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If you have sold or transferred all your shares in Maoyan Entertainment, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Maoyan Entertainment

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

PROPOSALS FOR

- (1) GRANTING OF GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES,**
- (2) GRANTING OF OPTIONS TO EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY,**
- (3) GRANTING OF ANNUAL MANDATE TO ISSUE SHARES UNDER THE RSU SCHEME,**
- (4) RE-ELECTION OF RETIRING DIRECTORS AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Maoyan Entertainment to be held at No. 3 Building, Yonghe Hangxing Garden, No. 11 Hepingli East Street, Dongcheng District, Beijing, the PRC on Monday, 28 June 2021 at 2:00 p.m. is set out on pages 26 to 31 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.maoyan.com), respectively. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish.

27 April 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at No. 3 Building, Yonghe Hangxing Garden, No. 11 Hepingli East Street, Dongcheng District, Beijing, the PRC on Monday, 28 June 2021 at 2:00 p.m. or any adjournment thereof, the notice of which is set out on pages 26 to 31 of this circular
“Articles of Association”	the articles of association of the Company, conditionally adopted on 11 January 2019 and as amended from time to time
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Cayman Companies Law”	the Companies Law of the Cayman Islands, Cap. 22 (Law 3 of 1961) as amended, supplemented or otherwise modified from time to time
“close associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Company”	Maoyan Entertainment, an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code:1896)
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consolidated Affiliated Entity(ies)”	entities whose financial results have been consolidated and accounted for as subsidiaries of the Company by virtue of the Contractual Arrangements
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, the WFOE, Tianjin Maoyan Weying and the Registered Shareholders (as defined in the Prospectus)

DEFINITIONS

“core connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Enlight Holdings”	Enlight Holdings Limited (光線控股有限公司)
“Enlight Media”	Beijing Enlight Media Co., Ltd. (北京光線傳媒股份有限公司), a company listed on the Shenzhen Stock Exchange (SSE Stock Code: 300251) and the Company’s substantial shareholder
“Grant Date”	19 January 2021, being the date on which the Grant was conditionally approved by the Board
“Group”	The Company, its subsidiaries and the Consolidated Affiliated Entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	in the case of the Grant, the Shareholders other than Mr. Zheng Zhihao (鄭志昊) and Rhythm Brilliant Limited, which is wholly owned by Mr. Zheng
“Latest Practicable Date”	19 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	4 February 2019, the date on which the Shares became listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maoyan Pictures”	Tianjin Maoyan Pictures Co., Ltd. (天津貓眼影業有限公司), a company incorporated under the laws of the PRC on 8 June 2015 with limited liability and a Consolidated Affiliated Entity

DEFINITIONS

“Maoyan Technology” or “WFOE”	Tianjin Maoyan Weying Technology Co., Ltd. (天津貓眼微影科技有限公司), a company incorporated under the laws of the PRC on 5 February 2018 with limited liability and a wholly owned subsidiary of the Company
“Meituan”	Meituan (美團) (SEHK Stock Code: 3690), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 15, 2015, or Meituan and its subsidiaries and consolidated affiliated entities, as the case may be
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
“Proposed Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the number of issued shares of the Company as at the date of passing the relevant resolution granting the Proposed Issue Mandate
“Proposed Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to repurchase Shares not exceeding 10% of the number of issued shares of the Company as at the date of passing of the relevant resolution granting the Proposed Repurchase Mandate
“Prospectus”	the prospectus of the Company dated 23 January 2019
“RMB”	Renminbi yuan, the lawful currency of the PRC
“RSU(s)”	a restricted shares unit conferring the grantee a conditional right upon vesting of the RSU Award to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting
“RSU Award(s)”	an award of RSUs granted pursuant to the RSU Scheme
“RSU Scheme”	the restricted share unit scheme adopted by the Company on 23 July 2018 and the details of which are disclosed in the Prospectus

