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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in Starlight Culture Entertainment Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Starlight Culture Entertainment Group Limited.

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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)**

**PROPOSED CAPITAL REORGANISATION AND  
CHANGE IN BOARD LOT SIZE  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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A letter from the Board is set out on pages 6 to 17 of this circular.

A notice convening the special general meeting of the Company to be held at Room 01, 12/F, 1111 King's Road, Taikoo Shing, Hong Kong on Friday, 19 July 2024 at 11:00 a.m. is set out on pages N-1 to N-3 of this circular. A form of proxy for use at the meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the enclosed 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 Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, 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 practicable but in any event not later than forty-eight (48) hours before the time appointed for holding the 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 meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Hong Kong, 3 July 2024

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 7 June 2024 in relation to, among other things, the proposed Capital Reorganisation and Change in Board Lot Size
“Announcements”	the Announcement and the Supplemental Announcement
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which banks are open for business in Hong Kong
“Bye-laws”	the bye-laws for the time being adopted by the Company and as amended from time to time
“Capital Reduction”	the proposed reduction in the issued share capital of the Company as detailed in the section headed “(2) Capital Reduction” of this circular
“Capital Reorganisation”	collectively, the Share Consolidation and the Capital Reduction
“CCASS”	the Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 500 Existing Shares to 2,000 New Shares upon the Capital Reorganisation becoming effective
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time

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## DEFINITIONS

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“Company”	Starlight Culture Entertainment Group Limited, a company incorporated in Bermuda with limited liability and its Shares are listed on the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of par value of HK\$1.00 each in the issued share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	the ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company before the Capital Reorganisation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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”	Thursday, 27 June 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company upon the Capital Reorganisation becoming effective

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## DEFINITIONS

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“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation and the matters contemplated thereunder
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or New Share(s), as the case may be, whether issued or unissued
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Consolidation”	the proposed consolidation of every ten (10) issued Existing Shares of par value HK\$0.10 each in the share capital of the Company into one (1) Consolidated Share of par value HK\$1.00
“Share Option(s)”	the option(s) to subscribe for new Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 3 August 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Announcement”	the supplemental announcement of the Company dated 19 June 2024 in relation to, among other things, the revised timetable of the proposed Capital Reorganisation and Change in Board Lot Size
“%”	per cent.

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## EXPECTED TIMETABLE

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*The expected timetable for the implementation of the Capital Reorganisation and the Change in Board Lot Size is as follows:*

<b>Event(s)</b>	<b>Date and time</b>
Latest date and time for lodging transfer documents in order to qualify for attending and voting at SGM . . . . .	4:30 p.m. on Thursday, 11 July 2024
Closure of register of members for determining the entitlement to attend and vote at the SGM (both dates inclusive) . . . . .	Friday, 12 July 2024 to Friday, 19 July 2024
Latest date and time for lodging the proxy form for the SGM . . . . .	11:00 a.m. on Wednesday, 17 July 2024
Record date for the SGM . . . . .	Friday, 19 July 2024
Date and time of the SGM . . . . .	11:00 a.m. on Friday, 19 July 2024
Publication of the announcement of poll results of the SGM . . . . .	Friday, 19 July 2024
Register of members of the Company re-opens . . . . .	Monday, 22 July 2024

**The following events are conditional upon the results of the SGM and therefore the dates are tentative only:**

<b>Event(s)</b>	<b>Date and time</b>
Effective date of the Capital Reorganisation . . . . .	Tuesday, 23 July 2024
First day of free exchange of existing share certificates into new share certificates for New Shares . . . . .	Tuesday, 23 July 2024
Dealings in New Shares commence . . . . .	9:00 a.m. on Tuesday, 23 July 2024
Original counter for trading in Shares in board lots of 500 Existing Shares (in the form of existing share certificates) temporarily closes . . . . .	9:00 a.m. on Tuesday, 23 July 2024

