



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

NOTICE OF SGM

NOTICE IS HEREBY GIVEN that a special general meeting (the “**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, 23 January 2009 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** the authorised share capital of the Company be increased from HK\$100,000,000 divided into 2,000,000,000 shares of HK\$0.05 each to HK\$500,000,000 divided into 10,000,000,000 shares (each a “**Share**”) of HK\$0.05 each by the creation of an additional 8,000,000,000 shares of HK\$0.05 each and that any directors (the “**Directors**”) of the Company be and are hereby authorised to do all such acts, deeds and things and shall execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the increase in the authorised share capital of the Company.”
2. “**THAT**
 - (i) subject to the fulfillment of the conditions as set out therein, the subscription agreement (the “**Subscription Agreement**”, a copy of which has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) dated 26th November 2008 entered into between the Company and Golife Concepts Holdings Limited (“**Golife**”), in relation to the subscription (the “**Subscription**”) of the zero coupon convertible bonds (the “**GC Convertible Bonds**”) in an aggregate principal amount of HK\$60 million to be issued by Golife in five tranches of HK\$12 million each due on the tenth anniversary of the date of issue of such GC Convertible Bonds and the transactions contemplated thereunder (including but not limited to the exercise of conversion rights conferred by such GC Convertible Bonds) be and are hereby approved, confirmed and ratified; and

- (ii) any Director be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to the Subscription or as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Subscription, the Subscription Agreement and the transactions contemplated thereunder.”

3. **“THAT**

- (a) subject to the passing of the special resolution numbered 4 and conditional upon fulfillment of the conditions of the Underwriting Agreement (as defined below), the Open Offer (as defined below) and the transactions contemplated thereunder be and are hereby approved;

For the purpose of this resolution, **“Open Offer”** means the proposed issue by way of open offer of not less than 888,486,080 offer shares and not more than 1,064,486,080 offer shares (the **“Offer Shares”**) at a subscription price of HK\$0.05 per Offer Share to the qualifying shareholders (the **“Qualifying Shareholders”**) of the Company whose names appear on the date by reference to which entitlement under the Open Offer will be determined (other than those shareholders (the **“Prohibited Shareholders”**) with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Open Offer to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of two (2) Offer Shares for every one (1) existing Share then held and otherwise pursuant to and subject to the fulfillment of the conditions set out in the underwriting agreement (the **“Underwriting Agreement”** including all supplemental agreements relating thereto) (a copy of which have been produced to this Meeting marked **“B”** and signed by the chairman of this Meeting for the purpose of identification) dated 1st December 2008 (as supplemented by the supplemental agreement dated 8th December 2008) and made between the Company and Kingston Securities Limited as underwriter (the **“Underwriter”** or **“Kingston Securities”**);

- (b) any Directors be and is hereby authorised to allot and issue the Offer Shares pursuant to and in connection with the Open Offer notwithstanding the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements and/or Prohibited Shareholders as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the bye-laws of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong;

- (c) the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the arrangements for taking up of the unsubscribed Offer Shares, if any, by Kingston Securities) be and are hereby approved, confirmed and ratified;
- (d) the arrangements for application for the Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer be and are hereby approved, confirmed and ratified; and
- (e) any Director be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to the Open Offer or as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder.”

SPECIAL RESOLUTION

4. **“THAT**

- (a) subject to the passing of the ordinary resolution numbered 3, the issue (the **“Bonus Issue”**) by way of bonus shares (the **“Bonus Shares”**) to the first registered holders of the Offer Shares on the basis of three (3) Bonus Shares for every one (1) Offer Share taken up in accordance with the terms and conditions as set out in the circular of the Company dated 30th December 2008 be and is hereby confirmed and approved and any Directors be and is hereby authorised to allot and issue the Bonus Shares pursuant to or in connection with the Bonus Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing shareholders of the Company and, in particular, the Directors be and are hereby authorised to make such exclusion or other arrangements in relation to fractional entitlements or Prohibited Shareholders as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the bye-laws of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and

- (b) any Directors be and is hereby authorised to sign and execute such documents and do all such acts and things as they consider necessary, desirable or expedient in connection with the Bonus Issue, including but not limited to the allotment and issue of the Bonus Shares.”

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

Hong Kong, 30th December 2008

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 Meeting is enclosed in the circular to the shareholders of the Company dated 30th December 2008.
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 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 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.