THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hong Kong Entertainment International Holdings Limited (the "**Company**"), you should at once hand this circular and the enclosed proxy form to the purchaser(s) or the transferee(s) or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

Hong Kong Entertainment International Holdings Limited
港娛國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8291)

(1) PROPOSED CAPITAL REORGANIZATION,
(2) PROPOSED CHANGE IN BOARD LOT SIZE
AND
(3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of the shareholders of the Company to be held at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong at 11: 00 a.m. on Friday, 12 September 2025 is set out on pages 17 to 19 of this circular and a form of proxy for use at the extraordinary general meeting is enclosed herein.

Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Listed Company Information" page for at least 7 days from the date of posting and on the Company's website at https://www.irasia.com/listco/hk/hkentertainment/.

20 August 2025

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

"Articles"	the articles of association of the Company
"Business Day(s)"	a business day, other than Saturday, Sunday or official public holiday, on which licensed banks in Hong Kong are open for transaction of routine banking business
"Capital Reduction"	the proposed share capital reduction by rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation and reducing the par value of each issued Consolidated Share from HK$0.60 to HK$0.006 by cancelling the paid up share capital to the extent of HK$0.594 on each issued Consolidated Share
"Capital Reorganization"	the proposed capital reorganization of the Company's share capital involving (i) the Share Consolidation; (ii) the Capital Reduction and (iii) the Sub-division
"CCASS"	the Central Clearing and Settlement System established and operated by the HKSCC
"Change in Board Lot Size"	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 7,500 Shares to 10,000 Shares, conditional upon the Share Consolidation becoming effective
"Companies Act"	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
"Company"	Hong Kong Entertainment International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
"Consolidated Shares"	new ordinary share(s) of par value HK$0.60 each in the issued share capital of the Company after the Share Consolidation becoming effective but before the Capital Reduction and Sub-division becoming effective

"Court"	the Grand Court of the Cayman Islands
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Capital Reorganization
"Existing Share(s)"	ordinary share(s) of par value HK$0.20 each in the share capital of the Company before the Capital Reorganization becoming effective
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	14 August 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to them
"New Shares"	new ordinary share(s) of par value HK$0.006 each in the share capital of the Company after the Capital Reduction and Sub-division becoming effective
"Share(s)"	Existing Share(s) or Consolidated Share(s) or New Share(s), as the case may be
"Shareholder(s)"	holder(s) of the Shares
"Share Consolidation"	the proposed consolidation of every three (3) issued Shares into one (1) Consolidated Share in the issued share capital of the Company
"Share Option(s)"	options granted under the Share Option Scheme
"Share Option Scheme"	the share option scheme of the Company adopted on 23 June 2017

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sub-division"	the proposed sub-division of each authorized but unissued Share into 100 New Shares of par value HK$0.006 each

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Capital Reorganization and the Change in Board Lot Size. The below expected timetable is subject to the satisfaction of all the conditions of the Capital Reorganization, including without limitation, the approval of the Capital Reorganization by special resolution by the Shareholders at the EGM, and is therefore for indicative purpose only. Further announcement(s) (if any) will be made by the Company regarding any change to the following expected timetable as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates:

Event	**Time and Date**
Despatch of circular with notice of EGM	On or before Wednesday, 20 August 2025
Latest time for lodging transfers of Shares in order to qualify for EGM	4:30 p.m. on Monday, 8 September 2025
Register of members closes (both days inclusive)	From Tuesday, 9 September 2025 to Friday, 12 September 2025
Latest time for lodging proxy form	11:00 a.m. on Wednesday, 10 September 2025
Record date for EGM	Friday, 12 September 2025
Date of EGM	11:00 a.m. on Friday, 12 September 2025
Announcement on results of EGM	Friday, 12 September 2025
The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement. Subject to the above, the following timetable, including but not limited to, the effective date of the Share Consolidation, will remain unchanged even if that day is a severe weather trading day.	
Effective date for the Share Consolidation	Tuesday, 16 September 2025