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## EXPECTED TIMETABLE

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Event(s)	Date and time
Temporary counter for trading in New Shares in temporary board lot of 50 New Shares (in the form of existing share certificates) opens . . . . .	9:00 a.m. on Tuesday, 23 July 2024
Original counter for trading in New Shares in board lot of 2,000 New Shares (in the form of new share certificates for New Shares) re-opens . . . . .	9:00 a.m. on Tuesday, 6 August 2024
Parallel trading in the New Shares (in the form of existing share certificates and new share certificates) commences . . . . .	9:00 a.m. on Tuesday, 6 August 2024
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of New Shares . . . . .	9:00 a.m. on Tuesday, 6 August 2024
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of New Shares . . . . .	4:00 p.m. on Monday, 26 August 2024
Temporary counter for trading in New Shares in temporary board lot of 50 New Shares (in the form of existing share certificates) closes . . . . .	4:10 p.m. on Monday, 26 August 2024
Parallel trading in New Shares (in the form of new share certificates for New Shares and existing share certificates) ends . . . . .	4:10 p.m. on Monday, 26 August 2024
Last day for free exchange of existing share certificates into new share certificates for New Shares . . . . .	Wednesday, 28 August 2024

*The expected timetable set out above is subject to the results of the SGM and fulfillment of the conditions of the Capital Reorganisation and is therefore for indicative purpose only. All times and dates in this circular refer to Hong Kong local times and dates. Any change(s) to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.*

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Tang Liang  
Mr. Jing Xufeng  
Mr. Hu Fanghui  
Mr. Luo Lei  
Mr. Sang Kangqiao  
Ms. Wu Xiaoli

*Independent Non-executive Directors:*

Mr. Niu Zhongjie  
Mr. Xu Zhihao  
Mr. Wu Hongliang

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of business  
in Hong Kong:*

Room 01, 12/F  
1111 King's Road  
Taikoo Shing, Hong Kong

3 July 2024

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CAPITAL REORGANISATION AND  
CHANGE IN BOARD LOT SIZE  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Announcements, in relation to, among other matters, the proposed Capital Reorganisation and the Change in Board Lot Size.



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among others, further details on the proposed Capital Reorganisation, the Change in Board Lot Size and the special resolution to be proposed at the SGM for the proposed Capital Reorganisation and to give you notice of SGM in order to enable you to make an informed decision on whether to vote for or against the special resolution to be proposed.

### **PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation and the Capital Reduction.

#### **(1) Share Consolidation**

The Share Consolidation will involve a consolidation of every ten (10) issued Existing Shares of par value of HK\$0.10 each into one (1) Consolidated Share of par value of HK\$1.00 each. As at the Latest Practicable Date, (a) the authorised share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Existing Shares of par value HK\$0.10 each; and (b) there are 985,564,799 Existing Shares of par value HK\$0.10 each in issue which are fully paid or credited as fully paid. Immediately after the Share Consolidation and assuming no further Shares will be issued or repurchased or surrendered from the Latest Practicable Date up to the effective date of the Share Consolidation, there will be 98,556,479 Consolidated Shares of par value HK\$1.00 each in issue, excluding any fractional shares. The Consolidated Shares will rank *pari passu* in all respects with each other.

#### **(2) Capital Reduction**

Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK\$1.00 to HK\$0.10 by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling HK\$0.90 of the paid-up capital of the Company on each issued Consolidated Share so that each issued New Share will be treated as one (1) fully paid-up share of par value of HK\$0.10 in the share capital of the Company immediately following the Capital Reduction, and the credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act.

Immediately following the Share Consolidation and the Capital Reduction becoming effective, the authorised share capital of the Company will be HK\$2,000,000,000 divided into 20,000,000,000 New Shares.

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## LETTER FROM THE BOARD

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### Conditions of the Capital Reorganisation

The implementation of the Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution by the Shareholders at the SGM to approve the Capital Reorganisation and transactions contemplated thereunder;
- (ii) the Listing Committee of the Stock Exchange granting approval for listing of, and permission to deal in, the New Shares upon the Capital Reorganisation becoming effective;
- (iii) the compliance with the relevant procedures and requirements under the Companies Act and applicable laws of Bermuda to effect the Capital Reduction, which includes the Directors being satisfied that on the date the Capital Reduction is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction would be, unable to pay its liabilities as they become due;
- (iv) the compliance with the relevant procedures and requirements under the Bye-laws and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Subject to the fulfillment of all the above conditions, the Capital Reorganisation is expected to become effective on Tuesday, 23 July 2024, being the second Business Day immediately following the date of the SGM. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

### Proposed Change in Board Lot Size

As at the Latest Practicable Date, the Existing Shares were traded on the Stock Exchange in the board lot size of 500 Existing Shares. As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, the expected value of each board lot shall be no less than HK\$2,000. It is proposed that, subject to and conditional upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange be changed from 500 Existing Shares to 2,000 New Shares.

