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

If you have sold or transferred all your shares in Starlight Culture Entertainment Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**STARLIGHT CULTURE
ENTERTAINMENT**

STARLIGHT CULTURE ENTERTAINMENT GROUP LIMITED

星光文化娛樂集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

- (1) PROPOSED GENERAL MANDATE
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the AGM of the Company to be held at Room 2001, 20/F., No. 118 Connaught Road West, Hong Kong, on Wednesday, 3 August 2022 at 11:00 a.m. at which the above proposals will be considered is set out on pages 30 to 35 of this circular.

Whether or not you are able to attend the AGM, please complete and return the relevant form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting to the branch share registrar of the Company, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM and at any adjournment thereof if you so wish.

5 July 2022

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme shall fall to be conditionally adopted by an ordinary resolution of the Shareholders at the Annual General Meeting
“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 December 2021 to be held on 3 August 2022
“Annual Report”	annual report of the Company in respect of the year ended 31 December 2021
“associate”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors (and, in relation to the New Share Option Scheme, includes any committee or delegate of the Board appointed by the Board to perform any of its functions)
“Business Day”	a day (other than Saturday, Sunday and days on which a tropical cyclone warning no.8 or above or black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Bye-laws”	the bye-laws of the Company
“Code”	the Code on Corporate Governance Practices, appendix 14 to the Listing Rules
“Company”	Starlight Culture Entertainment Group Limited, a company incorporated in Bermuda with limited liability and its Shares are listed on the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Conversion Share(s)”	the Share(s) which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Bonds
“Directors”	the directors of the Company
“Eligible Participants”	full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any Subsidiary) and any supplier, consultants, agents and advisers or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group eligible for Options under the New Share Option Scheme
“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 People’s Republic of China
“Latest Practicable Date”	28 June 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the share option scheme proposed to be approved by the Shareholders at the Annual General Meeting
“Offer Date”	in relation to an Option, the date (which must be a Business Day) on which an Eligible Participant is offered such Option
“Old Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders on 1 June 2012
“Option”	in relation to the New Share Option Scheme, a right granted under the New Share Option Scheme to subscribe for Shares in accordance with the New Share Option Scheme

DEFINITIONS

“Option Holder”	a person holding an Option (and, where relevant, includes his personal representatives)
“Option Period”	in relation to an Option, the period, which is notified by the Board when making an offer to an Eligible Participant, during which the Option may be exercised, provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the Option Period pursuant to the New Share Option Scheme
“Other Scheme(s)”	any other share option scheme(s) involving the grant by the Company or any of its subsidiaries of options over new securities issued by the Company or any of its subsidiaries established by the Company or any of its subsidiaries in accordance with Chapter 17 of the Listing Rules or any other share option scheme(s) which is determined by the Stock Exchange to be analogous to a share option scheme as described in Chapter 17 of the Listing Rules (including the Existing Share Option Scheme)
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise all the powers of the Company to repurchase Shares in the manner as set out in the notice of the Annual General Meeting and in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of issued Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)

DEFINITIONS

“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with the Shares in the manner as set out in the notice of the Annual General Meeting and in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



**STARLIGHT CULTURE
ENTERTAINMENT**

STARLIGHT CULTURE ENTERTAINMENT GROUP LIMITED

星光文化娛樂集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

Executive Directors:

Mr. Tang Liang
Mr. Chau Chit
Mr. Luo Lei
Mr. Zhou Jingbo
Mr. Sang Kangqiao
Ms. Wu Xiaoli

Principal place of business

in Hong Kong:
Room 2001, 20/F
No. 118 Connaught Road West
Hong Kong

Independent Non-executive Directors:

Mr. Wong Wai Kwan
Mr. Michael Ngai Ming Tak
Mr. Jing Xufeng

5 July 2022

Dear Sir or Madam,

**(1) PROPOSED GENERAL MANDATE
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for the proposed (i) granting of the Share Issue Mandate, the Repurchase Mandate and the extension of the Share Issue Mandate, (ii) re-election of the Directors who are due to retire, and (iii) adoption of the New Share Option Scheme. This circular contains the explanatory statement in compliance with the Listing Rules and to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions at the Annual General Meeting.