DEFINITIONS

“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00002 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Shenzhen Stock Exchange” or “SSE”	Shenzhen Stock Exchange (深圳證券交易所)
“Stock Exchange” or “SEHK”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the same meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“Tencent”	Tencent Holdings Limited (SEHK Stock Code: 700), or Tencent Holdings Limited and/or its subsidiaries, as the case may be
“Tianjin Maoyan Weying”	Tianjin Maoyan Weying Cultural Media Co., Ltd. (天津貓眼微影文化傳媒有限公司), formerly known as Tianjin Maoyan Cultural Media Co., Ltd. (天津貓眼文化傳媒有限公司), a company incorporated under the laws of the PRC with limited liability and a Consolidated Affiliated Entity, which is a holding company of all the other Consolidated Affiliated Entities of the Group
“US\$”	United States dollars, the lawful currency of the United States of America

DEFINITIONS

“Weying Acquisition”	the acquisitions of Beijing Weige Shidai Entertainment Technology Co., Ltd. (北京微格時代娛樂科技有限公司) by the Company completed in September 2017, for details, please refer to “History and Reorganization – Material Shareholding Change And Pre-IPO Investments – Pre-IPO Investment by Linzhi Lixin and Acquisition of Beijing Weige Shidai” in the Prospectus
“%”	Per cent

LETTER FROM THE BOARD



Maoyan Entertainment

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

Executive Director:

Mr. Zheng Zhihao (*Chief Executive Officer*)

Non-executive Directors:

Mr. Wang Changtian (*Chairman*)

Ms. Li Xiaoping

Ms. Wang Jian

Mr. Cheng Wu

Mr. Chen Shaohui

Mr. Lin Ning

Mr. Tang Lichun, Troy

Independent non-executive Directors:

Mr. Wang Hua

Mr. Chan Charles Sheung Wai

Mr. Yin Hong

Ms. Liu Lin

Registered office:

Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

Principal place of business

in Hong Kong:

40th Floor,

Dah Sing Financial Centre,

No. 248 Queen's Road East

Wanchai

Hong Kong

27 April 2021

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR

(1) GRANTING OF GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES,

(2) GRANTING OF OPTIONS TO EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY,

(3) GRANTING OF ANNUAL MANDATE TO ISSUE SHARES UNDER THE RSU SCHEME,

(4) RE-ELECTION OF RETIRING DIRECTORS AND

(5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (i) the granting to the Directors of the Proposed Issue Mandate and the Proposed Repurchase Mandate, (ii) the granting of Options (as defined below) to executive Director and chief executive officer of the Company, (iii) the granting to the Directors of the RSU Annual Mandate (as defined below), and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

In order to ensure greater flexibility for the Company to issue new Shares, an ordinary resolution numbered 4(A) will be proposed at the Annual General Meeting to grant to the Directors the Proposed Issue Mandate to exercise the powers of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the number of issued shares of the Company as at the date of the passing of the relevant resolution in relation to the Proposed Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,139,107,201 Shares. Subject to the passing of the ordinary resolution numbered 4(A) granting the Proposed Issue Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 227,821,440 Shares.

In addition, subject to a separate approval of the ordinary resolution numbered 4(C), the number of Shares purchased by the Company under the ordinary resolution numbered 4(B) granting the Proposed Repurchase Mandate, if approved by the Shareholders at the Annual General Meeting, will also be added to extend the 20% limit of the Proposed Issue Mandate as mentioned in the ordinary resolution numbered 4(A). According to the board resolution, when the board of Directors exercises the general mandate to vote, it shall obtain the consent of more than half of all the present members of the board meeting (including the chairman of the board meeting).

GENERAL MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution numbered 4(B) will be proposed at the Annual General Meeting to grant the Directors the Proposed Repurchase Mandate to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued shares of the Company as at the date of the passing of the relevant resolution in relation to the Proposed Repurchase Mandate. According to the board resolution, when the board of Directors exercises the general mandate to vote, it shall obtain the consent of more than half of all the present members of the board meeting (including the chairman of the board meeting).