Based on the closing price of HK\$0.21 per Existing Share (equivalent to the theoretical closing price of HK\$2.10 per New Share) as quoted on the Stock Exchange as at the Latest Practicable Date, (i) the value of each board lot of 500 Existing Shares would be HK\$105; and (ii) the value of each board lot of 2,000 New Shares, assuming the Capital Reorganisation had already been effective, would be HK\$4,200.

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## LETTER FROM THE BOARD

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### **Application for the listing of the New Shares**

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Effects of the Capital Reorganisation**

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Existing Shares of par value of HK\$0.10 each, of which 985,564,799 Existing Shares have been issued and are fully paid or credited as fully paid and 19,014,435,201 Existing Shares remain unissued.

Assuming that no further Existing Shares are allotted, issued or repurchased from the Latest Practicable Date up to and including the effective date of the Capital Reorganisation, immediately upon the Capital Reorganisation becoming effective, the authorised share capital of the Company shall become HK\$2,000,000,000 divided into 20,000,000,000 New Shares of par value of HK\$0.10 each, of which 98,556,479 New Shares will have been issued and will be fully paid or credited as fully paid and 19,901,443,521 New Shares will remain unissued.

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## LETTER FROM THE BOARD

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Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date up to and including the date on which the Capital Reorganisation becomes effective, the share capital structure of the Company will be summarized as follows:

	<b>As at the Latest Practicable Date</b>	<b>Immediately upon the Capital Reorganisation becoming effective</b>
Par value	HK\$0.10 per Existing Share	HK\$0.10 per New Share
<b>Authorised share capital</b>		
Amount of authorized share capital	HK\$2,000,000,000.00	HK\$2,000,000,000.00
Number of authorized shares	20,000,000,000 Existing Shares	20,000,000,000 New Shares
<b>Issued share capital</b>		
Amount of issued share capital	HK\$98,556,479.90	HK\$9,855,647.90
Number of issued shares	985,564,799 Existing Shares	98,556,479 New Shares
<b>Unissued share capital</b>		
Amount of unissued share capital	HK\$1,901,443,520.10	HK\$1,990,144,352.10
Number of unissued shares	19,014,435,201 Existing Shares	19,901,443,521 New Shares

As at the Latest Practicable Date, 985,564,799 Existing Shares are issued and fully paid or credited as fully paid. Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK\$1.00 to HK\$0.10 by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling the paid-up share capital to the extent of HK\$0.90 per issued Consolidated Share by way of a reduction of capital, the Company's existing issued share capital of HK\$98,556,479.90 will be reduced by HK\$88,700,832.00 to HK\$9,855,647.90, and all the Shares in issue will be New Shares with par value of HK\$0.10 each.

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## LETTER FROM THE BOARD

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A credit will arise as a result of the Capital Reduction. It is proposed that the credit arising in the accounts of the Company from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act, which will be used by the Board in any manner as the Board may deem fit as may be permitted under the applicable laws and the Bye-laws. On the assumption that there is no change in the issued share capital prior to the Capital Reorganisation becoming effective, the Company will have 98,556,479 New Shares in issue and a credit of approximately HK\$88,700,832.00 arising from the Capital Reduction will be transferred to the contributed surplus account of the Company.

Under the relevant terms and conditions of the Share Option Scheme, the Capital Reorganisation may lead to adjustments to the number of Shares falling to be issued and the exercise price of the Share Options pursuant to the terms thereof. As at the Latest Practicable Date, there is no outstanding Share Option entitling the holders thereof to subscribe for any Existing Share under the Share Option Scheme. For details, please refer to the section headed “Adjustments to outstanding Share Options” below. As at the Latest Practicable Date, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares or New Shares.