LETTER FROM THE BOARD

B. PROPOSED GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

An ordinary resolution will also be proposed at the Annual General Meeting to grant the Directors the Share Issue Mandate to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution approving the Share Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 823,564,799 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolutions approving the Share Issue Mandate and the Repurchase Mandate, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate on the date of passing the resolution approving the Share Issue Mandate will be 164,712,959 Shares and the maximum number of Shares which may be repurchased by the Company pursuant to the Repurchase Mandate will be 82,356,479 Shares.

If the Repurchase Mandate and the Share Issue Mandate to be granted are approved at the Annual General Meeting, an ordinary resolution will be proposed at the Annual General Meeting to authorise that any Shares repurchased under the Repurchase Mandate will be added to the total number of new Shares which may be allotted and issued under the Share Issue Mandate.

The Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate will, if granted, remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held; or (iii) the date on which the authority given to the Directors by the resolution concerned is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

C. EXPLANATORY STATEMENT

An explanatory statement as required by the Listing Rules to provide all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix I to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

D. PROPOSED RE-ELECTION OF DIRECTORS

The Board comprises 9 Directors, namely Mr. Tang Liang, Mr. Chau Chit, Mr. Luo Lei, Mr. Zhou Jingbo, Mr. Sang Kangqiao and Ms. Wu Xiaoli as executive Directors, and Mr. Wong Wai Kwan, Mr. Michael Ngai Ming Tak, and Mr. Jing Xufeng as independent non-executive Directors.

References are made to the announcement of the Company dated 15 July 2021 in respect of the appointment of Mr. Zhou Jingbo as executive Director. In accordance with Bye-law 86(2), the Directors shall have the power from time to time and at any time to appoint any person as a Director as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the shareholders in the general meeting, and any Director so appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, Mr. Zhou Jingbo will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

Furthermore, in accordance with Bye-law 87(1), at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) who are not Directors in respect of whom the provisions of Bye-law 86(2) apply, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three year. Accordingly, three Directors, namely Mr. Luo Lei, Mr. Sang Kangqiao and Ms. Wu Xiaoli, will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

LETTER FROM THE BOARD

Set out below are the biographical details of Directors who are subject to re-election.

(A) Mr. Luo Lei, an executive Director and CEO

Mr. Luo Lei (“Mr. Luo”), aged 52, was appointed as an executive Director and CEO on 31 May 2017. Mr. Luo is a television and film director and producer. He has been in the television and film industry for over 15 years, and has directed several Chinese midand long-length television series and films, including the television series 愛在陽光燦爛時 (Love in Sunshine*), 芙蓉花開 (Blossoms of Hibiscus Flowers*), 那一些往事 (Cheng Du Wang Shi*), 雪域雄鷹 (Snow Region Eagles*), and the film 熊貓與阿西的故事 (The Story of Panda and Assi*). He also has extensive working experience in the film and television advertisement industry.

Save as disclosed above, Mr. Luo has not held any other positions with any members of the Group and has not held any other directorships in any public listed companies in the last three years and does not have any other major appointment or professional qualifications.

Save as disclosed above, Mr. Luo does not have any relationships with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Luo is not interested in and does not hold any Shares or underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Luo has entered into a service contract with the Company for a term of 3 years which will be automatically renewed for a further term of 1 year on each subsequent year, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Bye-laws of the Company. Mr. Luo is entitled to an annual remuneration of HK\$1,800,000, and a discretionary bonus payment in such amount and payable at such time as shall be determined by the Board in its absolute discretion for his directorship in the Company which is determined by the Board with reference to his respective duties and responsibilities in the Group and the market rate for the position.

