
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you have sold or transferred all your securities in China Star Entertainment Limited (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(Warrant Code: 972)

(1) PROPOSED RE-ELECTION OF DIRECTOR AND (2) NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

This supplemental circular should be read together with the circular (the “**First Circular**”) issued by the Company on 27 April 2011 in relation to the annual general meeting of the Company originally scheduled 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 the adjourned annual general meeting (the “**Adjourned AGM**”) of the Company to 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 Thursday, 30 June 2011 at 2:00 p.m. is set out on pages 7 to 10 of this supplemental circular. The form of proxy dispatched with the First Circular is superseded by the revised form of proxy enclosed herewith. Whether or not you are able to attend the Adjourned AGM, you are requested to complete and return the accompanying revised form of proxy in accordance with the instructions printed thereon and deposit the same at 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 fixed for the Adjourned AGM. The completion and delivery of the revised form of proxy will not preclude you from attending and voting at the Adjourned AGM in person.

31 May 2011

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise.

“Adjourned AGM”	the adjourned annual general meeting of the Company to 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 Thursday, 30 June 2011 at 2:00 p.m., a notice of which is set out on pages 7 to 10 of this circular
“Board”	the board of Directors
“Bye-laws”	the Bye-laws of the Company as may be amended from time to time
“Director(s)”	the director(s) of the Company
“First Circular”	the circular of the Company dated 27 April 2011 in connection with the proposals involving general mandates to issue and repurchase Shares, extension of general mandate to issue Shares and re-election of retiring Directors
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tang”	Mr. Tang Chak Lam, Gilbert
“Original AGM”	the annual general meeting of the Company originally scheduled 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.
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“this Supplemental Circular”	this circular in connection with the re-election of Mr. Tang to be dispatched to the Shareholders on 31 May 2011
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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*
Mr. Tang Chak Lam, Gilbert*

* *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

31 May 2011

*To the Shareholders and, for information only,
the holders of the warrants and share options of the Company*

Dear Sir or Madam,

(1) PROPOSED RE-ELECTION OF DIRECTOR AND (2) NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this Supplemental Circular is to provide you with information regarding the proposed re-election of Mr. Tang as an independent non-executive Director and to seek your approval at the Adjourned AGM in connection with such matter.

This Supplemental Circular is supplemental to the First Circular and should be read together with the First Circular.

LETTER FROM THE BOARD

THE APPOINTMENT OF MR. TANG

On 24 May 2011, it was announced that Mr. Tang had been appointed by the Board as an independent non-executive Director, a member of each of the remuneration committee, the nomination committee and the audit committee of the Company with effect on 24 May 2011.

THE RE-ELECTION OF MR. TANG

Pursuant to Bye-laws 102(B) of the Bye-laws, the newly appointed Director, namely Mr. Tang, shall hold office until the Adjourned AGM and shall then be eligible to offer himself for re-election at the Adjourned AGM.

The biographical details of Mr. Tang are set out below:

Mr. TANG Chak Lam, Gilbert, aged 60, is a practising solicitor in Hong Kong since 1987 and is a senior partner of Messrs. Gilbert Tang & Co.. He was a director of Pok Oi Hospital in 1993 and a member of the Kowloon West Advisory Committee of Hong Kong Bank Foundation District Community Programme between July 1991 and November 1995. Mr. Tang holds a Bachelor of Law Degree from the University of Buckingham in the United Kingdom, and a Diploma in Chinese Law from the University of East Asia in Macau.

There is no service contract entered into between Mr. Tang and the Company in relation to his appointment as an independent non-executive Director. Mr. Tang will be entitled to an annual emolument of HK\$120,000 which is determined by the Board with reference to his duties and responsibilities with the Company. There is no specific term for his appointment but he is subject to normal retirement and re-election by the Shareholders pursuant to the Bye-laws.

Mr. Tang has been acting as an independent non-executive director of Eternity Investment Limited, which is a company listed on the Stock Exchange, since 6 February 2002. Save as disclosed above, Mr. Tang does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company or its subsidiaries or any of their respective associates, and he does not have, and is not deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

There is no information relating to Mr. Tang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there is no other matter in relation to the appointment of Mr. Tang that needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

ADJOURNED AGM

As mentioned in the First Circular, at the Original AGM, resolutions would be proposed to the Shareholders to approve, inter alia, the grant to the Directors of a general mandate 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, a general mandate (the “**Repurchase 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 the resolution, and an extension of general mandate to allot, issue and deal with additional Shares repurchased under the Repurchase Mandate, and the re-election of Mr. Ho Wai Chi, Paul as an independent non-executive Director.

Because of the aforesaid appointment of Mr. Tang on 24 May 2011, you are advised to disregard the notice of the Original AGM and the accompanying form of proxy already dispatched to you on 27 April 2011 which makes no reference to the separate resolution for the re-election of Mr. Tang. A revised notice of the annual general meeting and a revised form of proxy for use at the Adjourned AGM which, inter alia, includes the separate resolution for the re-election of Mr. Tang is enclosed with this Supplemental Circular. Whether or not you intend to attend the Adjourned AGM, 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 Adjourned AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Adjourned AGM or any adjournment thereof should you so wish.

The form of proxy dispatched with the First Circular is superseded by the revised form of proxy enclosed herewith. Any previously dispatched form of proxy deposited at the branch share register of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, is void and Shareholders are reminded to complete and return the revised form of proxy enclosed herewith.

RESPONSIBILITY STATEMENT

This Supplemental 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 Supplemental 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 Adjourned AGM will demand a poll for all the resolutions set out in the notice of the Adjourned AGM. After the conclusion of the Adjourned AGM, the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.chinastar.com.hk).

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the re-election of Mr. Tang 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 resolution to be proposed at the Adjourned AGM.

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

NOTICE OF ADJOURNED AGM



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

(Warrant Code: 972)

NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the adjourned annual general meeting (the “**Adjourned AGM**”) 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 Thursday, 30 June 2011 at 2:00 p.m. 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.
 - (a) to re-elect Mr. Ho Wai Chi, Paul as independent non-executive director of the Company;
 - (b) to re-elect Mr. Tang Chak Lam, Gilbert as independent non-executive director of the Company; and
 - (c) to authorise the board of directors to fix the directors’ remuneration; and
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;

NOTICE OF ADJOURNED AGM

- (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;
- (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.

NOTICE OF ADJOURNED AGM

“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).”

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.”

NOTICE OF ADJOURNED AGM

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, 31 May 2011

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM 12
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 Adjourned AGM 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 Adjourned AGM 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 Adjourned AGM 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 Adjourned AGM 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.