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CHINA STAR FILM GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

ANNOUNCEMENT

- (I) DESPATCH OF CIRCULAR;
(II) EXPECTED TIMETABLE;
(III) BUSINESS INFORMATION UPDATE;
AND
(IV) FURTHER INFORMATION IN RESPECT OF THE PLACING**

DESPATCH OF CIRCULAR

The Circular containing, among others, (i) details of the Capital Reorganisation; (ii) details of the Placing; (iii) the change of Company's auditors; and (iv) the notice convening the SGM will be despatched to the Shareholders on 23 December 2009.

EXPECTED TIMETABLE

The expected timetable of the Capital Reorganisation is revised as set out in this announcement.

BUSINESS INFORMATION UPDATE

The Board wishes to further announce that, as at the date of this announcement, the Company is currently in negotiation of the Possible Acquisition with an independent third party. The Possible Acquisition, if it materialises, will constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules. Yet, no terms and conditions of the Possible Acquisition have been finalised and no binding agreement has been entered into between the parties in respect of the Possible Acquisition. An announcement in respect of the Possible Acquisition will be made by the Company as and when appropriate.

FURTHER INFORMATION IN RESPECT OF THE PLACING

The Board intends to apply the net proceeds from the Placing to finance the Possible Acquisition if the Possible Acquisition is finalised prior to the completion of the Placing. In the event that the Possible Acquisition is not finalised prior to the completion of the Placing, the Board proposes that the net proceeds from the Placing shall be used to repay the outstanding borrowings of the Group proportionally.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 7 December 2009 in relation to the Capital Reorganisation, the Placing and the change of Company’s auditors. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcement.

DESPATCH OF CIRCULAR

As additional time is required to complete and finalise the information to be included in the circular (the “**Circular**”) of the Company in respect of the Capital Reorganisation, the Placing and the change of Company’s auditors, the Circular together with the notice of SGM and proxy form are therefore delayed. The Circular containing, among others, (i) details of the Capital Reorganisation; (ii) details of the Placing; (iii) details of the change of Company’s auditors; and (iv) the notice convening the SGM will be despatched to the Shareholders on 23 December 2009.

EXPECTED TIMETABLE

Due to the delay in despatch of the Circular, the expected timetable of the Capital Reorganisation as disclosed in the Announcement has been revised. The revised timetable of the Capital Reorganisation, assuming the Capital Reorganisation is approved by the Shareholders at the SGM, is set out below:

	2009
Despatch of circular, notice of SGM and form of proxy	Wednesday, 23 December
	2010
Latest time for the Shareholders to lodge the form of proxy for SGM	2:30 p.m. on Wednesday, 13 January
SGM.	2:30 p.m. on Friday, 15 January
Effective date of the Capital Reorganisation	Monday, 18 January

- Commencement of dealings in the Adjusted Shares 9:30 a.m. on Monday, 18 January
- Original counter for trading in the Existing Shares in board lots
of 20,000 Existing Shares temporarily closes 9:30 a.m. on Monday, 18 January
- Temporary counter for trading in board lots of 4,000
Adjusted Shares (in the form of existing share certificates) opens 9:30 a.m. on Monday, 18 January
- First day of free exchange of certificates for the Existing Shares
into new certificates for the Adjusted Shares Monday, 18 January
- Original counter for trading in the Adjusted Shares in board lots
of 20,000 Adjusted Shares (only new certificates for the
Adjusted Shares can be traded at this counter) re-opens 9:30 a.m. on Monday, 1 February
- Parallel trading in the Adjusted Shares (in the form of new and
existing certificates) commences. 9:30 a.m. on Monday, 1 February
- Designated broker starts to stand in the market to
provide matching services for the sale and purchase of
odd lots of the Adjusted Shares Monday, 1 February
- Temporary counter for trading in board lots of 4,000
Adjusted Shares (in the form of existing
share certificates) closes 4:00 p.m. on Tuesday, 23 February
- Parallel trading in the Adjusted Shares
(in the form of new and existing certificates) ends 4:00 p.m. on Tuesday, 23 February
- Designated broker ceases to stand in the market to
provide matching services for the sale and purchase of
odd lots of the Adjusted Shares Tuesday, 23 February
- Last day of free exchange of certificates for the Existing Shares
into new certificates for the Adjusted Shares Thursday, 25 February

All times stated in this announcement refer to Hong Kong times. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Capital Reorganisation will be announced as appropriate.

BUSINESS INFORMATION UPDATE

The Board wishes to further announce that, as at the date of this announcement, the Company is currently in negotiation of a possible investment of multi-media business (the “**Possible Acquisition**”) with an independent third party. The Possible Acquisition, if it materialises, will constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules. Yet, no terms and conditions of the Possible Acquisition have been finalised and no binding agreement has been entered into between the parties in respect of the Possible Acquisition as at the date of this announcement. An announcement in respect of the Possible Acquisition will be made by the Company as and when appropriate.

FURTHER INFORMATION IN RESPECT OF THE PLACING

The Board intends to apply the net proceeds from the Placing to finance the Possible Acquisition if the Possible Acquisition is finalised prior to the completion of the Placing. In the event that the Possible Acquisition is not finalised prior to the completion of the Placing, the Board proposes that the net proceeds from the Placing shall be used to repay the outstanding borrowings of the Group proportionally. Details relating to the intended use of proceeds from the Placing have been disclosed in the Circular.

By Order of the Board
China Star Film Group Limited
Lai Hok Lim
Chairman

Hong Kong, 22 December 2009

As at the date of this announcement, the executive Directors are Mr. Lai Hok Lim and Mr. Heung Wah Keung and the independent non-executive Directors are Mr. Yip Tai Him, Mr. Law Yiu Sang, Jacky and Ms. Chio Chong Meng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will be published on the GEM’s website on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at www.golife.com.hk.