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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)

UPDATES ON THE PROGRESS OF THE COMPANY'S INVESTMENT IN A MOTION PICTURE

This announcement is made by Pegasus Entertainment Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities Futures Ordinances (Cap. 571 of the Laws of Hong Kong).

UPDATES ON THE PROGRESS OF THE COMPANY'S INVESTMENT IN A MOTION PICTURE

Reference is made to the Company's announcements dated 28 January 2013, 13 September 2013, 28 January 2014 and 29 August 2014 respectively (the "**Announcements**") regarding a discloseable transaction. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Group has invested in a motion picture to be produced for worldwide theatrical distribution in the second half of 2016. The Board wishes to inform the shareholders and investors of the Company that on 30 April 2015, due to various pre-production delays, such as determination of the shooting locations, Pegasus Motion Pictures and TNC agreed in writing to further extend the date for TNC to start Principal Photography of the Picture from on or before 30 April 2015 to 31 October 2015 without a further delay in worldwide theatrical distribution. In addition, due to the extension of time, the agreed amount of priority return to which Pegasus Motion Picture is entitled upon the theatrical release of the Picture in the United States of America has also been increased.

The Board has been notified by TNC that the director, producers, production designer and visual effect supervisor of the Picture have been confirmed and the first two locations for shooting are expected to be in Ireland and Shanghai. The Picture is currently in the pre-production stage which involves, among others, casting, formulation of the filming schedule, refinement of the script and location scouting. Based on the information provided, Principal Photography and worldwide theatrical distribution of the Picture are tentatively scheduled to take place on or before September 2015 and in the second half of 2016 respectively.

Save for the above, all the other terms and conditions of the Provisional Agreement (as amended by the agreement dated 13 September 2013, 28 January 2014 and 29 August 2014 respectively) have remained unchanged and continue in full force and effect. The Board estimates that the abovementioned changes will not have any material effect on the operating and financial positions of the Group, the financial position and liquidity of the Group remain solid and healthy and there is no material adverse change in the operations of the Group. The Company will continue to provide updates on the Company's business plan.

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

Hong Kong, 30 April 2015

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