

REED GROUP HOLDINGS LTD (REG. NO. 199906814G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Reed Group Holdings Ltd (the "Company") will be held at Vista 1, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883 on 29 March 2005 at 10.00 a.m, for the purpose of considering and, if thought fit, passing the following ordinary and special resolutions, with or without any modifications:-

ORDINARY RESOLUTIONS: -

Resolution 1: The Proposed Acquisition

That:-

- (a) the execution of the sale and purchase agreement dated 14 September 2004 (the "Agreement") for the acquisition by the Company of 60% of the issued and paid-up share capital of FRD Holdings Inc. from Gemini Island Limited (the "Vendor") for an aggregate consideration of S\$11,600,000 (the "Proposed Acquisition") on the terms and subject to the conditions of the Agreement be and is hereby ratified, confirmed and approved;
- (b) the Proposed Acquisition on the terms and subject to the conditions stated in the Agreement be and is hereby approved;
- (c) the Directors of the Company be and are hereby authorised to do all such further acts and execute such further documents which in their opinion may be necessary, desirable or expedient to give effect to the Proposed Acquisition.

Resolution 2: The allotment and issuance of shares to the Vendor and to NovusAsia Capital Ltd

That:-

- (a) the proposed allotment and issue of 170,000,000 new shares of S\$0.05 each in the Company at an issue price of S\$0.05 each in connection with the Proposed Acquisition, comprising 160,000,000 new Shares to the Vendor as part consideration (the "new Shares to be issued pursuant to the Proposed GIL Allotment") for the proposed Acquisition (the "Proposed GIL Allotment") and 10,000,000 to NovusAsia Capital Ltd as payment for the arrangement fee for the proposed Acquisition (the "NAC-Reed Shares") be and are hereby approved; and
- (b) the Directors of the Company be and are hereby authorised to do all such further acts and execute such further documents which in their opinion may be necessary, desirable or expedient to give effect to this Resolution.

Resolution 3: The proposed renounceable non-underwritten Rights Issue

That, contingent upon the approval of the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of (i) the Rights Shares (as hereinafter defined), such approval being subject to any conditions as may be prescribed by the SGX-ST, and the approval of any other relevant authority in Singapore, the renounceable non-underwritten rights issue (the "Rights Issue") of a maximum of 145,800,000 new ordinary shares of par value S\$0.05 each in the capital of the Company ("Rights Shares") be and is hereby approved and the Directors be and are hereby authorised to provisionally allot and issue such number of Rights Shares as the Directors may determine, subject to a maximum of 145,800,000 Rights Shares by way of a renounceable rights issue at the issue price of S\$0.05 for each

Rights Share, on the basis of one (1) Rights Share with one for every two (2) ordinary shares of par value S\$0.05 held by shareholders of the Company (the "Shareholders") as at a date and time to be determined by the Directors (the "Books Closure Date"), fractional entitlements to be disregarded, or otherwise on such terms and conditions as the Directors may determine, including, if the Directors think fit, the following terms:-

- (a) that the provisional allotments of the Rights Shares shall be made on a renounceable basis to Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited ("CDP") at the Books Closure Date with registered addresses in Singapore or who have, at least five (5) Market Days prior to the Books Closure Date, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices or documents;
- (b) no provisional allotment of the Rights Shares shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least five (5) Market Days prior thereto, provided the Company or CDP, as the case may be, with addresses in Singapore for the service of notices and documents ("Foreign Shareholders");
- (c) the entitlements to the Rights Shares which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors deem fit for the purpose of renouncing the rights entitlements relating thereto to purchasers thereof and to pool and thereafter distribute the proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained for the sole benefit of the Company;
- (d) any fractional entitlements disregarded in accordance with the terms of the Rights Issue and/or any Rights Shares not taken up may be aggregated and allotted and issued to satisfy excess applications for the Rights Shares or otherwise to such persons as the Directors may think fit or otherwise disposed of or dealt with in such manner as the Directors may think fit in the interests of the Company; and
- (e) the Rights Shares when issued and fully paid up will rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company for any dividends, rights, allotments or other distribution, the record date for which falls on or after the date of issue of the Rights Shares.

Resolution 4: The proposed Conditional Placement

That:-

- (a) contingent upon the proposed Rights Issue, the directors of the Company be and are hereby authorised to allot and issue such number of Shares of S\$0.05 each in the capital of the Company at an issue price of S\$0.05 per Share so that the proceeds from such placement will represent the difference between the target sum of S\$7,000,000 and the actual amount of subscriptions of the Proposed Rights Issue as at the closing date of the Proposed Rights Issue (the "Placement Shares"), on such terms and conditions as the Directors may deem fit; and
- (b) the Directors of the Company be and are hereby authorised to do all such further acts and execute such further documents which in their opinion may be necessary, desirable or expedient to give effect to this Resolution.

Resolution 5: Increase in Authorised Share Capital

To accommodate the future issue of new ordinary shares of S\$0.05 each in the share capital of the Company, the authorised share capital of the Company be increased from S\$30,000,000 divided into 600,000,000 ordinary shares of S\$0.05 each, by the creation of an additional 1,400,000,000 ordinary shares of S\$0.05 each and that in connection therewith, Clause 5 of the Memorandum of Association of the Company be amended by deleting the first sentence thereof and substituting therefore the following sentence: "The authorised share capital of the Company is S\$100,000,000 divided into 2,000,000,000 ordinary shares of S\$0.05 each."

SPECIAL RESOLUTION: -

Resolution 6: The proposed Change of Name of the Company

That the name of the Company be and is hereby changed from "Reed Group Holdings Ltd" to "China Entertainment Sports Ltd." and that the name "China Entertainment Sports Ltd." be substituted for "Reed Group Holdings Ltd" wherever the latter name appears in the Memorandum and Articles of Association of the Company and that the Directors be and are hereby authorised to complete and do all such acts and things including, without limitation, to execute all such documents and to approve any amendments, modifications or alterations to any documents as they may consider desirable, expedient or necessary to give effect to this Resolution.

By Order of the Board

Umar Abdul Hamid
CEO and Chairman

Singapore, 4 March 2005

Notes:-

- (1) A Shareholder entitled to attend and vote at a meeting of the Company is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a Shareholder of the Company.
- (2) Where a Shareholder appoints two proxies, the Company may treat the appointment as invalid unless the Shareholder specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (3) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Collyer Quay #19-08 Ocean Building Singapore 049315 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.
- (4) The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

BY ORDER OF THE BOARD

Umar Abdul Hamid
Director
(04/03/2005)