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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general 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 Wednesday, 18 December 2013 at 4:30 p.m. for the purpose of considering as special business and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the New Open Offer (as defined below) having become unconditional and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the new Shares (as defined below) which may fall to be allotted and issued upon the exercise of the conversion right attaching to the New Bonus CBs (as defined below):

- (a) the New Bonus CBs Subscription (as defined below) and the transactions contemplated thereunder be and are hereby approved,

For the purpose of this resolution,

“**New Bonus CBs Subscription**” means the proposed issue of by way of subscription of not more than 7,586,976 units of convertible bonds (the “**New Bonus CB(s)**”), the terms and conditions of which are set out in the appendix to the circular (the “**Circular**”) of the Company dated 2 December 2013, to be constituted by the deed poll to be executed by the Company carrying rights entitling the holders thereof to convert their principal amount into an aggregate of not more than 7,586,976 new shares (the “**Share(s)**”) of HK\$0.01 each in the share capital of the Company at an initial conversion price of HK\$0.01 per Share (subject to adjustment) to the holders of the Bonus CBs (as defined below) on the

basis of 2 New Bonus CBs for every 5 Bonus CBs held on 31 December 2013 (or such other date to be determined by the board of directors of the Company) at the subscription price of HK\$0.125 per New Bonus CB;

“**Bonus CB(s)**” means the bonus convertible bonds constituted by the deed poll executed by the Company on 9 January 2013 carrying rights entitling the holders thereof to convert its principal amount into new Share(s) at an initial conversion price of HK\$0.01 per Share (subject to adjustment) with aggregate outstanding principal amount of HK\$189,674.40 as at the date of this notice; and

“**New Open Offer**” means the proposed issue of not less than 2,626,923,658 new Shares and not more than 2,719,215,073 new Shares by way of open offer to qualifying shareholders of the Company on the basis of 2 new Shares for every 5 existing Shares held on 31 December 2013 or such other date as may be agreed between the Company and the underwriter to the New Open Offer at the subscription price of HK\$0.125 per new Share;

- (b) the allotment and issue of the new Shares to the relevant holders of New Bonus CBs upon the exercise of the conversion rights attaching to the New Bonus CBs be and is hereby approved; and
- (c) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider as necessary, expedient or desirable for the purpose of or in connection with the implementation of the New Bonus CBs Subscription and the transactions contemplated thereunder, including but not limited to the execution all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the New Bonus CBs Subscription, and the allotment and issue of the Conversion Share(s) of which may fall to be issued upon exercise of the conversion rights attaching to the New Bonus CBs.”

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

Hong Kong, 2 December 2013

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

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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 2 December 2013.
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 to sign the same.
3. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one or if he is the holder of two or more shares, more than one 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 of the Company are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung and the independent non-executive directors of the Company are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.