
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Pegasus Entertainment Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying 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.

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Pegasus Entertainment Holdings Limited
天馬娛樂控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8039)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

This circular together with a form of proxy will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at <http://www.pegasusmovie.com>.

A notice convening the AGM to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on 31 October 2013, at 11:00 a.m. is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 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 AGM or any adjournment thereof if you so wish.

This circular, 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, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

30 September 2013

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on 31 October 2013 at 11:00 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 13 to 16 of this circular
“Annual Report”	the annual report of the Company for the year ended 30 June 2013
“Articles”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the same meaning as defined in the GEM Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	Pegasus Entertainment Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“connected person(s)”	has the same meaning as defined in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with Shares of the Company as set out in resolutions 4 to 6 of the AGM Notice
“Latest Practicable Date”	24 September 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“PRC”	People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares of the Company as set out in resolution 5 of the AGM Notice
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	Hong Kong Code on Takeovers and Mergers, as amended from time to time

LETTER FROM THE BOARD



Pegasus Entertainment Holdings Limited
天馬娛樂控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8039)

Executive Directors:

Mr Wong Pak Ming (*Chairman*)
Ms Wong Yee Kwan Alvina
Mr Wong Chi Woon Edmond

Independent Non-executive Directors:

Mr Lam Kam Tong
Mr Lo Eric Tien-cheuk
Mr Tang Kai Kui Terence

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Rooms 1801-02
Westlands Centre
20 Westlands Road
Quarry Bay
Hong Kong

30 September 2013

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The sole Shareholder passed the resolutions to grant the general mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares (the “Previous Mandates”) on 5 October 2012 in accordance with the GEM Listing Rules. The Previous Mandates will lapse at the conclusion of the AGM. It is therefore proposed that the general mandates to issue and allot Shares and to repurchase Shares be renewed at the AGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding (i) the proposed renewal of the general mandates to issue and allot Shares and to repurchase Shares; (ii) the proposed re-election of Directors; and (iii) the proposed re-appointment of auditor of the Company and to seek your approval of the resolutions relating to these matters at the AGM.

ISSUE MANDATE

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate, and authorise the extension of the Issue Mandate to issue and allot the Shares repurchased by the Company under the Repurchase Mandate, details of which are set out in ordinary resolutions nos. 4 and 6 of the AGM Notice. The Shares which may be issued and allotted pursuant to the Issue Mandate is limited to a maximum of 20 per cent. of the issued share capital of the Company at the date of passing of the resolution approving the Issue Mandate. On the basis that 470,000,000 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Issue Mandate (without being extended by the number of Shares (if any) repurchased by the Company under the Repurchase Mandate) could result in up to 94,000,000 Shares being issued and allotted by the Company.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution no. 5 of the AGM Notice. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10 per cent. of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

An explanatory statement as required under the GEM Listing Rules, in particular Rule 13.08, giving certain information regarding the Repurchase Mandate, is set out in the Appendix I hereto.

RE-ELECTION OF THE DIRECTORS

In accordance with Article 83(3) of the Articles, any Director appointed by the Board to fill a casual vacancy of the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Mr Wong Pak Ming, Ms Wong Yee Kwan Alvina and Mr Wong Chi Woon Edmond who were appointed by the Board during the year, will retire at the AGM and, being eligible, offer themselves for re-election at the AGM.

Pursuant to Article 84(1) of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (save and except those Directors in respect of whom the provision of Article 83(3) applies) or, if their number is not three or a multiple of three, then the number nearest but not less than one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last re-election but as between persons who became Directors on the same day, those to retire shall (unless otherwise agree between themselves) be determined by lot. Accordingly, Mr Lam Kam Tong will retire by rotation and, being eligible, offer himself for re-election at the AGM. Particulars of the Directors proposed to be re-elected at the AGM are set out in Appendix II of this circular.

LETTER FROM THE BOARD

RE-APPOINTMENT OF THE AUDITOR

Deloitte Touche Tohmatsu will retire as the auditor of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board proposed to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

ANNUAL GENERAL MEETING

The notice convening the AGM at which ordinary resolutions will be proposed to approve the Issue Mandate and the Repurchase Mandate, to re-elect Directors and to re-appoint auditor of the Company are set out on page 13 to page 16 of this circular. According to Rule 17.47(4) of the GEM Listing Rules, the voting at the AGM will be taken by poll.

