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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** or transferred all your securities in China Star Entertainment Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank manager, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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**CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 326)

(Warrant Code: 972)

**GENERAL MANDATES TO ISSUE  
AND TO REPURCHASE SECURITIES;  
RE-ELECTION OF DIRECTOR  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China Star Entertainment Limited (the “Company”) to be held at Board Room (1st Floor), South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Monday, 30 May 2011 at 3:30 p.m. (or immediately after the conclusion or adjournment of the meeting of the Company) is set out on pages 11 to 14 of this circular. Whether or not you intend to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share register of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

27 April 2011

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
General Mandates to Issue and to Repurchase Securities .....	4
Re-election of Director .....	5
Responsibility Statement .....	6
Voting by Poll .....	6
Annual General Meeting .....	7
Recommendation .....	7
Additional Information .....	7
<b>Appendix – Explanatory Statement on Repurchase Mandate</b> .....	8
<b>Notice of Annual General Meeting</b> .....	11

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2009 Proposed Acquisition”	the proposed acquisition of business interests pursuant to a conditional agreement dated 29 April 2009 entered into between the Group and Ms. Chen Ming Yin, Tiffany, an executive Director, details of which are set out in the announcement and circular of the Company dated 5 May 2009 and 17 August 2009 respectively
“Annual General Meeting”	the annual general meeting of the Company to be held at Board Room (1st Floor), South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Monday, 30 May 2011 at 3:30 p.m. (or immediately after the conclusion or adjournment of the meeting of the Company), a notice of which is set out on pages 11 to 14 of this circular
“Bye-laws”	the Bye-laws of the Company, as may be amended from time to time
“Capital Reorganisation”	the proposed capital reorganisation of the Company, involving (i) the consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.01 each into one (1) consolidated Existing Share of HK\$0.10 each; (ii) the capital reduction of the nominal value of all the authorised share capital of the Company and the cancellation of the paid-up capital of the issued consolidated shares from HK\$0.10 each to HK\$0.01 each and the credit arising from reduction of the issued share capital of the Company be transferred to the contributed surplus account of the Company; and (iii) increase of authorised share capital of the Company, to be approved by the Shareholders at a special general meeting of the Company to be held on 6 May 2011. Details of the capital reorganisation of the Company has been disclosed in the announcements of the Company dated 9 February 2011 and 28 February 2011 and the circular of the Company dated 7 March 2011
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	China Star Entertainment Limited, an exempted company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Eternity”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 764)
“Existing Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“General Mandates”	the Repurchase Mandate and the general mandate to issue securities to be sought at the Annual General Meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company after the Capital Reorganisation becoming effective
“Option(s)”	the share option(s) to subscribe for Shares granted under the share option scheme adopted by the Company on 27 May 2002
“Proposed Acquisition”	the proposed acquisition of the property leasehold right in respect of the leasehold granted by the Macau Government over Lot 6B, Lot 6C, Lot 6D and Lot 6E located in Macau at Zona de Aterros do Porto Exterior (ZAPE) pursuant to the conditional agreement entered into between the Company and Sociedade de Turismo e Diversões de Macau, S.A., details of which are set out in the announcement of the Company dated 7 January 2011
“Proposed Subscription”	the proposed subscription of the convertible bonds on the principal amount of HK\$650 million proposed to be issued by the Company to Eternity, details of which are set out in the announcement dated 9 February 2011 jointly issued by the Company and Eternity
“Repurchase Mandate”	the proposed new general mandate, to be sought at the Annual General Meeting, to authorise the Directors to repurchase Shares in the manner as set out in the notice of the Annual General Meeting

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## DEFINITIONS

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“Rights Issue”	the proposed issue of the rights Shares by way of rights issue on the basis of three rights Shares for every one New Share at the subscription price of HK\$0.25 per rights Share, with bonus warrants on the basis of one bonus warrant for every five rights Shares taken up, details of which are set out in the announcement of the Company dated 18 April 2011
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Existing Share(s) and/or New Share(s), as the case may be
“Shareholder(s)”	holder(s) of Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Warrants”	the outstanding warrants in an aggregate principal amount of HK\$111,525,643.67 entitling the holders thereof to subscribe for 612,778,261 new Existing Shares at an adjusted subscription price of HK\$0.182 per Existing Share (subject to further adjustment) as at the Latest Practicable Date pursuant to the warrant instrument of the Company dated 15 June 2010
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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### CHINA STAR ENTERTAINMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 326)

(Warrant Code: 972)

*Directors:*

Mr. Heung Wah Keung (*Chairman*)  
Ms. Chen Ming Yin, Tiffany (*Vice Chairman*)  
Ms. Li Yuk Sheung  
Mr. Hung Cho Sing\*  
Mr. Ho Wai Chi, Paul\*  
Mr. Leung Hok Man\*

