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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 a special general meeting (the “**SGM**”) 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, 28 June 2018 at 4:15 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the underwriting agreement (the “**Underwriting Agreement**”) dated 13 April 2018 (as supplemented by a letter dated 3 May 2018) in respect of the Rights Issue (as defined below) and the transactions contemplated thereunder (including but not limited to the underwriting of the Rights Shares (as defined below) by Heung Wah Keung Family Endowment Limited (the “**Underwriter**”)) entered into between the Company and the Underwriter (a copy of which has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) be and are hereby approved, confirmed and ratified;

- (b) the issue by way of rights (the “**Rights Issue**”) of not less than 1,807,406,986 new Shares (the “**Rights Shares**”) and not more than 1,809,921,048 Rights Shares at a subscription price of HK\$0.25 per Rights Share to the shareholders of the Company (the “**Shareholders**”) whose names shall appear on the register of members of the Company at the close of business on Wednesday, 11 July 2018 (the “**Qualifying Shareholders**”), or such other date as the Company and the Underwriter may agree as the record date for determination of the entitlements of the Shareholders to the Rights Issue (the “**Record Date**”) (excluding those Shareholders (the “**Overseas Shareholders**”) whose addresses on the register of members of the Company are outside Hong Kong on the Record Date in respect of whom the directors of the Company (the “**Directors**”), after making relevant enquiries, consider it necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s)), on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date and pursuant to the terms and conditions as set out in the Underwriting Agreement be and is hereby approved;
- (c) subject to the obtaining of listing approval for the Rights Shares, any Director be and is hereby authorised to allot and issue the Rights Shares (in both nil-paid form and fully-paid form) pursuant to and in connection with the Rights Issue notwithstanding that (i) the Rights Shares may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Director be and is hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements and/or the Overseas Shareholders as he deems necessary, desirable or expedient having regard to any restrictions or obligations under the bye-laws of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and (ii) the Rights Shares which would otherwise have been made available for application by the Qualifying Shareholders or the Overseas Shareholders (as the case may be) will be made available for subscription under forms of application for excess Rights Shares;
- (d) any Director be and is hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Director in his/her absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder; and

- (e) subject to and conditional upon the passing of resolution numbered (a) and (d) above and the waiver of the Underwriter to make a mandatory general offer as a result of the underwriting of the Rights Issue (the “**Whitewash Waiver**”) granted or to be granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission to the Underwriter, the Whitewash Waiver be and is hereby approved and any one Director be and is hereby authorised to do all such things and take all such actions as he/she may consider necessary or desirable to implement and/or give effects to any of the matters relating to or incidental to the Whitewash Waiver.”

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

Hong Kong, 7 June 2018

Registered Office:
Canon’s Court
22 Victoria Street
Hamilton HM 12
Bermuda

*Head office and principal
place of business:*
Unit 3409 Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Notes:

1. A form of proxy for use at the SGM is enclosed with the circular to the Shareholders dated 7 June 2018.
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. All registered Shareholders recorded on Thursday, 28 June 2018 shall be entitled to attend and vote in person at the SGM or any adjournment thereof. The register of members of the Company will be closed from Friday, 22 June 2018 to Thursday, 28 June 2018, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the SGM or any adjournment thereof, all share transfers, accompanied by the relevant share certificates, must be lodged with 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 for registration not later than 4:30 p.m. on Thursday, 21 June 2018.

4. Any Shareholder entitled to attend and vote at the SGM 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. 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 the above address not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the SGM 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 SGM, 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 notice, the executive Directors are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.