Save as disclosed above, there is no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

(B) Mr. Zhou Jingbo, an executive Director

Mr. Zhou Jingbo (“Mr. Zhou”), aged 39, was appointed as an executive Director of the Company on 15 July 2021. Mr. Zhou has years of experience in the field of investment, mergers and acquisitions, capital markets and corporate management. From 2005 to 2015, Mr. Zhou worked in China International Capital Corporation Limited (中國國際金融有限公司) and held the positions of vice president of the investment banking department, executive director of the growth enterprise investment banking department* (成長企業投資銀行部執行總經理), head of East China* (華東區負責人) and head of the mergers and acquisition business* (併購業務負責人). From 2015 to 2016, Mr. Zhou served as the managing director of group mergers & acquisitions centre of Greenland Holding Group Limited (綠地控股集團有限公司). From 2016 to 2020, Mr. Zhou was the head of the strategic investment department of Bailian Group Co., Ltd* (百聯集團有限公司) director and deputy general manager of Shanghai Commercial Investment (Group) Co., Ltd* (上海市商業投資(集團)有限公司) director and a member of the audit committee of Shanghai No.1 Pharmacy Co., Ltd. (上海第一醫藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600833), and a non-executive director and a member of the audit committee of Lianhua Supermarket Holdings Co., Ltd. (聯華超市股份有限公司), a company listed on The Stock Exchange of Hong Kong Limited (stock code: 00980). From 2020 to 2021, Mr. Zhou was the chief financial officer and group vice president of the Guiyang Xingli Department Store Group Limited* (貴陽星力百貨集團有限公司). Since 2021, Mr. Zhou has been the managing director of China Investment Financial Holdings Fund Management Co., Ltd (中投中財基金管理有限公司).

Mr. Zhou obtained a bachelor’s degree in economics (major in finance) from Fudan University in 2005. Mr. Zhou obtained a master degree in business administration for senior management staff from Fudan University in 2019. Mr. Zhou was admitted as a fellow of CPA Australia in 2020. Mr. Zhou obtained the PRC Practicing Certificate of Securities Industry* (中國證券業執業證書) issued by the Securities Association of China (中國證券業協會) in 2006.

Save as disclosed above, Mr. Zhou has not held any other positions with any members of the Group and has not held any other directorships in any public listed companies in the last three years and does not have any other major appointment or professional qualifications.

Save as disclosed above, Mr. Zhou does not have any relationships with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

Mr. Zhou has entered into a service agreement with the Company pursuant to which he agreed to act as an executive Director for a term of 3 years commencing from 15 July 2021 unless terminated by one month’s written notice or in certain circumstances as in accordance with the terms of the service agreement. Mr. Zhou will hold office until the next following general meeting of the Company and will then be eligible for re-election in accordance with the byelaws of the Company. Pursuant to the service agreement, Mr. Zhou will not be entitled to any remuneration from the Company during the term of directorship.

LETTER FROM THE BOARD

Save as disclosed above, there is no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

(C) Mr. Sang Kangqiao, an executive Director

Mr. Sang Kangqiao (“**Mr. Sang**”), aged 46, was appointed as an executive Director on 20 February 2020. Mr. Sang obtained a bachelor’s degree in electrical engineering from Beijing Institute of Technology. Mr. Sang has over 19 years of experience in the securities investment industry in Hong Kong and the People’s Republic of China. Mr. Sang also serves as an executive director and the chairman of the board of directors of U Banquet Group Holding Limited (譽宴集團控股有限公司), a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 1483).

Save as disclosed above, Mr. Sang has not held any other positions with any members of the Group and has not held any other directorships in any public listed companies in the last three years and does not have any other major appointment or professional qualifications.

Save as disclosed above, Mr. Sang does not have any relationships with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Sang directly owns 13,629,500 shares of the Company (the “Shares”).

Mr. Sang has entered into a service contract with the Company for a term of 3 years which will be automatically renewed for a further term of 1 year on each subsequent year, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Bye-laws of the Company. Pursuant to the service agreement, Mr. Sang will not receive any remuneration during his tenure of office, but may be entitled to discretionary bonus in such amount and payable at such time as shall be determined by the Board in its absolute discretion for his directorship in the Company, which would be recommended by the remuneration committee of the Company and determined by the Board with reference to his duties and responsibilities as well as his qualifications, experience and the prevailing market conditions.

Save as disclosed above, there is no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

(D) Ms. Wu Xiaoli, an executive Director

Ms. Wu Xiaoli (“Ms. Wu”), aged 32, was appointed as an executive Director on 23 July 2019. Ms. Wu obtained a Bachelor Degree in English from China Jiliang University in 2012. She was the general manager of 杭州宜度控股有限公司, a company established in the PRC, from 2012 to 2017. Since 2017, Ms. Wu has served as the general manager of 杭州博創文化創意有限公司 (“HZ Bochuang”).