### **Status of the New Shares**

Upon the Capital Reorganisation becoming effective, the New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid in accordance with the Company’s memorandum of association and the Bye-laws.

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company and that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

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## LETTER FROM THE BOARD

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### **Adjustments to outstanding Share Options**

According to the rules of the Share Option Scheme, 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 Share Option (insofar as it is unexercised); and/or (b) the price at which the Share Options are exercisable. The aforementioned alteration shall be confirmed in writing by the auditors of the Company or the independent financial adviser appointed by the Company that the alteration is made on the basis that the proportion of the issued share capital of the Company to which a grantee of the Share Option Scheme is entitled after such alteration shall remain the same as that to which he or she was entitled before such alteration and that the aggregate subscription price payable by a grantee on the full exercise of any Share Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event. No such alteration shall be made to the effect of which would be to enable any Share to be issued at less than its nominal value.

As at the Latest Practicable Date, the total number of Shares available for issue under the Share Option Scheme is 82,356,479 Shares and there have been no Share Options granted entitling the holders thereof to subscribe for any Existing Share under the Share Option Scheme since its adoption. The Directors will determine, according to the rules of the Share Option Scheme, the adjustments (if any) required to be made in respect of the outstanding Share Options as a result of the Capital Reorganisation. As the adjustments to the outstanding Share Options are subject to the Capital Reorganisation taking effect and the written confirmation by the auditors of the Company or the independent financial advisers appointed by the Company, the Company cannot determine the adjustments to be made as at the Latest Practicable Date. Further announcements regarding the adjustments will be made by the Company (if applicable) in accordance with the Listing Rules in due course.

Save as aforesaid, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares or New Shares, as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### **Free exchange of share certificate(s) for the New Shares**

Subject to the Capital Reorganisation becoming effective, which is expected to be on Tuesday, 23 July 2024, being second Business Day immediately after the date of the SGM, the Shareholders may, during the period from Tuesday, 23 July 2024 to Wednesday, 28 August 2024 (both dates inclusive), submit their existing share certificate(s) for the Existing Shares in brown colour to the Company's share registrar, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, during business hours to exchange for new share certificate(s) for the New Shares in purple colour at the expense of the Company. Thereafter, share certificate(s) for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.50 (or such other amount as may be specified by the Stock Exchange from time to time) for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificate(s) cancelled or issued is higher. The existing share certificate(s) will only be valid for delivery, trading, settlement and registration purposes for the period up to 4:10 p.m. on Monday, 26 August 2024 and thereafter will not be accepted for delivery, trading, settlement and registration purposes. However, the existing share certificate(s) will continue to be good evidence of title to the New Shares on the basis of every ten (10) Existing Shares for one (1) New Share. The new share certificate(s) for the New Shares will be issued in purple colour in order to distinguish them from the share certificate(s) for the Existing Shares which are in brown colour.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots of the New Shares arising from the Capital Reorganisation and the Change in Board Lot Size, the Company has appointed Roofer Securities Limited to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares, during the period from 9:00 a.m. on Tuesday, 6 August 2024 to 4:00 p.m. on Monday, 26 August 2024 (both dates inclusive). The Shareholders who wish to take advantage of these services should contact Roofer Securities Limited at 7/F, Pearl Tower, 60 Stanley Street, Central, Hong Kong or at telephone number (852) 3710 7800 during office hours of such period.

**Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is on best efforts basis and is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.**

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## LETTER FROM THE BOARD

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### **Entitlement of Fractional New Shares**

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

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

### **Reasons for the Capital Reorganisation and the Change in Board Lot Size**

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in June 2024 (the “**Guide**”) stated that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

The Shares are currently traded on the Stock Exchange in the board lot size of 500 Existing Shares. It is proposed that the board lot size will be amended to 2,000 New Shares when the Capital Reorganisation becomes effective. Based on the closing price of HK\$0.21 per Existing Share (equivalent to the theoretical closing price of HK\$2.10 per New Share) as quoted on the Stock Exchange as at the Latest Practicable Date, (i) the value of each board lot of 500 Existing Shares would be HK\$105; and (ii) the theoretical market value of each board lot of the New Shares, assuming the Capital Reorganisation and the Change in Board Lot Size had become effective, would be HK\$4,200.