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion of a form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

RECOMMENDATION

The Directors believe that the grant of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all resolutions approving such matters.

The Board is pleased to recommend the retiring Directors to be re-elected as the Directors at the AGM. In addition, the Board also recommends all Shareholders to vote in favour of re-appointing Deloitte Touche Tohmatsu as the auditor of the Company.

Yours faithfully
On behalf of the Board
PEGASUS ENTERTAINMENT HOLDINGS LIMITED
Wong Pak Ming
Chairman

This appendix serves as an explanatory statement, as required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide you with the requisite information for your consideration of the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

On the basis that 470,000,000 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Repurchase Mandate could result in up to 47,000,000 Shares being repurchased by the Company during the period from the passing of resolution no. 5 set out in the AGM Notice up to (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 to be held by the Articles or any applicable laws of the Cayman Islands; or (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing the Repurchase Mandate, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share.

3. FUNDING AND EFFECT OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 30 June 2013, being the date of its latest published audited financial

statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles and the applicable laws of the Cayman Islands.

5. INTENTION TO SELL SHARES

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates, have any present intention, in the event that the proposal on the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

6. TAKEOVER CODE CONSEQUENCE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code.

As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of members kept by the Company pursuant to section 336 of the SFO and so far as was known to, or could be ascertained after reasonable enquiry by, the Directors, Honour Grace Limited was interested in approximately 63.83% of the issued share capital of the Company. Honour Grace Limited is a controlled corporation of Mr Wong Pak Ming, the Chairman of the Company.

Assuming Honour Grace Limited will not dispose of its interests in the Shares nor will it acquire additional Shares, if the Repurchase Mandate was exercised in full, the percentage shareholding of Honour Grace Limited would be increased to approximately 70.92% of the issued share capital of the Company.

On the basis of the shareholding interests of Honour Grace Limited in the Company, an exercise of the Repurchase Mandate in full would not result in it becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

7. SHARE PURCHASED BY THE COMPANY

The Company has not purchased any of its Shares (whether on GEM or otherwise) in the previous six months.

8. CONNECTED PERSON

No connected person has notified the Company that he/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on GEM during each of the previous months were as follows:

	Shares	
	Highest	Lowest
2012		
October (listed on 31 October 2012)	0.92	0.78
November	0.94	0.76
December	0.91	0.82
2013		
January	0.89	0.83
February	0.87	0.78
March	0.85	0.74
April	0.88	0.70
May	0.88	0.80
June	0.95	0.84
July	0.92	0.81
August	0.89	0.81
September (up to the Latest Practicable Date)	0.90	0.80

Stated below are the details of the Directors who will retire and be eligible for re-election at the AGM in accordance with the Articles.

Mr Wong Pak Ming (“Mr Wong”), aged 67, was appointed as a Director of the Company on 8 March 2012 and was re-designated as an executive Director and appointed as the Chairman of the Board on 5 October 2012. He is responsible for the strategic planning of the Group. Mr Wong is an artist and filmmaker in Hong Kong, formed Cinema City Company Limited and Cinema City (Film Production) Company Limited, both of which are film production companies, in 1980s. In 1990, Mr Wong also founded Mandarin Films Limited. He was an executive director of Cheung Wo International Holdings Limited, formerly known as China Mandarin Holdings Limited (“Cheung Wo”) (Stock Code: 0009), shares of which is listed on the Main Board of the Stock Exchange from 21 August 2001 to 18 August 2009. Mr Wong has over 30 years of experience in the film industry for each of the roles as executive producer, script writer and artist and over 25 years of experience as film director. He has participated in more than 100 films throughout his career. Mr Wong has been the chairman of the Movie Producers and Distributors Association of Hong Kong Limited since 1997. He was a member of the Hong Kong Film Development Council from April 2011 to March 2013.

Mr Wong has entered in a service contract with the Company for an initial term of three years commencing from the listing date and will be renewed automatically until terminated by not less than three months’ notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. To demonstrate his commitment towards the Group, Mr Wong has undertaken not to resign or terminate his service contract during the initial term of three years commencing from the listing date. Mr Wong is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. The annual salary for Mr Wong is HK\$1,800,000 and he is entitled to a discretionary bonus determined by the Board every year. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director and the remuneration policy of the Company and the prevailing market conditions. The Board has not distributed discretionary bonus to Mr Wong for the financial year ended 30 June 2013.