An explanatory statement required by the Listing Rules in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

LETTER FROM THE BOARD

GRANT OF OPTIONS (THE “GRANT”)

Reference is made to the announcement of the Company dated 19 January 2021 and 30 March 2021, in relation to, among others, the granting of a total of 15,066,000 options (the “**Options**”) under the post-IPO share option scheme adopted by the Company on 23 July 2018 (the “**Post-IPO Share Option Scheme**”), to Mr. Zheng Zhihao (鄭志昊, “**Mr. Zheng**”), the executive Director and chief executive officer of the Company, representing approximately 1.32% of the total number of Shares in issue as at the Latest Practicable Date, which shall be subject to the acceptance of Mr. Zheng and the approval of Independent Shareholders.

Details of the Options are set out below:

Grant Date	:	19 January 2021
Number of Options granted	:	15,066,000 Options (representing approximately 1.32% of the total number of Shares in issue as at the Latest Practicable Date)
Consideration and exercise price of the Option	:	Pursuant to Post-IPO Share Option Scheme, RMB1 shall be payable by Mr. Zheng upon the acceptance of the Options.

The exercise price of the Options is HK\$13.136, which is the highest of: (i) the closing price of HK\$12.84 per Share as stated in daily quotations sheet of the Stock Exchange on the Grant Date; (ii) the average closing price of HK\$13.136 per Share as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Grant Date; and (iii) the par value of US\$0.00002 per Share.

Validity period of the Options	:	The validity period of the Options shall be ten years from the Grant Date, subject to the terms of the Post-IPO Share Option Scheme.
Vesting Schedule	:	up to 25% of the total Options (i.e. 3,766,500 Shares) could be vested in each of 2022, 2023, 2024 and 2025 (each a “ Batch of Options ”)

LETTER FROM THE BOARD

Vesting condition and performance benchmarks : The performance target for the year ending 31 December 2021 is determined with reference to the adjusted net profit of the Company and represents approximately 120%-150% of the adjusted net profit of the Company for the year ended 31 December 2019, and the performance targets for each of the years ending 31 December 2022, 2023, 2024 represents an annual increase ranging between 15%-25% as compared with the performance target of the previous year (collectively, the “**Performance Targets**”). Each Batch of Options will be fully vested if more than or equal to 80% of the corresponding Performance Targets are satisfied. If the actual adjusted net profit of the Company for the corresponding year (the “**Actual Performance**”) is lower than 80% of the Performance Targets, the Options in the relevant Batch of Options will only vest in a fewer amount commensurate to the Actual Performance of the Company. No Options will be vested if the Actual Performance is lower than 50% the Performance Targets.

The Remuneration Committee will be responsible for monitoring the performance targets and ascertaining whether or not the performance targets for the relevant Batches of Options are met.

The Shares to be allotted upon the exercise of the Options shall rank *pari passu* in all respects with all Shares in issue on the date of allotment, and shall have the same voting rights, rights in respect of any dividend or other distributions paid or made on or after the date of issue, rights of transfer and other rights, including those arising on liquidation of the Company as attached to the Shares in issue on the date of such allotment. Such Shares will be subject to all the provisions of the Articles of Association in force. The Options themselves, however, do not carry any right to voting, dividend, transfer or other rights (including those arising on a liquidation of the Company) prior to their being exercised and the underlying Shares being issued.

No other share option or any other equity incentive in implementation of the Company has been granted to Mr. Zheng prior to the Grant. None of the Directors is a trustee of the Post-IPO Share Option Scheme nor has a direct or indirect interest in the trustee(s) of the Post-IPO Share Option Scheme.

The Grant has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules on 19 January 2021. Mr. Zheng has abstained from voting in the relevant Board meeting approving the resolution(s) relating to the Grant.

