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## **CHINA STAR FILM GROUP LIMITED**

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

**(Stock Code: 8172)**

### **POLL RESULTS OF THE SPECIAL GENERAL MEETING HELD ON 24 MAY 2010**

**AND**

### **ADJUSTMENT TO THE CONVERSION PRICES OF CONVERTIBLE BONDS**

The Board is pleased to announce that at the SGM held on 24 May 2010, all the proposed resolutions were duly passed by way of poll.

The payment date of the special dividend of HK\$0.12 per ordinary share will be 25 May 2010.

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 shall be adjusted as a result of the completion of payment of the special dividend.

Reference is made to the announcements of China Star Film Group Limited (the “**Company**”) dated 13 April 2010 and 23 April 2010, the circular of the Company dated 5 May 2010 (the “**Circular**”) and the notice of special general meeting dated 5 May 2010 in relation to the Disposal and the Proposed Special Dividend.

Unless otherwise defined, capitalized terms used herein shall have the same meanings as ascribed to them in the Circular.

#### **POLL RESULTS OF THE SGM**

The poll results in respect of the resolutions proposed at the SGM of the Company held on 24 May 2010 at 11:00 a.m. are set out below. At the SGM, polls were demanded by the chairman for voting on the proposed ordinary resolutions. The Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineers at the SGM for the purpose of vote-taking.

As at the date of the SGM, the total number of issued Shares was 335,266,054. As stated in the Circular, Riche and its associates, who were interested in an aggregate of 21,184,549 Shares, representing approximately 6.32% of the entire issued share capital of the Company, were required to abstain from voting on resolution no.1 in respect of the Disposal Agreement and the transaction contemplated thereunder at the SGM. The Board confirms that Riche and its associates had abstained from voting in respect of resolution no.1 at the SGM.

Save as Riche and its associates, to the best of the Directors' knowledge, belief and information, no Shareholders had a material interest in the resolutions proposed at the SGM and were accordingly required to abstain from voting at the SGM approving the relevant resolutions. Accordingly, there were a total of 314,081,505 Shares entitling the Shareholders (the "**Independent Shareholders**") other than Riche and its associates to vote for or against the resolution no.1 at the SGM and a total of 335,266,054 Shares entitling the Shareholders to vote for or against the resolution no.2 in respect of the Proposed Special Dividend at the SGM.

The Board is pleased to announce that all the proposed resolutions were duly passed by the Shareholders (or the Independent Shareholders as regards resolution no.1) by way of poll at the SGM. The poll results in respect of the resolutions at the SGM were as follows:

Ordinary Resolutions		For of votes (%)	
		For	Against
1.	To approve the Disposal Agreement and the transaction contemplated thereunder	146,261,401 (100%)	0 (0%)
2.	To approve the Proposed Special Dividend	146,261,401 (100%)	0 (0%)

As 100% of the votes were cast in favour of each of the ordinary resolutions, all the resolutions were duly passed at the SGM.

The payment date of the special dividend of HK\$0.12 per ordinary share will be 25 May 2010.

#### **ADJUSTMENT TO THE CONVERSION PRICES OF CONVERTIBLE BOND**

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 outstanding Convertible Bonds shall be adjusted (the “**CB Adjustments**”) as a result of the completion of payment of the special dividend. The summary of the CB adjustments is set out in the table below:

<b>The outstanding Convertible Bonds issued or to be issued</b>	<b>Before completion of payment of the special dividend</b>	<b>Conversion price per Share</b>	<b>Upon completion of payment of the special dividend</b>	<b>Adjusted conversion price per Share</b>
	<b>Number of Shares to be allotted and issued upon exercise of all the conversion rights</b>		<b>Adjusted number of Shares to be allotted and issued upon exercise of all the conversion rights</b>	
The convertible bonds in the aggregate principal amount of HK\$7,000,000 (the “CB I”)	7,918,552	HK\$0.884	14,000,000	HK\$0.50
The convertible bonds in the aggregate principal amount of HK\$60,000,000 (the “CB II”)	70,754,716	HK\$0.848	125,260,960	HK\$0.479
The convertible bonds in the aggregate principal amount of HK\$100,000,000 (the “CB III”)	117,924,528	HK\$0.848	208,768,267	HK\$0.479
The settlement convertible bonds to be issued in the aggregate principal amount of HK\$155,534,956 (the “CB IV”) ( <i>Note</i> )	183,413,863	HK\$0.848	324,707,632	HK\$0.479

*Note:* For details information in respect of the settlement convertible bonds, please refer to the Company’s circular 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.

As disclosed in the Circular, to ensure the compliance with Rule 19.82 of the GEM Listing Rules, the Company shall repay the CB II, the CB III and the CB IV on or before the Disposal Completion.

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

Hong Kong, 24 May 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 of the Company (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 and its subsidiaries. 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.*

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