In view of the recent trading price of the Shares, the Board considers that the Capital Reorganisation and the Change in Board Lot Size will increase the board lot value of the Existing Shares, thereby enabling the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. With a corresponding upward adjustment in the trading price of the New Shares and an increase in the net asset value per Share, the Board believes that the Capital Reorganisation and the Change in Board Lot Size will enhance the corporate image of the Company so as to make investing in the Shares more attractive to a broader range of prospective investors, and therefore further broaden the shareholder base of the Company including institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor. It is also expected that the liquidity in trading of the New Shares will increase accordingly.



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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company has no concrete plans to carry out other corporate actions or conduct any equity fundraising which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation in the next 12 months. However, the Directors will not rule out the possibility of any fundraising activities they may consider when it is reasonably necessary for the Group to raise fund to meet its operational needs or for future development of the Group. The Directors will carefully consider the likely impact on the Shareholders before they proceed on any fundraising exercises and the Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

Other than the expenses to be incurred in relation to the Capital Reorganisation and the Change in Board Lot Size, the implementation of the Capital Reorganisation will not, by itself, alter the underlying assets, business operation, management or financial position of the Group or the proportionate interests or rights of the Shareholders. Accordingly the Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company.

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

### **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the proposed Capital Reorganisation and transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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A notice convening the SGM to be held at Room 01, 12/F, 1111 King's Road, Taikoo Shing, Hong Kong on Friday, 19 July 2024 at 11:00 a.m. is set out on pages N-1 to N-3 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not Shareholders are able to attend and vote at the SGM, they are requested to read the notice and to complete and sign 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 Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjournment thereof should they so wish and, in such event, the form of proxy shall be deemed to be revoked.

In accordance with Rule 13.39(4) of the Listing Rules, all votes at the SGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Pursuant to Rule 13.39 of the Listing Rules, the resolution as set out in the notice of SGM will be voted on by way of poll at the SGM, the result of which will be announced by the Company after the SGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the Capital Reorganisation and transactions contemplated thereunder and therefore, no Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Capital Reorganisation at the SGM.

**The Shareholders and potential investors of the Company should note that (i) the Capital Reorganisation is conditional upon the fulfillment of the conditions as set out in the section headed "Conditions of the Capital Reorganisation" in this circular and the Change in Board Lot Size is conditional upon the Capital Reorganisation becoming effective. Accordingly, the Capital Reorganisation and the Change in Board Lot Size may or may not proceed. The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 12 July 2024 to Friday, 19 July 2024, both dates inclusive. During such period, no share transfers will be registered. In order to qualify to attend and vote at the SGM, all transfers of the shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 11 July 2024.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board is of the opinion that the Capital Reorganisation is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolution to approve the Capital Reorganisation and transactions contemplated thereunder at the SGM.

### 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 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 in this circular misleading.

Yours faithfully,

By order of the Board

**Starlight Culture Entertainment Group Limited**

**Tang Liang**

*Co-Chairman*

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## NOTICE OF SPECIAL GENERAL MEETING

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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)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**Meeting**”) of Starlight Culture Entertainment Group Limited (the “**Company**”) will be held at Room 01, 12/F, 1111 King’s Road, Taikoo Shing, Hong Kong at 11:00 a.m. on Friday, 19 July 2024 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed with or without amendments, as resolution of the Company:

#### SPECIAL RESOLUTION

“**THAT**, subject to and conditional upon (i) the listing committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the New Shares (as defined below); and (ii) compliance with relevant procedures and requirements under the Companies Act 1981 of Bermuda and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to effect the Capital Reorganisation (as defined below); (iii) the compliance with the relevant procedures and requirements under the bye-laws of the Company (the “**Bye-laws**”) and the Listing Rules to effect the Capital Reorganisation; (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation with effect from the second business day immediately after the date on which this resolution is passed by the shareholders of the Company (the “**Shareholders**”) or the above conditions are fulfilled (whichever is later):