Ms. Wu is interested in 50% of the equity interest in HZ Bochuang, which owns approximately 17.87% of the equity interest in Jiangyin Xinghui, the immediate parent company of TIMCHA, which owns 181,513,514 shares of the Company.

Save as disclosed above, Ms. Wu has not held any other positions with any members of the Group and has not held any other directorships in any public listed companies in the last three years and does not have any other major appointment or professional qualifications.

Save as disclosed above, Ms. Wu does not have any relationships with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, as at the Latest Practicable Date, Ms. Wu is not interested in and does not hold any Shares or underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Ms. Wu has entered into a service contract with the Company for a term of 3 years which will be automatically renewed for a further term of 1 year on each subsequent year, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Bye-laws of the Company. Ms. Wu has agreed to reduce the entitlement of an annual remuneration from HK\$480,000 to HK\$240,000 effective from the year of 2021, and she is entitled to a discretionary bonus payment in such amount and payable at such time as shall be determined by the Board in its absolute discretion for her directorship in the Company which is determined by the Board with reference to her respective duties and responsibilities in the Group and the market rate for the position.

Save as disclosed above, there is no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

The Board, with recommendation from the nomination committee of the Company, has reviewed the structure, size and composition of the Board under diversified perspectives. The Board has considered the educational qualifications, professional background and experiences of Mr. Zhou Jingbo, the newly appointed executive Director, and believe that he will create valuable visions and contribute to the diversity of the Board.

Each of Mr. Wong Wai Kwan, Mr. Michael Ngai Ming Tak, Mr. Jing Xufeng has provided the Company a confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Board affirms that they are independent.

LETTER FROM THE BOARD

E. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme

The Company had adopted the Old Share Option Schemes on 1 June 2012 by way of Shareholders' resolution and such scheme has lapsed on 31 May 2022. Upon the expiry of the Old Share Option Scheme, no further share option will be granted thereunder. Accordingly, the Company proposes to adopt the New Share Option Scheme which complies with Chapter 17 of the Listing Rules. As at the Latest Practicable Date, the Company has not adopted any share option scheme and no option had been granted under the Old Share Option Scheme.

At the Annual General Meeting, an ordinary resolution will be proposed to approve and adopt the New Share Option Scheme, which will take effect on the date of its adoption at the Annual General Meeting subject to the Stock Exchange granting approval for the listing of and dealing in the Shares to be issued and allotted pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

The purpose of the New Share Option Scheme is to enable the Company to grant Options to the Eligible Participants in recognition of their contribution to the Group. The Eligible Participants include full-time or part-time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any Subsidiary) and any suppliers, consultants, agents and advisers or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group are eligible for Options under the New Share Option Scheme.

The New Share Option Scheme will take effect on the Adoption Date and is conditional upon:

- (a) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms of the New Share Option Scheme.

Under the provisions of the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Directors consider that the flexibility given to the Board to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract and retain human resources that are valuable to the growth and development of the Group as a whole.

LETTER FROM THE BOARD

Subject to the provisions of the New Share Option Scheme and the Listing Rules, the Board will also have discretion in determining the Exercise Price in respect of any Option.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but are not limited to the Exercise Price, exercise period, lock-up period (if any), and predetermined performance targets (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

As at the Latest Practicable Date, the Company has 823,564,799 issued Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares that can be issued upon exercise of the Options that may be granted under the New Share Option Scheme is 82,356,479 Shares, representing approximately 10% of the Shares in issue. However, under the New Share Option Scheme, the Company may, subject to the approval of Shareholders in general meeting, renew such 10% limit.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

None of the Directors is trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee. With respect to the operation of the New Share Option Scheme, the Company will where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in Appendix II to this circular from pages 19 to 29. A copy of the New Share Option Scheme is available for inspection at the Company's principal place of business at Room 2001, 20/F, 118 Connaught Road West, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting and at the Annual General Meeting.

F. GENERAL INFORMATION

The notice for the Annual General Meeting is set out on pages 30 to 35 of this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of the proxy form will not preclude you from attending and voting in person if you so wish.

