

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
If you are in any doubt about the contents of this document, or as to what action you should take, it is recommended that you seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your shares in PhotonStar LED Group Plc, please forward this document together with the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

PHOTONSTAR LED GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 06133765)

Proposed Placing of up to 31,400,000 Ordinary Shares at an issue price of £0.07 per new ordinary share.

Notice of General Meeting

Notice of the General Meeting of the Company to be held at 11 am on Friday 8th August 2014 at Unit 2, The Gateway Building, Tredegar Business Park, Tredegar NP22 3EL is set out in Part I of this document.

Shareholders will find a Form of Proxy enclosed for use at the General Meeting. To be valid, the Form of Proxy must be completed and returned as soon as possible and so as to be received by Capita Asset Services no later than 11.00 am on Wednesday 6th August 2014. You can return your Form of Proxy by post to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF

If you hold your shares in CREST, you may appoint a proxy or proxies by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

The completion and return of the Form of Proxy or the transmission of a CREST Proxy Instruction will not prevent you from attending and voting at the meeting in person.

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PART I: NOTICE OF GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

It contains resolutions to be voted on at the Company's General Meeting.

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in PhotonStar LED Group Plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting (**Meeting**) of PhotonStar LED Group Plc (**Company**) will be held at Unit 2, The Gateway Building, Tredegar Business Park, Tredegar NP22 3EL on Friday 8th August 2014 at 11am.

You will be asked to consider and vote on the resolutions below.

ORDINARY RESOLUTION

THAT the directors be authorised generally and unconditionally, for the purpose of section 551 of the Companies Act 2006 (the **Act**), to exercise all the powers of the Company to allot shares up to a maximum aggregate nominal amount equal to £464,000 which represents 46,400,000 ordinary shares of £0.01 each, to such persons and on such terms as they think proper, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the anniversary of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act.

SPECIAL RESOLUTION

THAT subject to the passing of the above ordinary resolution and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by the above ordinary resolution, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall:

- be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £314,000, which would be 31,400,000 ordinary shares of £0.01 each; and
- expire on the anniversary of this resolution (unless renewed, varied or revoked by the Company prior to or on that date) save that the company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

BY ORDER OF THE BOARD

CFO Solutions Limited
Company Secretary

REGISTERED OFFICE

Unit 8 Westlink Belbins Business Park, Cupernham Lane Romsey Hampshire SO51 7JF
23 July 2014.

Notes:

1 The Company specifies that only those members registered on the Company's register of members at 6.00pm on 6th August 2014 shall be entitled to attend and vote at the General Meeting.

2 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a Proxy Form with this notice. You can only appoint a proxy using the procedures set out in these notes and the notes to the Proxy Form.

3 A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the chairman of the General Meeting or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 5.

5 The notes to the Proxy Form explain how to direct your proxy how to vote on each resolution or withhold their vote.

5.1 To appoint a proxy using the Proxy Form, the Proxy Form must be:

5.1.1 completed and signed;

5.1.2 sent to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF or delivered by hand to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and

5.1.3 received by Capita Asset Services, at the address provided in paragraph 5.1.2 above no later than 11.00am on 6th August 2014.

5.2 In the case of a member which is a company, the Proxy Form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

5.3 Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form.

6 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

7 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut off time will be disregarded.

8 A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises power over the same share.

9 Voting on all resolutions will be conducted by way of a poll rather than on a show of hands.

PART II:

LETTER FROM THE CHAIRMAN

PHOTONSTAR LED GROUP Plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 06133765 and whose registered office is at Unit 8 Westlink, Belbins Business Park, Cupernham Lane, Romsey, Hampshire SO51 7JF).

Directors:

Russell Anthony Banks
Jonathan Freeman
Philip Anthony Marshall
James Stuart McKenzie
Andrew William Nelson
Majd Elias Zoorob

23 July 2014

To all Shareholders of PhotonStar LED Group Plc ("**the Company**")

Dear Shareholder

PROPOSED PLACING OF UP TO 31,400,000 ORDINARY SHARES OF £0.07 PER ORDINARY SHARE

1 Introduction

- 1.1 I am writing to you to provide you with details of the proposed placing of up to 31,400,000 ordinary shares of £0.01 each at a price of £0.07 each.
- 1.2 You will find enclosed with this document a notice of a General Meeting to be held at 11:00am on Friday 8th August 2014 at Unit 2, The Gateway Building, Tredegar Business Park, Tredegar NP22 3EL.

2 Reasons for the Placing and Use of Proceeds

- 2.1 The net proceeds of the Placing will be used to maximise the significant commercial opportunities that exist for the Company with its new Halcyon™ domestic and commercial wireless retrofit circadian lighting solutions. It will also allow it to pursue Joint Development Agreements and Licensing opportunities to accelerate the uptake of PhotonStar's technology.

- 2.2 The proceeds of the Placing are intended to be used for product range expansion and system development; channel and brand development; and additional working capital.

3. **Placing Statistics**

Number of existing ordinary shares in issue	112,394,651
Price of each placing share	£0.07
Number of placing shares to be issued	31,400,000
Expected proceeds of placing shares (before costs)	£2,198,000
Enlarged share capital following placing	143,794,651

4. **General Meeting**

- 4.1 Please see the notice of General Meeting of the Company, set out in Part I of this document. The General Meeting will take place at 11.00am on Friday 8th August 2014 at Unit 2, The Gateway Building, Tredegar Business Park, Tredegar NP22 3EL. At the General Meeting, the Resolutions set out in Part I of this document will be proposed to Shareholders.

- 4.2 The Special Resolution will be passed if not less than 75% of the votes cast (in person or by proxy) are in favour of it.

5 **Action to be taken**

- 5.1 Shareholders will find a Form of Proxy enclosed for use at the General Meeting. To be valid, the Form of Proxy must be completed and returned as soon as possible and so as to be received by Capita Asset Services no later than 11.00am on Wednesday 6th August 2014. You can return your Form of Proxy by post to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF or deliver by hand to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU .

- 5.2 If you hold your shares in CREST, you may appoint a proxy or proxies by completing and transmitting a CREST Proxy Instruction to Capita Asset Services (CREST Participant ID: RA10) as soon as possible and so that it is received by no later than 11.00am on Wednesday 6th August 2014.

- 5.3 The completion and return of the Form of Proxy or the transmission of a CREST Proxy Instruction will not prevent you from attending and voting at the meeting in person.

6 **Recommendation**

The Board considers in good faith that the raising of funding through the Placing will promote the success of the Company for the benefit of its members as a whole. Accordingly, the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial shareholdings, which are disclosed as 26,595,241 representing 23.66% of the issued capital of the company at the date of this letter.

Yours faithfully,

Drew Nelson
Chairman

