details of these repurchased Shares are as follows:

Date of repurchase	No. of Shares repurchased	Highest price paid per Share <i>HK\$</i>	Lowest price paid per Share <i>HK\$</i>	Aggregate consideration <i>HK\$</i>
6 April 2020	3,290,000	1.75	1.75	5,757,500
7 April 2020	4,790,000	1.75	1.75	8,382,500
8 April 2020	5,130,000	1.75	1.72	8,976,800
9 April 2020	1,530,000	1.75	1.75	2,677,500
14 April 2020	2,000,000	1.75	1.75	3,500,000
15 April 2020	1,910,000	1.75	1.75	3,342,500
16 April 2020	2,000,000	1.75	1.75	3,500,000
17 April 2020	2,000,000	1.75	1.75	3,500,000
20 April 2020	2,000,000	1.75	1.75	3,500,000
21 April 2020	1,960,000	1.75	1.75	3,430,000
22 April 2020	1,540,000	1.75	1.75	2,695,000
23 April 2020	1,760,000	1.75	1.75	3,080,000
24 April 2020	2,000,000	1.75	1.75	3,500,000
27 April 2020	2,000,000	1.75	1.75	3,500,000
28 April 2020	2,000,000	1.75	1.75	3,500,000
29 April 2020	2,000,000	1.75	1.75	3,500,000
4 May 2020	2,000,000	1.75	1.75	3,500,000
5 May 2020	1,580,000	1.75	1.75	2,765,000
6 May 2020	2,000,000	1.75	1.75	3,500,000
7 May 2020	2,000,000	1.75	1.75	3,500,000
8 May 2020	1,240,000	1.75	1.75	2,170,000
11 May 2020	2,000,000	1.75	1.75	3,500,000
12 May 2020	1,880,000	1.75	1.75	3,290,000
13 May 2020	1,970,000	1.75	1.75	3,447,500
14 May 2020	1,310,000	1.75	1.75	2,292,500
15 May 2020	2,000,000	1.75	1.75	3,500,000
Total	55,890,000			97,806,800

Save as disclosed above, no repurchase of Shares has been made by the Company during the previous six months immediately preceding the Latest Practicable Date.

Particulars of the Directors who will retire from office at the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting are set out below:

Mr. HO Wai Chi, Paul, aged 68, is an independent non-executive director of the Company. Mr. Ho was appointed as a non-executive director of the Company in 1996. He was also the chairman of the audit committee of the Board.

Mr. Ho is the managing partner of Paul W. C. Ho & Company, Certified Public Accountants (Practising), and is an associate of the Institute of Chartered Accountants in England and Wales, United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants.

Mr. Ho was an independent non-executive director of Bel Global Resources Holdings Limited (stock code: 761), a company listed on the Main Board of the Stock Exchange till 23 August 2018, during the period from 15 February 1997 to 30 September 2018. He is currently an independent non-executive director of Ngai Hing Hong Company Limited (stock code: 1047), a company listed on the Main Board of the Stock Exchange.

As at the Latest Practicable Date, Mr. Ho was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO nor did he has any relationship with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

There is no service contract between the Company and Mr. Ho. Mr. Ho is not appointed for a specific term since he is subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the provision of the Bye-laws. The emolument of Mr. Ho is to be determined by the board of Directors as authorized by the Shareholders at the Annual General Meeting with reference to Mr. Ho's skills, expertise and experience. For the year ended 31 December 2019, Mr. Ho received emoluments of HK\$240,000.

Save as disclosed above, there is no other information relating to Mr. Ho that is required to be disclosed pursuant Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of Mr. Ho's re-election.

Mr. Ho has been independent non-executive Director for more than nine years. After having made reasonable enquiry, the Board considers that he has complied with the requirement of independence under Rules 3.13(1) to (8) of the Listing Rules and has obtained written independence confirmation from Mr. Ho. He properly performed his duties as independent non-executive Director during his term of office as the same, and has provided independent and constructive advices to the Company. Apart from being Director, he has not held any position in the Company, subsidiaries of the Company or holding company of the Company, nor did he has any interests in the businesses of or transactions with the Company, subsidiaries of the Company or holding company of the Company.