LETTER FROM THE BOARD

G. VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the ordinary resolutions proposed at the Annual General Meeting will also be taken by poll. A poll results announcement will be made by the Company after the Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting at the Annual General Meeting, and there is not any voting trust or other agreement or arrangement or understanding entered into or binding upon any Shareholder, and any other obligation or entitlement of a shareholder that is required to be disclosed.

H. RECOMMENDATIONS

The Directors consider that the granting of the general mandates, the re-election of Directors and the adoption of the New Share Option Scheme, are in the interest of the Company. The Directors therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. 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.

Yours faithfully,

By order of the board of Directors

Starlight Culture Entertainment Group Limited

Tang Liang

Chairman

This Appendix serves as an explanatory statement given to all the Shareholders, as required by the Listing Rules, to provide requisite information of the Repurchase Mandate.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares subject to certain restrictions, the more important of which are summarised below:

(a) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolutions granting the Repurchase Mandate. The Company's authority is restricted to purchase in accordance with the Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 823,564,799 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the Annual General Meeting, would accordingly result in up to 82,356,479 Shares being repurchased by the Company. The Shares repurchased by the Company shall, subject to applicable law, be automatically cancelled upon such repurchase.

(b) Reasons for repurchase

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchase when appropriate and is beneficial to the Company. Such repurchases may, depending on the 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. As compared with the financial position of the Company as at 31 December 2021 (being the date of its latest audited accounts), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent that would have a material adverse impact on the working capital or gearing ratio of the Company.

(c) Funding of repurchases

Repurchase of the Shares will be funded out of funds legally available for such purpose in accordance with the Bye-laws of the Company and the applicable laws of Bermuda.

(d) Directors, their associates and connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, no connected person of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

(e) Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in the proposed resolution in accordance with the Listing Rules and the applicable laws of Bermuda.

(f) Effect of the Takeovers Code

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 26 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, based on disclosures made under Part XV of the SFO and information available to the Company, the following Shareholders are interested in more than 10% of the Shares in issue:

Name of Shareholder	Number of Shares held	Approximate percentage of the shareholding as at the Latest Practicable Date <i>(note 1)</i>	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Timcha Investment Limited <i>(note 2)</i>	181,513,514 (L)	22.04%	24.49%
江陰星輝文化傳播有限公司 <i>(note 2)</i>	181,513,514 (L)	22.04%	24.49%
江陰濱江科技創業投資有限公司 <i>(note 2)</i>	181,513,514 (L)	22.04%	24.49%
江陰科技新城投資管理有限公司 <i>(note 2)</i>	181,513,514 (L)	22.04%	24.49%

Notes:

(L) Denotes long position in the Shares.

- The percentages are calculated based on the total number of issued Shares of 823,564,799 Shares as at the Latest Practicable Date.
- The entire issued share capital of Timcha Investment Limited (“Formerly known as CICFH Innovation Investment Limited”) is wholly and beneficially owned by 江陰星輝文化傳播有限公司, which is owned as to 34.97% by 江陰濱江科技創業投資有限公司, which is wholly and beneficially owned by 江陰科技新城投資管理有限公司. By virtue of the Securities and Futures Ordinance, 江陰星輝文化傳播有限公司, 江陰濱江科技創業投資有限公司 and 江陰科技新城投資管理有限公司 are deemed to be interested in all the Shares in which Timcha Investment Limited is interested under the SFO.

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of a repurchasing company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors are not aware of any consequences which the exercise in full of the Repurchase Mandate would have under the Takeover Code.

2. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

3. SHARE PRICES

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
May	1.98	1.37
June	1.78	1.38
July	1.65	1.22
August	1.55	1.1
September	1.29	0.9
October	1.2	0.84
November	1.1	0.86
December	1.2	0.75
2022		
January	1.13	0.55
February	0.73	0.65
March	0.72	0.4
April	0.5	0.242
May	0.335	0.26
June (up to the Latest Practicable Date)	0.33	0.21

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the Annual General Meeting:

1. PURPOSE

The New Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

2. WHO MAY JOIN

The Eligible Participants include full-time or part-time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any Subsidiary) and any suppliers, consultants, agents and advisers or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group are eligible for Options under the New Share Option Scheme. The Board may offer to grant an Option to any Eligible Participant who has made contribution to the Group to subscribe for such number of Shares at the Exercise Price calculated according to paragraph 5 below, subject always to any limits and restrictions specified in the New Share Option Scheme.