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.03(4) of the Listing Rules, where any grant of share options to a participant would result in the shares issued and to be issued upon exercise of all share options granted and to be granted to such person (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares in issue, such grant of share options must be separately approved by shareholders of the listed issuer in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

LETTER FROM THE BOARD

Given that the total number of Shares to be issued upon exercise of the Options to be granted to Mr. Zheng, may in a 12-month period exceed 1% of the Shares in issue, pursuant to the Listing Rules, the grant of the Options to Mr. Zheng is conditional upon the approval by the Independent Shareholders at the AGM. Mr. Zheng and his associates shall abstain from voting on the resolution in relation to the Grant at the AGM.

As at the Latest Practicable Date, other than the Options conditionally granted to Mr. Zheng for the subscription of 15,066,000 Shares (representing approximately 1.32% of the Shares in issue as at the Latest Practicable Date), Mr. Zheng and Rhythm Brilliant Limited, which is wholly-owned by Mr. Zheng are interested in 4,872,539 and 19,277,225 Shares of the Company, respectively, representing a total of 2.12% of the Shares in issue as at the Latest Practicable Date. Therefore, Mr. Zheng and his associate, Rhythm Brilliant Limited, shall abstain from voting on the resolution in relation to the Grant at the AGM. Save for the aforementioned, no other Shareholders are required to abstain from voting on the resolutions in relation to the Grant at the AGM.

As at the Latest Practicable Date, none of the Shareholders who were required to abstain from voting on the resolution in relation to the Grant at the AGM have given the Company notice of their intention to vote against this resolution at the AGM.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY UPON EXERCISE OF THE OPTIONS

As at the Latest Practicable Date, the Company had 1,139,107,201 Shares in issue. The following table shows the change in the shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company assuming the Options are exercised in full by Mr. Zheng and there being no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date:

	As at the Latest Practicable Date		Assuming exercise in full of all the Options	
	Number of Shares held directly or indirectly	Approximate percentage shareholding of the entire issued share capital of the Company	Number of Shares held directly or indirectly	Approximate percentage shareholding of the entire issued share capital of the Company
Connected Person				
Vibrant Wide Limited ⁽¹⁾	277,979,625	24.40%	277,979,625	24.08%
Hong Kong Pictures International Limited ⁽¹⁾	193,486,220	16.99%	193,486,220	16.76%
Image Flag Investment (HK) Limited ⁽²⁾	157,169,260	13.80%	157,169,260	13.62%
Rhythm Brilliant Limited ⁽³⁾	19,277,225	1.69%	19,277,225	1.67%
Mr. Zheng Zhihao	4,872,539	0.43%	19,938,539	1.73%
Ms. Wang Jian	450,000	0.04%	450,000	0.04%
Sub-total	653,234,869	57.35%	668,300,869	57.90%
Public Shareholders (i.e. Shareholders who are not connected persons of the Company)	485,872,332	42.65%	485,872,332	42.10%
Total	1,139,107,201	100%	1,154,173,201	100%

LETTER FROM THE BOARD

- (1) Vibrant Wide Limited and Hong Kong Pictures International Limited directly held 277,979,625 Shares and 193,486,220 Shares in our Company, respectively. Vibrant Wide Limited is owned by Mr. Wang Changtian as to 100% of its equity interests. Hong Kong Pictures International Limited is a wholly-owned subsidiary of Enlight Media, which is owned by Enlight Holdings as to 42.71% of its equity interests according to the public information as of the Latest Practicable Date, which in turn is owned by Mr. Wang Changtian as to 95% of its equity interests. Therefore, Mr. Wang Changtian is deemed to be interested in the 471,465,845 Shares held by Vibrant Wide Limited and Hong Kong Pictures International Limited for purpose of Part XV of the SFO.
- (2) Image Flag Investment (HK) Limited is wholly-owned by Tencent. Therefore, Tencent is deemed to be interested in the 157,169,260 shares held by Image Flag Investment (HK) Limited for purpose of Part XV of the SFO.
- (3) Rhythm Brilliant Limited directly held 19,277,225 Shares in our Company. Rhythm Brilliant Limited is a wholly-owned subsidiary of Mr. Zheng Zhihao. Therefore, Mr. Zheng Zhihao is deemed to be interested in the 19,277,225 Shares held by Rhythm Brilliant Limited for purpose of Part XV of the SFO.