\* *Independent non-executive Directors*

*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

27 April 2011

*To the Shareholders and,  
for information only,  
the holders of the Warrants and Options*

Dear Sir or Madam,

### **GENERAL MANDATES TO ISSUE AND TO REPURCHASE SECURITIES; RE-ELECTION OF DIRECTOR AND NOTICE OF ANNUAL GENERAL MEETING**

#### **GENERAL MANDATES TO ISSUE AND TO REPURCHASE SECURITIES**

The Directors have taken the opportunity to convene a meeting of the Shareholders to propose a resolution to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with securities not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution. As at the Latest Practicable Date, there were 4,911,788,757 Existing Shares in issue (or 491,178,875 New Shares assuming the Capital Reorganisation becoming effective). Assuming there is no further Shares are allotted and issued or repurchased between

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## LETTER FROM THE BOARD

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the Latest Practicable Date and the date of the Annual General Meeting, the general mandate to be sought at the Annual General Meeting will allow the Company to allot, issue and deal with securities not exceeding 982,357,751 Existing Shares (or 98,235,775 New Shares assuming the Capital Reorganisation becoming effective). An ordinary resolution will also be proposed at the Annual General Meeting to grant to the Directors a general mandate to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of such resolution. In addition, if the General Mandates are granted, an ordinary resolution will also be proposed at the Annual General Meeting to grant to the Directors an extension of general mandate to allot, issue and deal with additional Shares repurchased under the Repurchase Mandate.

The General Mandates will end on the earliest of the date of (i) the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by law, the Bye-laws and the Companies Act, or (iii) the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the General Mandates were granted at the Annual General Meeting. The need for an issue of securities under the general mandate to issue securities could, for example, arise in the context of a transaction, such as an acquisition by the Group where securities are to be issued as consideration, which has to be completed speedily. The Directors currently have no intention of any other acquisition by the Company nor any plan for other raising capital by issuing new securities except the 2009 Proposed Acquisition, Proposed Acquisition, Proposed Subscription and the Rights Issue.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions to approve the granting of a mandate to the Directors to exercise the powers of the Company to repurchase its own Shares. Such explanatory statement is set out in the Appendix to this circular.

### RE-ELECTION OF DIRECTOR

Pursuant to Bye-laws 99(A) and 99(B) of the Bye-laws, Mr. Ho Wai Chi, Paul shall retire from office by rotation at the Annual General Meeting and, being eligible, offer himself for re-election at the Annual General Meeting.

The particulars of Mr. Ho are as follows:

**Mr. HO Wai Chi, Paul**, aged 60, is an independent non-executive Director and a member of the audit committee of the Company. He is the sole proprietor of Paul W. C. Ho & Company, Certified Public Accountants (Practising), and is an associate of the Institute of Chartered Accountants in England and Wales, United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Ho was appointed as a non-executive Director in 1996.

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## LETTER FROM THE BOARD

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Mr. Ho also holds directorships as independent non-executive director and member of the audit committee of companies listed on the main board of the Stock Exchange which included Ngai Hing Hong Company Limited and Bel Global Resources Holdings Limited. Mr. Ho was previously an independent non-executive director and a member of the audit committee of Eternity and resigned on 25 May 2010. Save as disclosed above, Mr. Ho does not hold any position with the Company and other members of the Group and did not hold any directorship in any listed public company in the last three years.

As at the Latest Practicable Date, Mr. Ho was not interested or deemed to be interested in any Existing Shares or underlying Existing Shares pursuant to Part XV of the SFO nor did he connected with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

There is no service contract between the Company and Mr. Ho. Mr. Ho is not appointed for a specific term since he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Bye-laws. The director fee of Mr. Ho as an independent non-executive Director is to be determined by the board of Directors as authorised by the Shareholders at the Annual General Meeting with reference to Mr. Ho's contributions, and relevant duties and responsibilities within the Company. For the year ended 31 December 2010, Mr. Ho received a director fee of HK\$120,000.

Save as disclosed above, there is no other information relating to Mr. Ho that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of Mr. Ho's re-election.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### VOTING BY POLL

Pursuant to the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the Annual General Meeting will demand a poll for all the resolutions set out in the notice of the Annual General Meeting. After the conclusion of the Annual General Meeting, the results of the poll will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.chinastar.com.hk](http://www.chinastar.com.hk)).



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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

Set out on pages 11 to 14 of this circular is the notice dated 27 April 2011 convening the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

### RECOMMENDATION

The Directors are of the opinion that the grant of the General Mandates, the extend of the General Mandates to allot, issue and deal with additional Shares and the re-election of Director are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

### ADDITIONAL INFORMATION

Your attention is drawn to the Appendix to this circular.

