

Pegasus Entertainment Holdings Limited
天馬影視文化控股有限公司
Shareholders Communication Policy

1. Introduction

1.1 The Board of Directors (the “Board”) of Pegasus Entertainment Holdings Limited (the “Company”) is aware that in order to maintain the trust and confidence of the shareholders of the Company, both individual and institutional, (collectively, the “Shareholders”), we must do our best to ensure that the Shareholders are properly informed of the Company. This policy sets out clearly the Company’s principle of maintaining an effective ongoing dialogue with the Shareholders, and the different means of two-way communication between the Company and the Shareholders.

1.2 To achieve the above purpose, the Company sets up and maintains this policy and the Board shall review this policy on regular basis to ensure its effectiveness.

2. Means of communication with the Shareholders

2.1 Company’s information

(a) the Company’s financial reports (interim and annual reports) distributed in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)

(b) announcements and circulars released to as required under the continuous disclosure requirements of the Listing Rules published and distributed in accordance with the requirements of the Listing Rules;

(c) Annual General Meeting (the “AGM”) and other general meetings (the “EGM”) that may be convened; and

(d) corporate communications and other corporate publications on the Company’s website: www.pegasusmovie.com

2.2 The Company shall ensure the information relating to the Company to be disseminated to the Shareholders and other stakeholders in an effective and timely manner.

3. General meetings of the Company

3.1 The Company regards the AGM as an important opportunity for constructive and interactive communication between the Board, the senior management and the Shareholders.

3.2 The following persons should attend the AGM to answer the Shareholders' questions at the AGM:

- (a) Chairman of the Board;
- (b) the appropriate senior management members;
- (c) the chairmen of audit committee, remuneration committee and nomination committee or their delegates; and
- (d) the external auditors of the Company.

3.3 Notice of the AGM shall be arranged to be sent to the Shareholders at least 21 clear days or 20 clear business days (whichever is longer) before the AGM. For the EGM at which the passing of a special resolution is to be considered, notice of the EGM shall be arranged to be sent to the Shareholders at least 21 clear days or 10 clear business days (whichever is longer) before such EGM. Notice of all other EGM shall be arranged to be sent to the Shareholders at least 14 clear days or 10 clear business days (whichever is longer) before such EGM.

3.4 For each substantially separate issue proposed at a general meeting, in particular on the annual report and financial statements and for election or re-election of directors of the Company, a separate resolution should be proposed by the chairman of such general meeting.

3.5 the Shareholders are encouraged to participate in the general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

3.6 the results of the general meetings is posted on the Company's website as soon as practicable following the general meetings.

4. Procedures for Shareholders to convene EGM to consider proposals

4.1 Subject to applicable laws and regulations, including the Listing Rules and the Articles of Association of the Company as amended from time to time, Shareholders of

the Company may convene an EGM to consider proposals in accordance with the following provisions:

4.2 One or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings can deposit a written request to convene an EGM at the principal place of business of the Company in Hong Kong (the “Hong Kong Office”), for the attention of the Board or the Company Secretary.

4.3 The written request must state the name of the Shareholders concerned, their respective shareholdings, the objects of the meeting, including details of the business(es) and resolutions proposed to be considered and approved at the meeting, signed by the Shareholders concerned.

4.4 The request will be verified with the Company's Branch Share Registrars and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the Shareholders. On the contrary, if the request has been verified as not in order, the Shareholders concerned will be advised of this outcome and accordingly, an EGM will not be convened as requested.

4.5 If within 21 days of such deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

4.6 The notice period to be given to the Shareholders in respect of the EGM varies according to the nature of the proposal as described in 3.3 above.

4.7 There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Cayman Islands Companies Law (2011 Revision) or the articles of association of the Company. Shareholders who wish to move a resolution may request the Company to convene an EGM following the procedures set out above in this section.

5. Corporate Website

5.1 A Corporate Information section is available on the Company's website www.pegasusmovie.com which provides an ideal medium to timely and effectively disseminate the information relating to the Company. Information on the Company's website is updated on a regular basis.

5.2 Information, including the financial reports, results announcements and all other announcements and circulars, released by the Company to the website of The Stock Exchange of Hong Kong Limited pursuant to the Listing Rules is also posted on the website of the Company thereafter.

5.3 In addition, all press releases issued by the Company and all other corporate documents, including but not limited to the Memorandum and Articles of Association of the Company, the respective terms of reference of the audit committee, remuneration committee and nomination committee and list of the directors of the Company and their roles and functions, in relation to the Company will be made available on the Company's website.

6. Procedures for a shareholder to propose a person for election as a director of the Company

6.1 Article 83(2) of the Articles of Association of the Company provides that:-
Subject to the Articles and the Law, the Company may by ordinary resolution elect any person to be a director either to fill a casual vacancy on the Board, or as an addition to the existing Board.

6.2 Article 85 of the Articles of Association of the Company provides that:-
No person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election as a director at any general meeting unless a notice signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Hong Kong Office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the

despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

6.3 In order for the Company to inform other shareholders of the Company of the proposed nomination, the following information should also be provided to the Company when depositing the aforesaid written notices:-

1. the biographical details of the nominated candidate as required under Rule 13.51(2) of the Listing Rules;
2. the contact details of the nominated candidate; and
3. consent of publication of his/her personal information

6.4 In order to allow the Company's shareholders to have sufficient time to consider the proposal of election of the nominated candidate as a director of the Company, shareholders who wish to make the proposal are urged to submit and lodge the written notice(s) as early as practicable.

7. Shareholders' enquiries

7.1 Shareholders and other stakeholders can make any enquiry in respect of the Company in writing either by email at ir@pegasusmovie.com or deposited at the Hong Kong Office for the attention of the Board or the Company Secretary. The appropriate management member of the Company will respond to the legitimate enquiry of the Shareholders, the Company's potential investors or analysts.

8. Shareholder Privacy

8.1 The Company recognizes the importance of Shareholders' privacy and will not disclose Shareholders' information provided to the Company without their consent, unless required by law to do.

9. Amendments

9.1 To ensure that this policy continue to operate smoothly and effectively in practice, the Board will regularly reviews this policy having regard to the regulatory requirements and the expectations of the Shareholders and other stakeholders.

Updated on 9 January 2015