3. PAYMENT ON ACCEPTANCE OF OPTION OFFER

An Eligible Participant shall pay the Company HK\$1.00 for the grant of an Option on acceptance of an Option offer within 21 days after the Offer Date.

4. DURATION AND CONDITIONS

Subject to the Board exercising its right under the terms of the New Share Option Scheme to terminate the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options will be granted. The provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the expiry of the 10-year period and which are at that time or become thereafter capable of exercise under the New Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the New Share Option Scheme.

The New Share Option Scheme will be conditional on:

- (A) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders; and
- (B) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of the Options in accordance with the terms of the New Share Option Scheme.

5. EXERCISE PRICE

The Exercise Price will be determined by the Board at its absolute discretion and notified to an Option Holder. The minimum Exercise Price shall not be less than the highest of:

- (A) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date;
- (B) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (C) the nominal value of the Shares.

6. MAXIMUM NUMBER OF SHARES SUBJECT TO THE NEW SHARE OPTION SCHEME

- (a) Subject to the limits referred to in paragraphs 6(b), 6(c) and 6(d), the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any options to be granted under any Other Scheme must not in aggregate exceed 10% of the aggregate of the Shares in issue as at the Adoption Date. Options lapsed in accordance with the terms of the New Share Option Scheme and any Other Scheme will not be counted for the purpose of calculating the 10% limit in this paragraph 6(a).

- (b) With the approval of the Shareholders in general meeting, the Board may “refresh” the 10% limit under paragraph 6(a) (and may further refresh such limit in accordance with this paragraph 6(b)) provided that the total number of Shares which may be issued upon the exercise of all Options to be granted under the New Share Option Scheme and any Other Scheme under the limit as “refreshed” shall not exceed 10% of the Shares in issue as at the date on which the Shareholders approve the “refreshed” limit. Options previously granted under the New Share Option Scheme and Option granted under any Other Schemes (including those outstanding, cancelled and lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.
- (c) Subject to the limits referred to in paragraphs 6(d), 7 and 23 below, the Board may, with the approval of the Shareholders, grant Options in excess of the 10% limit to Eligible Participants specifically identified before Shareholders’ approval is sought. In such situation, the Company will send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to the specified Eligible Participants with an explanation of how the terms of the Options will serve the purpose.
- (d) The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and all outstanding options granted and yet to be exercised under any Other Scheme shall not exceed 30% of the Shares in issue from time to time. No Options may be granted under the New Share Option Scheme and no options may be granted under any Other Schemes if this will result in the limit being exceeded.

7. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Subject always to the limits referred to in paragraphs 6 above and 23 below, the Board shall not grant any Options to any Eligible Participant which, if exercised, would result in such Eligible Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Options granted to him (including those Options exercised or outstanding) in any 12-month period exceed 1% of the Shares in issue at such date.

The Board may grant Options to any Eligible Participant in excess of the individual limit of 1% in any 12-month period with the approval of the Shareholders in general meeting (with such Eligible Participant and his associates abstaining from voting). In such situation, the Company will send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and previously granted to such Eligible Participant).

8. TIME OF EXERCISE OF OPTIONS

There is no general requirement that an Option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular Option. An Option may be exercised in accordance with the terms of the New Share Option Scheme during the Option Period. No option may be exercised more than ten (10) years after it has been granted. No Option may be granted more than ten (10) years after the Adoption Date. Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of ten (10) years after the Adoption Date.

9. PERFORMANCE TARGET

The Board has the discretion to require a particular grantee to achieve certain performance targets specified at the time of grant before any option granted under the New Share Option Scheme can be exercised.

10. NON-TRANSFERABILITY OF OPTIONS

Except for the transmission of an Option on the death of an Option Holder to his personal representatives, neither the Option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Option Holder to any other person. If an Option Holder transfers, assigns or disposes of any such Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

11. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT AND DEATH

- (a) If an Option Holder ceases to be an Eligible Participant by reason of his death and none of the events set out in subparagraph 11(c) below has occurred, the legal personal representative(s) of the Option Holder may exercise any vested Option within a period of twelve (12) months from the date of his death or such other period as the Board may determine. All Options not exercised shall lapse upon the expiry of the 12-month period or such other period as the Board may determine.