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

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the granting of the Repurchase Mandate to be proposed at the Annual General Meeting.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 4,911,788,757 Existing Shares (or 491,178,875 New Shares assuming the Capital Reorganisation becoming effective).

Assuming no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 491,178,875 Existing Shares (or 49,117,887 New Shares assuming the Capital Reorganisation becoming effective) during the relevant period referred to in ordinary resolution numbered 5 of the notice of the Annual General Meeting.

## **2. REASONS FOR SHARE REPURCHASES**

The Directors believe that the grant of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-laws and the Companies Act. Any Shares repurchased pursuant to the Repurchase Mandate would be funded out of the capital paid up on the purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for such purpose.

The Company is empowered by its memorandum of association and the Bye-laws to repurchase its Shares.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2010) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do

not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing level which, in the opinion of the Directors, are from time to time appropriate for the Company.

#### **4. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

No connected person of the Company has notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

#### **5. EFFECT OF THE TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all Shares not already owned by such Shareholder or a group of Shareholders.

As at the Latest Practicable Date, Eternity, together with its associates, was interested in 680,000,000 issued Existing Shares, representing approximately 13.84% of the issued share capital of the Company.

As disclosed in the announcement of the Company dated 18 April 2011, pursuant to the underwriting agreement and irrevocable undertakings in the Rights Issue, Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany and their respective associates, Eternity and its respective associates and parties acting in concert with any of them (in aggregate interested in 946,802,025 Existing Shares, representing approximately 19.28% of the issued share capital of the Company) taking up their respective entitlements, undertaking and underwriting obligations will trigger an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. An application will be made by them for a waiver from the obligation to make a mandatory offer to the Shareholders under Rule 26 of the Takeovers Code (the "Whitewash Waiver") pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. If the Whitewash Waiver is not granted, the Rights Issue will not proceed.

To the best of the knowledge and belief of the Company, save as disclosed above, no other person, together with his/her associates, was beneficially interested in issued Existing Shares representing 10% or more of the issued share capital of the Company.

On the basis that no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting and assuming that none of the outstanding Options and Warrants will be exercised and the Rights Issue will not be completed prior to the exercise in full of the Repurchase Mandate, in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the shareholding percentage of Eternity, together with its associates, would be increased to approximately 15.38%. Such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code or result in the number of issued Shares held by the public being reduced to less than 25%.

The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

## 6. SHARE PRICES

The highest and lowest prices at which the Existing Shares were traded on the Stock Exchange during each of the twelve months immediately preceding the Latest Practicable Date were as follows:

	Price per Existing Share	
	Highest HK\$	Lowest HK\$
<b>2010</b>		
April	0.173*	0.137*
May	0.139*	0.108*
June	0.122*	0.112*
July	0.122	0.105
August	0.111	0.094
September	0.118	0.093
October	0.104	0.092
November	0.104	0.082
December	0.097	0.077
<b>2011</b>		
January	0.095	0.068
February	0.070	0.047
March	0.078	0.042
April (up to and including the Latest Practicable Date)	0.049	0.039

\* Adjusted due to the effect of the rights issue of the Company during the year 2010.

## 7. REPURCHASE OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months immediately preceding the Latest Practicable Date.

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## NOTICE OF ANNUAL GENERAL MEETING

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### CHINA STAR ENTERTAINMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 326)

(Warrant Code: 972)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Star Entertainment Limited (the “Company”) will be held at Board Room (1st Floor), South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Monday, 30 May 2011 at 3:30 p.m. (or immediately after the conclusion or adjournment of the meeting of the Company) for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and the auditors for the year ended 31 December 2010.
2. To re-elect retiring director and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass with or without modification the following resolutions as Ordinary Resolutions:

#### ORDINARY RESOLUTIONS

4. “**THAT:**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company (“Shares”) and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers during or after the end of the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined); or
  - (ii) an issue of Shares upon the exercise of rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares, the issue of which warrants and other securities has previously been approved by shareholders of the Company; or
  - (iii) an issue of Shares upon the exercise of any options granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or rights to acquire Shares; or
  - (iv) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (“Bye-laws”),

shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act (1981) of Bermuda (as amended) or any applicable laws of Bermuda to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company under this resolution.

“Rights Issue” means an offer of Shares or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the directors of the Company to holders of Shares or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares or any class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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5. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose and, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company under this resolution.”
6. **“THAT** conditional upon the passing of the resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to the resolution numbered 4 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate, an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to the resolution numbered 5 above, provided that such amount of Shares so repurchased shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By Order of the Board  
**China Star Entertainment Limited**  
**Wong Shuk Han, Dorothy**  
*Company Secretary*

Hong Kong, 27 April 2011

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## NOTICE OF ANNUAL GENERAL MEETING

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*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 herewith.
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. Any shareholder of the Company entitled to attend and vote at the meeting 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 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.