REASONS FOR THE GRANT

The purpose of the Share Option Scheme is to give incentives and rewards to the eligible participants as defined in the Post-IPO Share Option Scheme for their contribution to the Group, and to align the corporate objectives and interests between the Group and its key talents. The Board has taken into consideration of the following factors when determining the Grant:

(i) Mr. Zheng's Background and Qualifications

Mr. Zheng is an executive Director and the chief executive officer of the Company being responsible for the business operation and overall management of the Group and has held directorships and senior management positions at various subsidiaries within the Group, including as a director and the general manager of Tianjin Maoyan Weying since April 2016, and as an executive director, the legal representative as well as the manager of Maoyan Technology since February 2018. Mr. Zheng has extensive experience in the Internet and media industries, please refer to Appendix I for details of biography information of Mr. Zheng.

(ii) Mr. Zheng's contribution to the Group

Mr. Zheng is the main visionary of the Company, who has extensive experience in the Internet and media industries and led the Company to a successful listing on the Main Board of the Stock Exchange in February 2019.

The Company relies on the expertise, experience and leadership ability of our core senior management members, particularly Mr. Zheng, who has been critical to the strategic and overall management of our Company. The Company was spun off from Meituan and operated independently in 2016. Since then, Mr. Zheng has developed a horizontal and vertical development strategy, i.e. the Internet and Comprehensive Entertainment strategy. Under his leadership, the Company has experienced rapid expansion of platform business, fast growth in the businesses of investment and promotion and distribution of films and TV series, as well as continuous improvement and continual innovation in our professional service capabilities;

LETTER FROM THE BOARD

during the period, Mr. Zheng also led the Company to complete the Weying Acquisition, the introduction of strategic partners such as Tencent, the establishment of “Tencent and Maoyan Alliance” and other major events. Under the outstanding leadership of Mr. Zheng, the Company has now become the leading online movie ticketing service provider, the leading domestic movie producer/promoter and distributor, and the leading movie and television information services company. In 2019, the Company turned losses into profits for the first time, with satisfactory revenue contribution and development potential for itself and the shareholders. Under the leadership of Mr. Zheng, the Company will continue to grow firmly in line with the established strategic direction and objective in the future.

(iii) The Remuneration Policy of the Group

The Group’s remuneration policy is based on position, duties and performance of the employees. The employees’ remuneration varies according to their positions, which may include salary, bonus and various subsidies. The Group has adopted the Post-IPO Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The Grant is therefore in line with the Group’s remuneration policy.

(iv) The Board’s view

The Board believes that Mr. Zheng’s vision and leadership are essential for the Company to fulfil its strategic plan. The Board considers that the exercise of the Options depends upon the increase in the adjusted net profit of the Company to be driven by improving the overall management business and performance of the Group at which time all the Shareholders also stand to benefit. The Grant therefore provides an incentive to Mr. Zheng to continue being actively involved in the business operation and overall management of the Group to make the Group more profitable, which will also enhance the value of the Company and the Shareholders.

The Board considers that the grant of Options to Mr. Zheng is an appropriate way to recognise the contribution of Mr. Zheng, also as an incentive for his continuing commitment and contribution to the future growth of the Group which is the purpose of the Options.

RSU ANNUAL MANDATE

The RSU Scheme was adopted by the Company on 23 July 2018. The RSU Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

In accordance with the paragraph 4.4 of the RSU Scheme, an ordinary resolution numbered 4(D) will be proposed at the Annual General Meeting to grant to the Directors an annual mandate specifying (i) the maximum number of new Shares that may be issued upon vesting of the RSU Awards to be granted pursuant to the RSU Scheme, and (ii) that the Board has the power to allot and issue, procure the transfer of, and otherwise deal with such new Shares pursuant to the vesting of the RSU Awards that are granted under the RSU Scheme as and when the RSU Awards vest (the “**RSU Annual Mandate**”), during the period from the Annual General Meeting at which the RSU Annual Mandate is passed until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the end of the period within which the Company is required by any applicable laws or by the Articles of Association to hold its next annual general meeting; and (iii) the date of which such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting (the “**RSU Annual Mandate Period**”).

