



17 June 2024

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF RIGHTS

We refer to the circular dated 17 June 2024 (the “Circular”) issued by China Star Entertainment Limited (the “Company”), of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as an independent board committee of the Company to advise the Independent Shareholders in connection with the Agreement and the transaction contemplated thereunder.

The Independent Financial Adviser has been appointed to advise us and the Independent Shareholders as to (i) whether the Acquisition is on normal commercial terms and conducted in the Group’s ordinary and usual course of business, whether its terms are fair and reasonable so far as the Independent Shareholders are concerned, and whether such terms are in the interests of the Company and the Shareholders as a whole, and (ii) how to vote on the resolution regarding the Acquisition. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 17 to 40 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

Having considered the terms of the Agreement and the transaction contemplated thereunder and the advice of the Independent Financial Adviser, we are of the opinion that notwithstanding that the entering into of the Agreement and the transaction contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Agreement and the transaction contemplated thereunder.

Yours faithfully,
The Independent Board Committee of
China Star Entertainment Limited

Mr. Hung Cho Sing,
Independent Non-executive
Director

Mr. Ho Wai Chi, Paul,
Independent Non-executive
Director

Mr. Tai Kwok Leung, Alexander,
Independent Non-executive
Director