- (a) every ten (10) issued existing shares in the issued share capital of the Company of par value of HK\$0.10 each be consolidated into one (1) consolidated share (the “**Consolidated Share(s)**”) of par value of HK\$1.00 (the “**Share Consolidation**”);
- (b) immediately following the Share Consolidation becoming effective, the Capital Reduction involving a reduction of the par value of each issued Consolidated Share from HK\$1.00 to HK\$0.10 by (i) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (ii) cancelling the paid-up share capital to the extent of HK\$0.90 per issued Consolidated

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## NOTICE OF SPECIAL GENERAL MEETING

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Share by way of a reduction of capital, the Company's existing issued share capital of HK\$98,556,479.90 will be reduced by HK\$88,700,832.00 to HK\$9,855,647.90, and all the Shares in issue will be new shares (the "**New Shares**") with par value of HK\$0.10 each (the "**Capital Reduction**", together with the Share Consolidation are referred to as the "**Capital Reorganisation**");

- (c) the New Shares shall rank *pari passu* in all respects with each other and have such rights and be subject to such restrictions as set out in the memorandum of association and bye-laws of the Company (the "**Bye-laws**");
- (d) all fractional New Shares shall be disregarded and not be issued to the Shareholders and any fractions of the New Shares be aggregated and, if possible, sold by an agent appointed by the Company for that purpose and the net proceeds retained for the benefits of the Company;
- (e) the directors of the Company (the "**Director(s)**") be and are hereby authorised to credit the amount arising from the Capital Reduction to the contributed surplus account of the Company within the meaning of the Companies Act and the Directors may use such amount for such purposes as may be permitted by the applicable laws and the Bye-laws as the Directors consider appropriate; and
- (f) any two Directors or any one Director and the company secretary of the Company (the "**Company Secretary**") be and is or are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under the common seal of the Company where applicable, and take any and all steps, and to do and/or procure to be done any and all acts and things as he or she or they may consider necessary, desirable or expedient to give effect to the Capital Reorganisation."

By order of the Board

**Starlight Culture Entertainment Group Limited**

**Tang Liang**

*Co-Chairman*

Hong Kong, 3 July 2024

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business  
in Hong Kong:*

Room 01, 12/F  
1111 King's Road  
Taikoo Shing, Hong Kong

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## NOTICE OF SPECIAL GENERAL MEETING

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*Notes:*

1. A form of proxy for use at the Meeting is enclosed herewith.
2. Any Shareholder entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint another person as his/her proxy to attend and vote instead of him or her. A Shareholder who is the holder of two or more shares of the Company (the “**Share(s)**”) may appoint more than one proxy to represent him or her and on his or her behalf at the Meeting. A proxy need not be a Shareholder. In addition, a proxy or proxies representing either a Shareholder who is an individual or a Shareholder which is a corporation shall be entitled to exercise the same power on behalf of the Shareholder which he or she or they represent(s) as such Shareholder could exercise.
3. Where there are joint registered holders of any Share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such Share as if he or she was solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company (the “**Register of Members**”) in respect of such Share shall alone be entitled to vote in respect thereof.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his or her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer, attorney or other person duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, 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 forty-eight (48) hours before the time for holding the Meeting or any adjourned meeting thereof (as the case may be) at which the person named in the instrument proposes to vote and, in default, the instrument of proxy shall not be treated as valid.
6. For determining the entitlement to attend and vote at the Meeting, the Register of Members will be closed from Friday, 12 July 2024 to Friday, 19 July 2024 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the Meeting, all transfers forms of the Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 11 July 2024, for registration.
7. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the Meeting or any adjournment thereof (as the case may be) or on the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
8. All resolutions set out in this notice will be taken by poll at the Meeting.

*As at the date of this notice, the Board comprises Mr. Tang Liang, Mr. Jing Xufeng, Mr. Luo Lei, Mr. Sang Kangqiao, Ms. Wu Xiaoli and Mr. Hu Fanghui as executive Directors, and Mr. Wu Hongliang, Mr. Niu Zhongjie, and Mr. Xu Zhihao as independent non-executive Directors.*

*In case of any inconsistency, the English version of this notice shall prevail over the Chinese version.*