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## **Pegasus Entertainment Holdings Limited**

**天馬影視文化控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1326)**

### **SALE OF SHARES BY A CONTROLLING SHAREHOLDER**

This announcement is made by Pegasus Entertainment Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

### **SALE OF SHARES TO ANHUIXINKE**

The board of directors (the “**Directors**”) of the Company has been informed by Honour Grace Limited (“**Honour Grace**”), a controlling shareholder (as defined in the Listing Rules) of the Company (the “**Controlling Shareholder**”), that it had, on 20 December 2016, entered into a conditional sale and purchase agreement (the “**Agreement**”) with Anhuixinke New Materials Co., Ltd. 安徽鑫科新材料股份有限公司 (“**Anhuixinke**”), pursuant to which Honour Grace had agreed to sell and Anhuixinke had agreed to purchase, subject to the terms and conditions of the Agreement, 776,088,506 shares with a par value of HK\$0.0025 each in the share capital of the Company (the “**Shares**”) (representing approximately 29.90% of the issued share capital of the Company as at the date of this announcement) for a total consideration of HK\$194,180,000 (the “**Sale**”).

Anhuixinke is a company listed on The Shanghai Stock Exchange (stock code: 600255), which is, to the best of the knowledge of the Company, an independent third party of the Company and its connected persons (as defined in the Listing Rules).

## SHAREHOLDING STRUCTURE

Since completion of the Sale is subject to the fulfillment of the conditions precedent under the Agreement, the Sale may or may not proceed. If the Sale proceeds, after completion, Honour Grace will hold 423,911,494 Shares (representing approximately 16.33% of the issued share capital of the Company as at the date of this announcement) and will cease to be a Controlling Shareholder.

Mr. Wong Pak Ming (“**Mr. Wong**”), the chairman of the Company and an executive Director and a Controlling Shareholder, holds a controlling interest in Honour Grace and is therefore deemed to be interested in all the Shares held by Honour Grace by virtue of the SFO. After completion of the Sale, Mr. Wong will be deemed, under the SFO, to be interested in a total of 505,775,494 Shares (representing approximately 19.49% of the issued share capital of the Company as at the date of this announcement) and will cease to be a Controlling Shareholder.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Pegasus Entertainment Holdings Limited**  
**Wong Pak Ming**  
*Chairman*

Hong Kong, 20 December 2016

*As at the date of this announcement, the executive Directors are Mr. Wong Pak Ming, Ms. Wong Yee Kwan Alvina and Mr. Wong Chi Woon Edmond and the independent non-executive Directors are Mr. Lam Kam Tong, Mr. Lo Eric Tien-cheuk and Mr. Tang Kai Kui Terence.*