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**CHINA STAR FILM GROUP LIMITED**  
**中國星電影集團有限公司**

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

**(Stock Code: 8172)**

**(I) COMPLETION OF FIRST TRANCHE OF PLACING OF NEW SHARES;  
(II) ADJUSTMENTS TO THE CONVERSION PRICES  
OF CONVERTIBLE BONDS;  
AND  
(III) APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board is pleased to announce that the completion of the First Tranche Placing of 100,000,000 Placing Shares took place on 25 January 2010 in accordance with the terms of the Placing Agreement. The 100,000,000 Placing Shares of the First Tranche Placing, representing approximately 42.51% of the issued share capital of the Company as enlarged by the First Tranche Placing, had been successfully placed and issued to not fewer than six Placees at the Placing Price of HK\$0.30 per Placing Share.

Pursuant to the terms of each instrument constituting each of the Convertible Bonds issued or to be issued by the Company, the conversion price of each of the Convertible Bonds and the total number of the Shares to be allotted and issued upon exercise of all the conversion rights under each of the Convertible Bonds have been adjusted as a result of the completion of the First Tranche Placing.

The board is also pleased to announced that Mr. Wong has been appointed as an executive Director with effect from 25 January 2010.

Reference is made to the circular (the “**Circular**”) of the Company dated 23 December 2009 in relation to, among other matters, the Placing. Terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

## COMPLETION OF FIRST TRANCHE OF PLACING OF NEW SHARES

The Board is pleased to announce that the completion of the first tranche of the Placing of 100,000,000 Placing Shares (the “**First Tranche Placing**”) took place on 25 January 2010 in accordance with the terms of the Placing Agreement. The 100,000,000 Placing Shares of the First Tranche Placing, representing approximately 42.51% of the issued share capital of the Company as enlarged by the First Tranche Placing, had been successfully placed and issued to not fewer than six Placees at the Placing Price of HK\$0.30 per Placing Share.

As at the date of this announcement, the Company had 235,266,054 shares of HK\$0.01 each (the “**Shares**”) in issue. The shareholding structures of the Company immediately before and upon the completion of the First Tranche Placing are as follows:

	Immediately before the completion of the First Tranche Placing		Upon the completion of the First Tranche Placing	
	<i>No. of Shares</i>	<i>Approximately percentage</i>	<i>No. of Shares</i>	<i>Approximately percentage</i>
Riche (BVI) Limited ( <i>Note 1</i> )	21,184,549	15.66%	21,184,549	9.00%
Public Shareholders:				
Placees	0	0.00%	100,000,000	42.51%
Others ( <i>Note 2</i> )	114,081,505	84.34%	114,081,505	48.49%
Total	<u>135,266,054</u>	<u>100.00%</u>	<u>235,266,054</u>	<u>100.00%</u>

### Notes:

1. Riche (BVI) Limited is a wholly-owned subsidiary of China Star Investment Holdings Limited, a company listed on the Main Board of the Stock Exchange. As at the date of this announcement, Riche (BVI) Limited held a HK\$100,000,000 convertible bond of the Company which entitles the bondholder to convert 104,384,133 Shares.
2. Some Placees may be the existing Shareholders (holding less than 5% if the entire issued share capital of the Company as at the date of this announcement). Any of the existing holdings of the Placees, if any, are included in “Others” under public Shareholders category.

## ADJUSTMENTS TO THE CONVERSION PRICES OF CONVERTIBLE BONDS

Pursuant to the terms of each instrument constituting each of the convertible bonds (the “**Convertible Bonds**”) issued or to be issued by the Company, the conversion price of each of the Convertible Bonds and the total number of the Shares to be allotted and issued upon exercise of all the conversion rights under each of the Convertible Bonds have been adjusted (the “**CB Adjustments**”) as a result of the completion of the First Tranche Placing. The summary of the CB adjustments is set out in the table below:

	Before completion of the First Tranche Placing		Upon completion of the First Tranche Placing	
	Number of Shares to be allotted and issued upon exercise of all the conversion rights	Conversion price per Share	Adjusted number of Shares to be allotted and issued upon exercise of all the conversion rights	Adjusted conversion price per Share
<b>The outstanding Convertible Bonds issued or to be issued</b>				
The convertible bonds in the aggregate principal amount of HK\$7,000,000	5,857,740	HK\$1.195	7,007,007	HK\$0.999
The convertible bonds in the aggregate principal amount of HK\$ 60,000,000	52,401,746	HK\$1.145	62,630,480	HK\$0.958
The convertible bonds in the aggregate principal amount of HK\$100,000,000	87,336,244	HK\$1.145	104,384,133	HK\$0.958
The settlement convertible bonds to be issued in the aggregate principal amount of HK\$155,534,956 ( <i>Note</i> )	135,838,389	HK\$1.145	162,353,816	HK\$0.958

*Note:* For details information in respect of the settlement convertible bonds, please refer to the Company’s announcement dated 8 December 2008 and circular dated 23 January 2009.

The auditors of the Company have reviewed and confirmed in writing the CB Adjustments are in accordance with the terms of each of the relevant instruments.

## **APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board is pleased to announce that Mr. Wong Chi Chiu (“**Mr. Wong**”) has been appointed as an executive Director with effect from 25 January 2010.

Mr. Wong, aged 31, has over 9 years experience in corporate finance and auditing with participation in activities including mergers and acquisitions, initial public offerings and fund raising exercises. He holds a bachelor of business administration degree in accounting from Hong Kong University of Science and Technology.

Mr. Wong has not entered into any service contract with the Company. Mr. Wong will receive a director’s fee of HK\$60,000 per month which is determined with reference to his duties and responsibilities with the Company and the prevailing market situation.

As at the date of this announcement, Mr. Wong had no interest in any Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Wong is not connected with any directors, senior management, management shareholders, substantial shareholders of the Company (within the meaning of the GEM Listing Rules). Mr Wong has not held any directorship in listing public companies in the last three years preceding the date of this announcement.

Save as disclosed above, there is no further information relating to Mr. Wong that is required to be disclosed pursuant to Rules 17.50(2) of the GEM Listing Rules and there is no other matter in relation to the appointment of Mr. Wong that needs to be brought to the attention of the Shareholders.

The Board would like to express its welcome to Mr. Wong in joining the Company.

By Order of the Board  
**China Star Film Group Limited**  
**Lai Hok Lim**  
*Executive Director*

Hong Kong, 25 January 2010

*As at the date of this announcement, the executive Directors are Mr. Lai Hok Lim and Mr. Wong Chi Chiu; 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 responsibilities, 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: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.*

*This announcement will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of its publication and on the Company’s website at [www.golife.com.hk](http://www.golife.com.hk).*