Pursuant to the ordinary resolution passed by the Shareholders at the last annual general meeting of the Company held on 29 June 2020, an annual mandate for the RSU Scheme of 31,918,285 Shares, representing 2.8% of the number of Shares in issue as at the date of the last annual general meeting of the Company, was given to the Directors. Such annual mandate will lapse at the conclusion of the forthcoming AGM.

Between 29 June 2020 and the Latest Practicable Date, there is no RSU Awards were granted under the RSU Scheme. During the period, 3,488,910 RSU Awards have lapsed and 1,120,068 RSU Awards were vested in accordance with the rules of the RSU Scheme. 1,120,068 Shares have been issued pursuant to the RSU Scheme during the period.

Since the adoption of the RSU Scheme and up to the Latest Practicable Date, 1,120,068 Shares have been issued under the RSU Scheme. Accordingly, the maximum number of new Shares which may be issued upon vesting of the RSU Awards during the RSU Annual Mandate Period will be 30,798,217 Shares, representing approximately 2.7% of the issued Shares as at the Latest Practicable Date.

With respect to the operation of the RSU Scheme, the Company will, where applicable, comply with all the relevant requirements under the Listing Rules.

For a summary of the principal terms of the RSU Scheme, please refer to “Statutory and General Information – D. Employee Incentive Scheme – RSU Scheme” in Appendix VI to the Prospectus.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 109(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

LETTER FROM THE BOARD

In accordance with Article 109(a) of the Articles of Association, Mr. Zheng Zhihao, Ms. Li Xiaoping, Ms. Wang Jian and Mr. Chan Charles Sheung Wai, shall retire by rotation at the AGM and, being eligible, have offered themselves for re-election.

In accordance with Article 113 of the Articles of Association, Mr. Yin Hong shall retire at the AGM and, being eligible, has offered himself for re-election.

The retiring independent non-executive Directors, Mr. Chan Charles Sheung Wai and Mr. Yin Hong, have given a confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The nomination committee of the Company assessed and reviewed the independence of the retiring independent non-executive Directors. The nomination committee of the Company and the Board are of the view that the retiring independent non-executive Directors have satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules.

The nomination committee of the Company has also reviewed and considered each retiring Director's respective experience, skills and knowledge, and recommended to the Board that the re-election of all retiring Directors be proposed for Shareholders' approval at the Annual General Meeting.

Details of the above named Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules. The biographies of the retiring independent non-executive Directors set out in Appendix I to this circular indicate how contribute to the diversity of the Board and the perspectives, skills and experience can bring to the Board.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting, the transfer books and register of members of the Company will be closed from Wednesday, 23 June 2021 to Monday, 28 June 2021, both days inclusive. During the above period, no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Tuesday, 22 June 2021.

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at No. 3 Building, Yonghe Hangxing Garden, No. 11 Hepingli East Street, Dongcheng District, Beijing, the PRC on Monday, 28 June 2021 at 2:00 p.m. Set out on pages 26 to 31 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to the Shareholders to consider and approve (i) the granting to the Directors of the Proposed Issue Mandate and the Proposed Repurchase Mandate, (ii) the granting of Options to executive Director and chief executive officer of the Company, (iii) the granting to the Directors of the RSU Annual Mandate, and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