- (b) If an Option Holder ceases to be an Eligible Participant by reason of the termination of his employment on one or more grounds of misconduct or conviction of a criminal offence (other than an offence which in the opinion of the Directors does not bring the Option Holder or the Group into disrepute), all Options not exercised shall lapse automatically on the date which the Option Holder ceases to be an Eligible Participant.

12. RIGHTS ON A GENERAL OFFER

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the comparable terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the vested portion of the Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the vested portion of the Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be.

13. RIGHTS ON SCHEME OF ARRANGEMENT FOR THE COMPANY

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the Grantees of the Options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any Grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given (such notice to be received by the Company no later than two (2) Business Days prior to the proposed meeting), exercise the Option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of Grantees to exercise their respective Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

14. RIGHTS ON WINDING-UP

In the event that a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to each Eligible Participant and thereupon, every Eligible Participant shall be entitled to exercise his/her Option (if not already exercised) to its full extent or to the extent specified (such exercise to occur not later than two (2) Business Days prior to the proposed Shareholders' meeting referred to above) by notice in writing to the Company, stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised, accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given, and the Company shall, as soon as possible and, in any event, no later than the day immediately prior to the date of the proposed Shareholders' meeting, allot such number of Shares to the Eligible Participant which fall to be issued pursuant to the exercise of the Option. The Company shall give notice to the Eligible Participant of the passing of such resolution within seven days after the passing thereof.

15. REORGANISATION OF CAPITAL STRUCTURE

In the event of a capitalisation of profits or reserves, further rights issues of Shares, consolidation or subdivision of Shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to (a) the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or (b) the price at which the Options are exercisable as the auditor of the Company (the “Auditor”) or an approved independent financial adviser shall certify in writing to the Board to be in their opinion fair and reasonable and in compliance with Rule 17.03(13) of the Listing Rules and the note thereto.

Any such adjustment shall be made on the basis that:

- (A) any such adjustment shall be made on the basis that the aggregate Exercise Price payable by a grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (B) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (C) no such adjustment shall be made the effect of which would be to increase the proportion of the issued share capital of the Company for which any grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment; and
- (D) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.

16. LAPSE OF OPTIONS

The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall automatically lapse on the earliest of:

- (A) the expiry of the Option Period; or
- (B) the expiry of any of the other periods referred to in paragraphs 11, 12, 13 and 14 above; or

- (C) save as otherwise determined by the Board, the date on which the Grantee, being an employee of a member of the Group, ceases to be an Eligible Participant by reason of a termination of his employment on any one or more of the grounds that he has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Company and its Subsidiaries into disrepute); and
- (D) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of sub-paragraph 6.1 of the New Share Option Scheme by the Grantee in respect of that or any other Option.

17. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, the Shares to be allotted upon the exercise of an Option shall rank *pari passu* in all aspects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.

The Shares issued pursuant to the New Share Option Scheme are not required to be separately designated.

18. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised must be approved by the grantees of the relevant Options in writing. Where the Company cancels Options, the grant of new Options to the same grantee may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders.

19. ALTERATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (A) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules;
- (B) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of options granted (except any alterations which take effect automatically under the terms of the New Share Option Scheme),
- (C) any change to the authority of the Board in relation to any amendment of the terms of the New Share Option Scheme may only be made with the approval of the Shareholders in a general meeting, and
- (D) certain specific provisions of the New Share Option Scheme as set out therein,

shall first be approved by the Shareholders in general meeting. The amended terms of the New Share Option Scheme shall still comply with Chapter 17 of the Listing Rules.

20. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company, by ordinary resolution in general meeting, or the Board may terminate the New Share Option Scheme at any time and in such event no further Options shall be granted under the New Share Option Scheme but any Options which have been granted but not yet exercised shall continue to be valid and exercisable in accordance with the terms of the New Share Option Scheme.

21. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

A grant of Options may not be made after any inside information has come to its knowledge until (and including) the trading day after such information has been announced pursuant to the requirements under the Listing Rules.