Event	Time and Date
First day for free exchange of existing share certificates for new share certificates	Tuesday, 16 September 2025
Dealing in Consolidated Shares commences	9:00 a.m. Tuesday, 16 September 2025
Original counter for trading in Existing Shares in board lots of 7,500 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. Tuesday, 16 September 2025
Temporary counter for trading in Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. Tuesday, 16 September 2025
Original counter for trading in Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. Tuesday, 30 September 2025
Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. Tuesday, 30 September 2025
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:00 a.m. Tuesday, 30 September 2025
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:00 p.m. Wednesday, 22 October 2025
Temporary counter for trading in Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. Wednesday, 22 October 2025

Event	Time and Date
Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates closes	4:10 p.m. Wednesday, 22 October 2025
Last day for free exchange of existing share certificates for new share certificates	Friday, 24 October 2025

All times and dates stated in this circular refer to Hong Kong local times and dates. Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable will be announced in a separate circular by the Company as and when appropriate.

Hong Kong Entertainment International Holdings Limited
港娛國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8291)

Executive Directors:
Mr. Wang Yun
Ms. Zou Yonggang

Independent Non-Executive Directors:
Mr. Wong Sui Chi
Mr. Wu Chi King
Ms. Yin Suying

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Clifton House
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Principal Place of Business in Hong Kong:
18/F, V. Heun Building
138 Queen's Road Central
Central
Hong Kong

20 August 2025

To: the Shareholders

Dear Sir or Madam,

(1) PROPOSED CAPITAL REORGANIZATION, (2) PROPOSED CHANGE IN BOARD LOT SIZE AND (3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 22 July 2025 in relation to the proposed Capital Reorganization and the proposed Change in Board Lot Size (the "**Announcement**"). The purpose of this circular is to provide you with further information relating to the proposed Capital Reorganization and the Change in Board Lot Size and to give you a notice of the EGM to be held to consider and, if thought fit, approve the Capital Reorganization.

PROPOSED CAPITAL REORGANIZATION

The Board proposed to reorganize the share capital of the Company in the following manner:

1. the Shares will be consolidated on the basis that every 3 issued Shares of par value HK$0.20 each will be consolidated into one issued Consolidated Share of par value HK$0.60 each;

2. subject to and after the Share Consolidation becomes effective, to conduct a capital reduction by (i) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation and reducing the par value of each issued Consolidated Share of HK$0.60 to HK$0.006 by cancelling the paid-up share capital to the extent of HK$0.594 on each issued Consolidated Share; and

3. upon the Capital Reduction becoming effective, each authorized but unissued Share will be sub-divided into 100 New Shares of par value HK$0.006 each.

Effects of the Capital Reorganization

As at the Latest Practicable Date, the authorised share capital of the Company is HK$100,000,000 divided into 500,000,000 Shares of par value HK$0.20 each, of which 160,000,000 Shares are in issue and are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased after the Latest Practicable Date, after the Share Consolidation becoming effective but before the Capital Reduction and Sub-division becoming effective, the authorized share capital of the Company will be HK$100,000,000 divided into 166,666,666 Consolidated Shares of par value HK$0.60 each, of which 53,333,333 Consolidated Shares will have been issued and fully paid or credited as fully paid.

After the Capital Reduction and Sub-division becoming effective, the authorized share capital of the Company will be HK$100,000,000 divided into 16,666,666,666 New Shares of par value HK$0.006 each, of which 53,333,333 New Shares will have been issued and fully paid or credited as fully paid.

Assuming no further Shares will be issued or repurchased after the Latest Practicable Date, a credit of approximately HK$31,680,000 will arise as a result of the Capital Reduction. Such credit will be transferred to a distributable reserve account of the Company. The account will be applied by the Directors for such purposes permitted under the applicable laws.

The Consolidated Shares and New Shares will rank *pari passu* in all respects with each other in accordance with the Company's memorandum and articles of association. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

Other than the expenses to be incurred in relation to the Capital Reorganization, the implementation thereof will not alter the underlying assets, business operations or management of the Company or the interests or rights of the Shareholders. The Board believes that the Capital Reorganization will not have any material adverse effect on the financial position of the Company.

Based on the board lot size of 7,500 which the Shares are currently trading and the closing price of the Shares of HK$0.077 as at the date of the Announcement, the expected board lot value immediately before and after the Share Consolidation becoming effective will be HK$577.5 and HK$1,732.5 respectively.