As at the Latest Practicable Date, the interests of Mr Wong in the issued Share capital of the Company (within the meaning of Part XV) of the SFO are set out below:

Name of Director	Company/name of associated company	Nature of interest	Number of Shares	Approximate percentage of interest
Mr Wong	The Company	Interest of controlled corporation	300,000,000 Shares (<i>Note</i>)	63.83%
	Honour Grace Limited	Beneficial interest	60 shares of US\$1.00 each	60%

Note: These shares are registered in the name of Honour Grace Limited, the entire issued share capital of which is legally and beneficially owned as to 60% by Mr Wong, 20% by Ms Wong Yee Kwan Alvina (“Ms Alvina Wong”) and 20% by Mr Wong Chi Woon Edmond (“Mr Edmond Wong”). Under the SFO, Mr Wong is deemed to be interested in all the shares registered in the name of Honour Grace Limited.

Save as disclosed above, Mr Wong has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr Wong is a director and a shareholder holding 60% of Honour Grace Limited, which is a controlling shareholder, and he is the father of Ms Alvina Wong and Mr Edmond Wong, both are the executive Directors of the Company. Save as disclosed above, Mr Wong does not have relationships with any directors, senior management or other substantial or controlling shareholder of the Company for the purpose of the GEM Listing Rules.

Ms Wong Yee Kwan Alvina (“Ms Alvina Wong”), aged 37, was appointed as a Director on 15 March 2012 and was redesignated as an executive Director on 5 October 2012. Ms Alvina Wong is responsible for the sales and distribution functions of the Group and has around 11 years of experience in the film industry, including assessing market reception of proposed films, providing promotional services for films and liaising with film distributors and licencees. Ms Alvina Wong was an executive director of Cheung Wo from 1 September 2003 to 1 April 2009. Ms Alvina Wong graduated from the University of Toronto with a bachelor’s degree in Arts in June 1998.

Ms Alvina Wong has entered in a service contract with the Company for an initial term of three years commencing from the listing date and will be renewed automatically until terminated by not less than three months’ notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. To demonstrate her commitment towards the Group, Ms Alvina Wong has undertaken not to resign or terminate her service contract during the initial term of three years commencing from the listing date. Ms Alvina Wong is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. The annual salary for Ms Alvina Wong is HK\$600,000 and is entitled to a discretionary bonus determined by the Board every year. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director and the remuneration policy of the Company and the prevailing market conditions. The Board has not distributed discretionary bonus to Ms Alvina Wong for the financial year ended 30 June 2013.

Save as disclosed above, Ms Alvina Wong has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Ms Alvina Wong is a director and a shareholder holding 20% of Honour Grace Limited, a controlling shareholder. She is the daughter of Mr Wong and the sister of Mr Edmond Wong, both executive Directors of the Company. Save as disclosed above, Ms Alvina Wong does not have relationships with any directors, senior management or other substantial or controlling shareholder of the Company for the purpose of the GEM Listing Rules.

Mr Wong Chi Woon Edmond (“Mr Edmond Wong”), aged 34, was appointed as a Director on 15 March 2012 and was redesignated as an executive Director on 5 October 2012. Mr Edmond Wong is responsible for overseeing film production of the Group. Mr Edmond Wong has around 9 years of experience in the film industry as script writer and was an executive director of Cheung Wo from 3 June 2008 to 13 February 2009. Mr Edmond Wong graduated from McMaster University in Canada with a bachelor’s degree in Arts in June 2002.

Mr Edmond Wong has entered in a service contract with the Company for an initial term of three years commencing from the listing date and will be renewed automatically until terminated by not less than three months' notice in writing served by either party to the other and expiring at the end of the initial term or any time thereafter. To demonstrate his commitment towards the Group, Mr Edmond Wong has undertaken not to resign or terminate his service contract during the initial term of three years commencing from the listing date. Mr Edmond Wong is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. The annual salary for Mr Edmond Wong is HK\$600,000 and is entitled to a discretionary bonus determined by the Board every year. The remuneration is determined by the Company with reference to duties and level of responsibilities of each Director and the remuneration policy of the Company and the prevailing market conditions. The Board has not distributed discretionary bonus to Mr Edmond Wong for the financial year ended 30 June 2013.

