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CHINA STAR FILM GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

NOTICE OF THE SGM

NOTICE IS HEREBY GIVEN THAT an special general meeting (the “**SGM**”) of China Star Film Group Limited (the “**Company**”) will be held at 2:30 p.m. on Friday, 15 January 2010 at Unit 3407, 34/F., Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong for the following purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

SPECIAL RESOLUTION

- (1) “**THAT** subject to and conditional upon, (i) the Listing Committee of the Growth Enterprise Market operated by the The Stock Exchange of Hong Kong Limited granting or agree to grant the listing of and permission to deal in the Adjusted Shares (as defined below); and (ii) compliance by the Company with the requirements of section 46(2) of the Companies Act 1981 of Bermuda (as amended) to effect the Capital Reorganisation (as defined below), with effect from 9:30 a.m. on the business day next following the day on which this resolution is passed:
 - (a) every five (5) issued shares of par value of HK\$0.01 each in the share capital of the Company (the “**Existing Shares**”) be consolidated into one issued (1) share of par value of HK\$0.05 each (the “**Consolidated Shares**”) (the “**Share Consolidation**”);
 - (b) the total number of the Consolidated Shares in the issued share capital of the Company be rounded down to the nearest whole number by cancelling the fractional Consolidated Share in the total number of the issued Consolidated Shares immediately following the Share Consolidation;
 - (c) the paid-up capital of each Consolidated Share be reduced from HK\$0.05 to HK\$0.01 by cancelling HK\$0.04 (together with sub-paragraph (b) above are hereinafter referred to as the “**Capital Reduction**”) so as to form a new share of HK\$0.01 (the “**New Share**”);

- (d) the amount of credit arising from the Capital Reduction be credited to the contributed surplus account of the Company and the directors of the Company (the “**Directors**”) be and are hereby authorised to apply such amount in the contributed surplus account of the Company to set-off accumulated losses of the Company and in any manner permitted by the laws of Bermuda and the bye-laws of the Company (together with the Share Consolidation and the Capital Reduction are herein referred to as the “**Capital Reorganisation**”); and
- (e) the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign all documents as they may, in their absolute discretion, deem necessary, desirable or appropriate to give effect and implement any of the foregoing.”

ORDINARY RESOLUTIONS

- (2) “**THAT** conditional upon passing of resolution 1 above:
 - (a) the placing of 200,000,000 new shares of HK\$0.01 each of the Company (the “**Placing Shares**”) by tranches (in which each tranche shall not be less than 50,000,000 Placing Shares, save for the last tranche) (the “**Placing**”) pursuant to the Placing Agreement (as defined and described in the circular of the Company date 23 December 2009 (the “**Circular**”)) be and is hereby approved, ratified and confirmed and the board of directors of the Company (the “**Board**”) be and is hereby granted a specific mandate to allot and issue Placing Shares in connection with the Placing, which specific mandate can be exercised once or more than once;
 - (b) the allotment and issue of the Placing Shares pursuant to and in accordance with the terms and conditions of the Placing Agreement be and is hereby approved; and
 - (c) contingent on the Board resolving to issue and allot Placing Shares pursuant to paragraph (2)(a) and (b) above, the Board be and is hereby generally and unconditionally authorised to:
 - (i) determine and deal with at its discretion and with full authority, matters relating to the Placing (including but not limited to the specific timing of issue, final number of Placing Shares to be issued (in any event not more than 200,000,000 new Shares), offering mechanism, pricing mechanism, issue price (subject to the basis for determining the issue price described on page 14 in the Circular), target subscribers and the number in proportion of Placing Shares to be issued to each subscriber); and
 - (ii) do all such acts and things, to sign and execute all such further documents for and on behalf of the Company by hand, or in case of execution of documents under seal, to do so jointly with any of a second director, a duly authorised representative of the director or the secretary of the Company and to take such steps as he/she may in his/her absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Placing.”

- (3) “**THAT** HLB Hodgson Impey Cheng be and is hereby appointed as auditors of the Company and its subsidiaries in place of the resigned auditors, HLB Hodgson Impey Cheng to hold office until the conclusion of the next annual general meeting of the Company, and the directors of the Company be and are hereby authorized to fix the remuneration for the appointed auditors.”

By the Order of the Board
China Star Film Group Limited
Lai Hok Lim
Chairman

Hong Kong, 23 December 2009

Registered office:

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Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

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West Tower
168-200 Connaught Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar 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, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

As at the date of this announcement, the executive Directors are Mr. Lai Hok Lim and Mr. Heung Wah Keung and the independent non-executive Directors are Mr. Yip Tai Him, Mr. Law Yiu Sang, Jacky and Ms. Chio Chong Meng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will be published on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of publication and on the Company's website at www.golife.com.hk