Conditions for Capital Reorganization

The Share Consolidation is conditional upon the following:

1. the passing of the ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;

2. the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation; and

3. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the fulfilment of the above conditions, the effective date of the Share Consolidation is expected to be Tuesday, 16 September 2025, being the second business day immediately following the fulfillment of the above conditions.

The Capital Reduction and Sub-division are conditional upon the following:

1. the Share Consolidation has become effective;

2. the passing of a special resolution to approve the Capital Reduction and the Share Subdivision by the Shareholders at the EGM;

3. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Share Sub division;

4. if required under the Companies Act, the Court granting an order confirming the Capital Reduction;

5. if applicable, compliance with any conditions which the Court may impose in relation to the Capital Reduction;

6. if required under the Companies Act, registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction; and

7. the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Capital Reduction and Share Sub-division.

The Capital Reduction and the Share Sub-division will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Share Consolidation, the Capital Reduction and the Share Sub-division at the EGM, the legal advisers to the Company (as to Cayman Islands Law) will, if required under the Companies Act, apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company on the preliminary timetable as soon as the Court hearing dates are confirmed.

On 11th March 2024, the Cayman Islands government issued the Companies (Amendment) Act, 2024 (the "**Amendment Act**"). The Amendment Act seeks to amend the Companies Act to address various matters, including the streamlining of the share capital reduction process. The Amendment Act introduces a new alternative method for share capital reduction in addition to the existing court-sanctioned procedure. A Cayman Islands exempted company, such as the Company, may reduce its share capital by a special resolution of members supported by a solvency statement from its directors. The solvency statement must be made no more than 30 days before the date of the special resolution for reducing share capital. The effective date of the Amendment Act is yet to be announced as of the date of the announcement. If the Amendment Act becomes effective before the Capital Reorganization takes effect, subject to compliance with the solvency requirement as described and any other applicable requirements, the Company may no longer be required to obtain the approval of the Court for the Capital Reduction. If this becomes the case, the Company will make further announcement on the implication of such changes to the Capital Reorganisation.

Listing Application

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares and New Shares arising from the Capital Reorganization.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Shares are traded on the Stock Exchange in board lot of 7,500 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 7,500 Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK$0.077 per Share as at the date of the Announcement, (i) the value of each existing board lot of 7,500 Shares is HK$577.5; (ii) the value of each board lot of 7,500 Consolidated Shares would be HK$1,732.5 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 10,000 Consolidated Shares would be HK$2,310 assuming that the Share Consolidation and the Change in Board Lot Size becoming effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

Shareholders should note that Shareholders' approval is not required for the Change in Board Lot Size. However, the Change in Board Lot Size is conditional on the Share Consolidation having become effective. Therefore, the Company will not proceed with the Change in Board Lot Size if the Share Consolidation is voted down at the EGM.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Shareholders who wish to take advantage of this facility should contact First Securities (HK) Limited at Rooms 1708-1710, 17/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong

(telephone number: (852) 2528 1723 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period). Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot arrangement, is recommended to consult his/ her/its own professional advisers. Further details in respect of the odd lots arrangements will be provided in the circular to be despatched to the Shareholders.

Exchange of share certificates for the Consolidated Shares

The new share certificates will be in the colour of purple in order to distinguish them from the existing share certificates which are red in colour. Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 16 September 2025, being the second Business Day immediately after the date of the EGM, Shareholders may during the specified period from Tuesday, 16 September 2025 to Friday, 24 October 2025 (both dates inclusive) submit share certificates for Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of three (3) existing Shares for one (1) Consolidated Share) within the prescribed time. Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there are outstanding Share Options for subscription of an aggregate of 2,519,352 Shares under the Share Option Scheme. The purpose of the Share Option Scheme is for our Group to attract, retain and motivate talented participants, to strive for future developments and expansion of our Group. The Share Option Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of our Group and allow the participants to enjoy the results of the Group attained through their efforts and contributions. Pursuant to the Share Option Scheme, the Directors may, as its discretion, offer share options to: (i) any full-time employee and director (including executive director, non-executive director and independent non-executive director) of our Group; and any part time employee with weekly working hours of 10 hours and above of our Group (the "**Employee**"); (ii) the trustee of any trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any Employee or Business Associate (as defined below) of our Group; (iii) any adviser or consultant (in the areas of legal, technical, financial or corporate management) to our Group (the "**Consultant**"); (iv) any provider of goods and/or services to our Group; or (v) any other person who the Board considers, in its sole discretion, has contributed to our Group (each of (iii), (iv) and (v) is referred as the "**Business Associate**") to take up the Share Options. In determining the basis of eligibility of each participant, the Directors would take into account such factors as the Directors may at its discretion consider appropriate.

