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China 3D Digital Entertainment Limited

中國 3D 數碼娛樂有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 8078)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of China 3D Digital Entertainment Limited (the “Company”) will be held at 1/F, Morrison Plaza, 9 Morrison Hill Road, Wanchai, Hong Kong, on Tuesday, 22 May 2012, at 4:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as a special resolution or an ordinary resolution of the Company:

SPECIAL RESOLUTION

1. **“THAT**, subject to and conditional upon the compliance by the Company with the requirements of section 46(2) of the Companies Act 1981 of Bermuda and the Bye-laws of the Company to effect the Proposed Share Premium Reduction (as hereinafter defined), with effect from the business day immediately following the day of passing of this resolution (“Effective Date”):
 - (i) an amount standing to the credit of the share premium account of the Company as at the Effective Date equivalent to the entire amount of the accumulated losses of the Company as at the Effective Date (“Accumulated Losses”) be reduced (“Proposed Share Premium Reduction”) and the credit arising from the Proposed Share Premium Reduction be applied towards offsetting the entire amount of the Accumulated Losses; and
 - (ii) the directors of the Company be and are hereby authorised generally to do and carry out all acts and things, and to approve, sign and execute all documents, which they may consider appropriate, necessary or desirable to give effect to or to implement the Proposed Share Premium Reduction and the application of the credit which will arise therefrom.”

* *For identification purpose only*

ORDINARY RESOLUTION

2. “**THAT**, subject to and conditional upon the Proposed Share Premium Reduction (as defined in resolution no. 1 above) becoming effective and the Listing Committee of the Stock Exchange of Hong Kong Limited granting and agreeing to grant listing of and permission to deal in the Bonus Shares (as hereinafter defined):
- (i) the issue of new shares of HK\$0.005 each in the capital of the Company (“Bonus Shares”), credited as fully paid, to shareholders of the Company whose names appear on the Company’s register of members on 31 May, 2012 on the basis of two (2) Bonus Shares for every one (1) share of HK\$0.005 then held (“Bonus Issue”) be and is hereby approved;
 - (ii) any director be and is hereby authorised to allot and issue the Bonus Shares pursuant to or in connection with the Bonus Issue and, in particular, the directors be and are hereby authorised to make such exclusion or other arrangements in relation to overseas shareholders as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the Bye-laws or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and
 - (iii) the directors of the Company be and are hereby authorized generally to do and carry out all acts and things, and to approve, sign and execute all documents, which they may consider appropriate, necessary or desirable to give effect to or to implement the Bonus Issue and the allotment and issue of the Bonus Shares as contemplated by this resolution.”

By Order of the Board
China 3D Digital Entertainment Limited
Shiu Stephen Junior
Chairman

Hong Kong, 20 April 2012

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
1/F & 2/F, Morrison Plaza,
9 Morrison Hill Road,
Wanchai
Hong Kong

Notes:

1. A form of proxy for use at the SGM is enclosed herewith.
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 seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the SGM convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with 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 Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the above Meeting or any adjournment thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the SGM convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the SGM, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for seven days from the day of its posting and on the website of the Company at www.china3d8078.com.