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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 Unit 3409, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong on Thursday, 3 September 2009 at 12:15 p.m. for the purpose of consideration and, if thought fit, passing with or without modification the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (i) the sale and purchase agreement dated 29 April 2009 and the deed of variation dated 14 August 2009 (the “S&P Agreement”) entered into between Bestjump Holdings Limited and Ms. Chen Ming Yin, Tiffany (the “Vendor”) relating to the sale and purchase of the entire issued share capital of Modern Vision (Asia) Limited and Reform Base Holdings Limited and a sale loan owned by Legstrong Construction and Investment Company Limited to the Vendor in the sum of HK\$88,368,136 as at 29 April 2009 and a sale loan owned by Over Profit International Limited to the Vendor in the sum of HK\$662,441,871 as at 29 April 2009 (the “Acquisition”) for a total consideration of HK\$900 million (subject to adjustment), a copy of which is tabled at the meeting and marked “A” and initially by the chairman of the meeting for identification purposes, be and is hereby approved, ratified and confirmed in all respects and that all transactions contemplated under the Acquisition be and are hereby approved and that any one director of the Company be and is hereby authorised to do or execute all such acts or such other documents which the director may deem to be necessary, desirable or expedient to carry into effect or to give effect to the Acquisition.”

- (ii) the issue of a convertible bond (the “Convertible Bond”) in the principal amount of HK\$350 million by the Company in accordance with the terms and conditions of the S&P Agreement and the transactions contemplated thereunder be and is hereby approved and any one director of the Company be and are hereby authorised to issue the Convertible Bond and do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bond;
- (iii) the issue of a principal amount up to HK\$350 million promissory note (the “Promissory Note”) to the Vendor as part consideration under the S&P Agreement upon completion of the Acquisition be and is hereby approved and any one director of the Company be and are hereby authorised to issue the Promissory Note and do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Promissory Note; and
- (iv) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the shares of HK\$0.01 each (the “Shares”) in the share capital of the Company to be allotted and issued upon conversion of the Convertible Bond, the directors of the Company be and are hereby authorised to allot and issue and aggregate of up to approximately 700,000,000 new Shares (the “Conversion Shares”) in the authorised capital of the Company at HK\$0.50 per Conversion Share and credited as fully paid upon conversion of the Convertible Bond and that the Conversion Shares shall, when allotted and issued, rank pari passu in all respects with all other Shares in issue on the date of such allotment and issue, and that any directors of the Company be and are hereby authorised to do all things and acts and sign all documents which they consider necessary, desirable or expedient in connection with the allotment and issue of the Conversion Shares.”

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

Hong Kong, 17 August 2009

Registered office:
Canon’s Court
22 Victoria Street
Hamilton HM12
Bermuda

Head office and principal place of 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 17 August 2009.
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, attorney or other person 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 more proxies 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 Rooms 1806-7, 18th 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 Board comprises three executive Directors namely, Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; and three independent non-executive Directors namely, Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.