The Capital Reorganization may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme and the GEM Listing Rules. Upon the Capital Reorganization becoming effective, the outstanding Share Options will entitle the holders thereof to subscribe for up to 839,781 Consolidated Share of HK$0.006 each of the Company as follows:

Category of participants	Date of grant	Outstanding Share Options before the Share Consolidation becoming effective	Outstanding Share Options after the Share Consolidation becoming effective	Exercisable period	Exercise per Consolidated Share before the Share Consolidation becoming effective *(HK$)*	Exercise per Consolidated Share after the Share Consolidation becoming effective *(HK$)*
Employees						
Employee A	10 April 2019	314,920	104,973	10 years	1.981	5.943
Employee B	10 April 2019	314,920	104,973	10 years	1.981	5.943
Employee C	10 April 2019	314,920	104,973	10 years	1.981	5.943
Employee D	10 April 2019	314,920	104,973	10 years	1.981	5.943
Employee E	10 April 2019	314,920	104,973	10 years	1.981	5.943
Employee F	10 April 2019	314,920	104,973	10 years	1.981	5.943
Employee G	10 April 2019	314,920	104,973	10 years	1.981	5.943
		2,204,440	734,811			
Consultant	10 April 2019	314,912	104,970 *(note (i))*	10 years	1.981	5.943
		2,519,352	839,781			

Note:

(i) The share options have been granted to consultant A.

Pursuant to the service agreement entered into the Company and consultant A, consultant A make use of her professional knowledge and experience to monitor and improve the production efficiency for the Company which is considered as Consultant of the Group in the technical area.

The number of shares available for future grant under the scheme mandate limit of the Share Option Scheme is 8,000,000 shares, which represent 5% of the issued shares (excluding treasury shares) of the Company. After the aforesaid adjustments to the Share Consolidation, the number of shares available for future grant under the scheme mandate limit of the Share Option Scheme is 2,666,666 shares, which represent 5% of the issued shares (excluding treasury shares) of the Company.

The Company will appoint auditor or independent financial advisor to review and certify the basis of such adjustment to the exercise price of the outstanding share options and the number of Consolidated Shares to be issued upon the exercise of the share options in accordance with the requirements of the GEM Listing Rules and the terms of the Share Option Scheme.

Save for the aforesaid, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date.

REASONS FOR THE PROPOSED CAPITAL REORGANIZATION AND PROPOSED CHANGE OF BOARD LOT SIZE

According to GEM Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK$0.01 or HK$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the ''Guide on Trading Arrangements for Selected Types of Corporate Actions'' issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated on 1 October 2020 states that (i) market price of the Shares at a level less than HK$0.10 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK$2,000.

In view of the prevailing trading prices of the Existing Shares, the Board proposes to implement the Capital Reorganization. It is expected that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. Based on the closing price of HK$0.077 per Existing Share (equivalent to HK$0.231 Consolidated Share) as quoted on the Stock Exchange as at the date of the Announcement, the expected market value of each board lot of 7,500 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK$1,732.5, which is less than HK$2,000 per board lot. In view of this, the Board proposes to effect the Capital Reorganization and the Change in Board Lot Size in order to comply with the trading requirements of the GEM Listing Rules such that upon the Share Consolidation and Change in Board Lot Size becoming effective, the theoretical share price of the Company would be HK$0.231 per Consolidated Share and the theoretical board lot value would be HK$2,310 (based on board lot size of 10,000 Consolidated Shares) which will be greater than HK$2,000.

In addition, the Company is prohibited from issuing new shares at below their par value under the Company's articles of association and the Companies Act. The Capital Reduction will give the Company greater flexibility in pricing any future issue of shares.