In particular, no Option may be granted during the period commencing one month immediately before the earlier of (A) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year or any other interim period (whether or not required under the Listing Rules); and (B) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

22. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Company shall disclose details of the New Share Option Scheme and other schemes of the Company and its subsidiaries in its annual and interim reports in compliance with the Listing Rules in force from time to time.

23. RESTRICTIONS ON GRANT OF OPTIONS TO CONNECTED PERSONS

Each grant of Options to an Eligible Participant who is a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates, under the New Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options).

Where any grant of Options to a Substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted under the New Share Option Scheme (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (A) representing in aggregate over 0.1% of the Shares in issue; and
- (B) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options by the Board must be approved by the Shareholders in general meeting (the vote on such approval to be taken on a poll). Any Shareholder who is a connected person of the Company must abstain from voting in favour of the resolution to approve such further grant of Options. A circular must be prepared by the Company explaining the proposed grant, disclosing the number and terms (including the Exercise Price) of the Options to be granted to each participant, which must be fixed before the shareholders' meeting, the date of board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Exercise Price and containing the recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option) as to voting and any other information as required under the Listing Rules from time to time. A connected person of the Company will be permitted to vote against the grant only if his intention to do so has been stated in the circular.

Any change in the terms of Options granted to Substantial Shareholders or independent non-executive Directors or any of their respective associates must be approved by the Shareholders in general meeting.

24. ADMINISTRATION

The Board will have responsibility for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



**STARLIGHT CULTURE
ENTERTAINMENT**

STARLIGHT CULTURE ENTERTAINMENT GROUP LIMITED

星光文化娛樂集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Starlight Culture Entertainment Group Limited (the “Company”) for the financial year ended 31 December 2021 will be held at Room 2001, 20/F., No. 118 Connaught Road West, Hong Kong, on Wednesday, 3 August 2022 at 11:00 a.m., to transact the following businesses:

ORDINARY RESOLUTIONS

1. to receive and consider the audited consolidated financial statements and the reports of the Directors and auditor for the year ended 31 December 2021;
2.
 - A. to re-elect Mr. Luo Lei as an executive director of the Company;
 - B. to re-elect Mr. Zhou Jingbo as an executive director of the Company;
 - C. to re-elect Mr. Sang Kangqiao as an executive director of the Company;
 - D. to re-elect Ms. Wu Xiaoli as an executive director of the Company;
 - E. to authorise the board of directors of the Company (the “Board”) to fix the remunerations of the directors of the Company (the “Directors”);
3. to re-appoint Ernst & Young as the auditor of the Company and authorise the board of Directors to fix its remuneration;

NOTICE OF ANNUAL GENERAL MEETING

4. to consider as special businesses and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this Resolution:

“**Relevant Period**” means the period from 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 bye-laws of the Company or any applicable law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof subject to such exclusion or other arrangements as the Directors 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 any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

B. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable rules, laws and requirements, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal amount of the shares of the Company which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

“**Relevant Period**” means the period from 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 bye-laws of the Company or any applicable law to be held; and

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon resolutions 4A and 4B as set out above being passed, the authority of the directors of the Company pursuant to resolution 4A be and is hereby approved to extend to cover such amount representing the aggregate nominal amount of the shares in the capital of the Company repurchased pursuant to the authority granted pursuant to resolution 4B.”

NOTICE OF ANNUAL GENERAL MEETING

- D. “**THAT** conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares (the “Shares”) of HK\$0.1 each in the capital of the Company falling to be issued pursuant to the share option scheme (the “New Share Option Scheme”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with Shares pursuant to the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme.”

By Order of the Board
Starlight Culture Entertainment Group Limited
Tang Liang
Chairman

Hong Kong, 5 July 2022

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business:
Room 2001, 20/F
No. 118 Connaught Road West
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member 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 common seal or under the hand of an officer or attorney or other person duly authorised.
3. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.

NOTICE OF ANNUAL GENERAL MEETING

4. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the branch share registrar of the Company at Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time for holding the meeting or any adjourned meeting.
5. The register of members of the Company will be closed from Friday, 29 July 2022 to Wednesday, 3 August 2022 (both days inclusive) to determine the entitlement to attend and vote at the above meeting. During such period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 28 July 2022 for registration.
6. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.