Save as disclosed above, Mr Edmond Wong has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr Edmond Wong is a director and a shareholder holding 20% of Honour Grace Limited, a controlling shareholder. He is the son of Mr Wong and the brother of Ms Alvina Wong, both are the executive Directors of the Company. Mr Edmond Wong is the spouse of Ms Cheng Carmen, in capacity of the production manager included in the senior management of the Company. Save as disclosed above, Mr Edmond Wong does not have relationships with any directors, senior management or other substantial or controlling shareholder of the Company for the purpose of the GEM Listing Rules.

Mr Lam Kam Tong ("Mr Lam"), aged 44, was appointed as an independent non-executive Director on 5 October 2012. Mr Lam graduated from the Chinese University of Hong Kong with a bachelor's degree in Business Management in 1991. Mr Lam is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr Lam has over 14 years of experience in professional auditing as well as extensive experience in the areas of investor relations, mergers and acquisitions and offshore financing. Since May 2012, he has been an executive director, company secretary and an authorised representative of Fantasia Holdings Group Co., Limited (stock code: 1777), a company listed on the Main Board of the Stock Exchange. Mr Lam was company secretary and qualified accountant of Greentown China Holdings Limited (stock code: 3900), a company listed on the Main Board of the Stock Exchange, from May 2006 to October 2008. Mr Lam was an executive director of China Aoyuan Property Group Limited (stock code: 3883), a company listed on the Main Board of the Stock Exchange, from September 2009 to May 2012, and was company secretary of such company from December 2008 to May 2012. Mr Lam has been an independent non-executive director of Sheng Yuan Holdings Limited (stock code: 851), a company listed on the Main Board of the Stock Exchange, since November 2010.

Pursuant to the appointment letter, the appointment of Mr Lam commences on 5 October 2012 until 30 June 2015. Mr Lam is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr Lam's existing remuneration is HK\$120,000 per annum, which is commensurate with his duties and responsibilities held and is approved by the Board with reference to the prevailing market situation. Mr Lam will not be entitled to any bonus payment. As at the latest Practicable Date, Mr Lam is not interested in any shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr Lam has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He has not previously held and is not holding any other position with the Company and its subsidiaries. He does not have relationships with any directors, senior management or other substantial or controlling shareholder of the Company for the purpose of the GEM Listing Rules.

Save as disclosed herein, in relation to the re-election of the above-mentioned retiring Directors, the Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 17.50(2)(h) to (w) of the GEM Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



Pegasus Entertainment Holdings Limited **天馬娛樂控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8039)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Pegasus Entertainment Holdings Limited (the “Company”) will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on 31 October 2013, at 11:00 a.m. for the following purposes:

1. To receive and approve the audited financial statements of the Company and the reports of the directors and auditor of the Company for the year ended 30 June 2013;
2. To re-elect retiring directors of the Company and to authorise the board of directors of the Company to fix the remuneration of the directors;
3. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the board of directors of the Company to fix their remuneration;

As special business, to consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions:

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of the Hong Kong Limited (the “GEM Listing Rules”), the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue or otherwise deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options, including bonds and warrants to subscribe for shares of the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (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 which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Right Issue (as defined in paragraph (d) below; or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the GEM Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the 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 articles of association of the Company or the applicable law of the Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (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 by this resolutions;

“**Right Issue**” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company open for a period fixed by the directors of the Company to holder of shares of the Company on the Company’s register of members on a fixed record date in proportion to their then holdings of shares of the Company (subject to such exclusion 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” shall have the same meaning as the resolution numbered 4(d) above.”

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6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

By order of the Board
PEGASUS ENTERTAINMENT HOLDINGS LIMITED
Chan Chi Ming
Company Secretary

Hong Kong, 30 September 2013

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if such member is the holder of two or more shares) to attend and to vote instead of them. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the meeting is enclosed.
- (4) 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 certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or adjourned meeting.
- (5) According to Rule 17.47(4) of the GEM Listing Rules, the voting at the AGM will be taken by poll.