Although the Share Consolidation may lead to the creation of odd lots of Shares, the Company will appoint a securities firm as agent to provide matching services for odd lots of Shares for a period of not less than three weeks, which will alleviate the difficulties caused by the creation of odd lots of Shares.

In view of the above, the Board considers that the Capital Reorganization and the Change of Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Capital Reorganization. The Company does not have any concrete plan to conduct any fundraising activities in the next twelve months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fundraising exercises when suitable opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the GEM Listing Rules as and when appropriate.

EGM

A notice convening the EGM to be held at Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 12 September 2025 at 11:00 a.m. is set out on pages 17 to 19 of this circular. At the EGM, special resolution in respect of proposed Capital Reorganization will be proposed to the Shareholders.

To the best knowledge of the Directors, no Shareholders have a material interest in the proposed Capital Reorganization and accordingly, no Shareholders will have to abstain from voting at the EGM.

Whether or not you are able to attend the EGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the EGM (i.e. 11:00 a.m. on Wednesday, 10 September 2025 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any votes of the shareholders at a general meeting must be taken by poll. Accordingly, all resolutions set out in the EGM notice to be considered and, if thought fit, passed at the EGM shall be voted by way of poll by the Shareholders. The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

RESPONSIBILITY STATEMENT

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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposed Capital Reorganization are in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolutions at the EGM.

Yours faithfully
For and on behalf of the Board of
Hong Kong Entertainment International Holdings Limited
Wang Yun
Executive Director

Hong Kong Entertainment International Holdings Limited
港娛國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8291)

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of the shareholders of Hong Kong Entertainment International Holdings Limited (the "**Company**") will be held at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong at 11:00 a.m. on Friday, 12 September 2025 to consider and, if thought fit, to pass with or without amendments the following special resolution:

SPECIAL RESOLUTION

1. "**RESOLVED THAT**, subject to and conditional upon (i) the Grand Court granting an order confirming the Capital Reduction; (ii) compliance with any condition which the Grand Court may impose in relation to the Capital Reduction; (iii) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Grand Court confirming the Capital Reduction and the minute approved by the Grand Court containing the particulars required under the Companies Act in respect of the Capital Reduction; and (iv) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation:

   (a) Every three (3) issued and unissued Existing Shares of par value of HK$0.20 each be consolidated into one (1) Consolidated Share of par value of HK$0.60 each;

   (b) the issued share capital of the Company be reduced by cancelling the paid-up share capital of the Company to the extent of HK$0.594 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK$0.60 to HK$0.006;

   (c) the credit arising from the Capital Reduction will be applied towards offsetting against the accumulated loss of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated loss of the Company; and

(d) immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK$0.60 each in the authorised share capital of the Company will be subdivided into one hundred (100) authorised but unissued Adjusted Shares of par value of HK$0.006 each.''

Yours faithfully
For and on behalf of the Board of
Hong Kong Entertainment International Holdings Limited
Wang Yun
Executive Director

Hong Kong, 20 August 2025

Notes:

(i) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and to vote instead of him. A proxy need not be a shareholder of the Company.

(ii) For the purpose of determining the entitlement of any shareholder of the Company to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 9 September 2025 to Friday, 12 September 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Monday, 8 September 2025.

(iii) 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 the 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.

(iv) In order to be valid, the proxy form, together with the power of attorney or other authority, if any, under which it is signed or a notarially 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude members from attending and voting in person at the meeting.

(v) The Meeting is expected to last for less than half a day. Members (in person or by proxy) attending the Meeting are responsible for their own transportation and accommodation expenses. Members or their proxies attending the Meeting shall present their identity certifications.

(vi) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 12:00 noon on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the websites of the Company at www.wanchengholdings.com and the GEM at www.hkgem.com to notify Shareholders of the date, time and place of the rescheduled meeting.

(vii) Any voting at the meeting shall be taken by poll.

As at the date of this notice, the executive Directors are Mr. Wang Yun and Mr. Zou Yonggang and the independent non-executive Directors are Mr. Wong Sui Chi, Mr. Wu Chi King and Ms. Yin Suying.