Accordingly, the Board considers that Mr. Ho is entirely independent and recommend the Shareholders to re-elect him as independent non-executive Director.

Mr. TANG Chak Lam, Gilbert, aged 69, is an independent non-executive director of the Company. Mr. Tang was appointed as an independent non-executive director of the Company in 2011. He was also the chairman of the nomination committee and a member of the audit committee and remuneration committee of the Board.

He is a practising solicitor in Hong Kong since 1987 and is a senior partner of Messrs. Gilbert Tang & Co.. He was a director of Pok Oi Hospital in 1993 and a member of the Kowloon West Advisory Committee of Hong Kong Bank Foundation District Community Programme between July 1991 and November 1995. Mr. Tang holds a Bachelor of Law Degree from the University of Buckingham in the United Kingdom, and a Diploma in Chinese Law from the University of East Asia in Macau.

As at the Latest Practicable Date, Mr. Tang was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO nor did he has any relationship with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

There is no service contract between the Company and Mr. Tang. Mr. Tang is not appointed for a specific term since he is subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the provision of the Bye-laws. The emolument of Mr. Tang is to be determined by the board of Directors as authorized by the Shareholders at the Annual General Meeting with reference to Mr. Tang's skills, expertise and experience. For the year ended 31 December 2019, Mr. Tang received emoluments of HK\$240,000.

Save as disclosed above, there is no other information relating to Mr. Tang that is required to be disclosed pursuant Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of Mr. Tang's re-election.

NOTICE OF ANNUAL GENERAL MEETING



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Star Entertainment Limited (the “**Company**”) will be held at Macau Jockey Club, 3/F., East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 18 June 2020 at 4:00 p.m. for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and the independent auditors for the year ended 31 December 2019.
2.
 - (a) To re-elect Mr. Ho Wai Chi, Paul as independent non-executive director of the Company.
 - (b) To re-elect Mr. Tang Chak Lam, Gilbert as independent non-executive director of the Company.
 - (c) To authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint HLB Hodgson Impey Cheng Limited as independent auditors and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass with or without modification the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (“**Shares**”) and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers during or after the end of the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares in the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) an issue of Shares upon the exercise of rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares, the issue of which warrants and other securities has previously been approved by shareholders of the Company; or
 - (iii) an issue of Shares upon the exercise of any options granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or rights to acquire Shares; or
 - (iv) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (“**Bye-laws**”),

shall not in total exceed 20% of the total number of Shares in the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act (1981) of Bermuda (as amended) or any applicable laws of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company under this resolution.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of Shares or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the directors of the Company to holders of Shares or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares or any class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose and, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company under this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the passing of the resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to the resolution numbered 4 above be and is hereby extended by the addition to the aggregate number of Shares in the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate, an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to the resolution numbered 5 above, provided that such amount of Shares so repurchased shall not exceed 10% of the total number of Shares in the share capital of the Company in issue as at the date of passing of this resolution.”

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

Hong Kong, 20 May 2020

Registered office:
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
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

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A form of proxy for use at the meeting is enclosed with the circular to the shareholders of the Company dated 20 May 2020.
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. The register of members of the Company will be closed from Monday, 15 June 2020 to Thursday, 18 June 2020, both days inclusive, during which period no transfer of Shares can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the Annual General Meeting, all Share transfers, accompanied by the relevant share certificates, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2020.
4. 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. For the health and safety of shareholders, the Company would like to encourage shareholders to exercise their right to vote at the Annual General Meeting by appointing the Chairman of the Annual General Meeting as their proxy and to return their proxy forms by the time specified above, instead of attending the Annual General Meeting in person. 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 branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at the above address 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.
7. If typhoon signal number 8 or above is hoisted or "extreme conditions" caused by super typhoons, or a "black" rainstorm warning is in effect at any time after 12:00 p.m. on the date of the meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.chinastar.com.hk and on the website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the Company of the date, time and place of the rescheduled meeting.