



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 Friday, 23rd March, 2007 at 10:00 a.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

- (a) the issue of the zero coupon unsecured convertible bonds due 2012 of an aggregate principal face value amount of HK\$168,500,000 by the Company (the "Firm Bonds") to Improvemany International Limited, Better Talent Limited and Aceyard Investments Limited (collectively the "Subscribers"), convertible into new shares in the capital of the Company (the "Firm Bond Conversion Shares"), on and subject to the terms and conditions of the three subscription agreements all dated 19th January, 2007 entered into between the Company and the Subscribers in relation to the subscription of the Firm Bonds (the "Unsecured Subscription Agreements") be and is hereby approved and confirmed in all respects and that all transactions contemplated under the Unsecured Subscription Agreements be and are hereby approved;
- (b) the directors of the Company (the "Directors") be and are hereby authorised to (i) issue the Firm Bonds subject to the terms of the Unsecured Subscription Agreements and (ii) to allot and issue from time to time and in accordance with the terms and conditions of the Unsecured Subscription Agreements such number of Firm Bonds Conversion Shares as may be required to be allotted and issued to the holder(s) of the Firm Bonds upon exercise of the conversion rights attached to the Firm Bonds; and
- (c) the Directors be and are hereby authorised to take such other actions and execute such other documents or deeds as they may consider necessary or desirable to effect the transactions contemplated under the Unsecured Subscription Agreements."

By Order of the Board
Wong Shuk Han, Dorothy
Company Secretary

Hong Kong, 7th March, 2007

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 despatched to the shareholders of the Company.
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 46th 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 hereof, the executive Directors are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung and the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.