FORM OF PROXY

A form of proxy is enclosed with this circular for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.maoyan.com), respectively. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude the Shareholders from attending and voting at the Annual General Meeting or any adjournment thereof if they so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the Annual General Meeting shall therefore demand voting on all resolutions set out in the notice of Annual General Meeting by way of poll pursuant to Article 72 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share registered in his name in the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the proposed resolutions for the granting to the Directors of the Proposed Issue Mandate and the Proposed Repurchase Mandate, the granting to the Directors of the RSU Annual Mandate and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. The Board also considers the resolution in relation to the grant of the Options to be in the best interests of the Company and Shareholders as a whole. The Directors (including independent non-executive Directors) therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Your attention is drawn to the “Letter from the Independent Non-executive Directors” in the Appendix III of this circular, which sets out the recommendation of the independent non-executive Directors to the Independent Shareholders as to voting in relation to the resolution to be proposed at the AGM for the approval of the Grant.

Yours faithfully,
By order of the Board
Maoyan Entertainment
Zheng Zhihao
Executive Director

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.

Save as disclosed herein and as at the Latest Practicable Date, none of the following Directors has any interests in Shares within the meaning of Part XV of the Securities and Future Ordinance.

Save as disclosed herein and as at the Latest Practicable Date, none of the following Directors holds any directorships in other listed public companies in Hong Kong or overseas in the last three years.

Save as disclosed herein and as at the Latest Practicable Date, none of the following Directors holds any other positions with the Group.

Save as disclosed herein and as at the Latest Practicable Date, none of the following Directors has any relationship with any other Directors, senior management, substantial or controlling Shareholders.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

DIRECTOR CANDIDATES

Executive Director

Mr. Zheng Zhihao (鄭志昊), aged 51, is an executive Director and the chief executive officer of the Company and has held directorships and senior management positions at various subsidiaries within the Group, including as a director and the general manager of Tianjin Maoyan Weying since April 2016, and as an executive director, the legal representative as well as the manager of Maoyan Technology since February 2018.

Mr. Zheng has extensive experience in the Internet and media industries. From April 2001 to February 2005, Mr. Zheng served as a senior consultant in Microsoft Corporation, a company listed on the NASDAQ (Stock Code: MSFT). From February 2005 to September 2006, Mr. Zheng successively served as senior program manager and group manager in Microsoft (China) Co., Ltd. Shanghai Branch (微軟(中國)有限公司上海分公司). Mr. Zheng then served as a department general manager and vice president of Tencent Technology (Shenzhen) Company Limited (騰訊科技(深圳)有限公司) from September 2006 to April 2015. Mr. Zheng also served as the president and the chief product officer at Dianping Holdings Ltd. between March 2014 and November 2015, responsible for its overall operations and the management of various products, including the development of the movie department and the management of the entertainment business such as the movie ticketing services business, and as the president of the platform business group of Meituan between November 2015 and April 2016, mainly in charge of the management of various products, including the movie ticketing services, product operations and technologies.

Mr. Zheng received a bachelor's degree in applied chemistry from Shandong University (山東大學) in Shandong, the PRC in July 1992 and a master's degree in science from University of Kentucky in Kentucky, the United States, in December 1996.

Mr. Zheng has entered into a service contract with the Company. The initial term for his service contract commenced from 23 January 2019 and shall continue for three years after or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing. According to the service contract, Mr. Zheng is not entitled to any director's emoluments as an executive Director.

As at the Latest Practicable Date, save for the Options, Mr. Zheng is interested in 24,149,764 Shares of the Company.

Non-Executive Directors

Ms. Li Xiaoping (李曉萍), aged 46, is a non-executive Director of the Company and a director of Tianjin Maoyan Weying since September 2017. Ms. Li also holds directorships and senior management positions at various companies in the media industry where she has served as a deputy general manager of Enlight Media since October 1999 and as its director since July 2009, as the president of Beijing Enlight Pictures Co., Ltd. (北京光線影業有限公司) since March 2011, and also as a director of various other subsidiaries of Enlight Media including Beijing Chuanmei Zhiguang Advertising Co., Ltd. (北京傳媒之光廣告有限公司) and Beijing Enlight Yishi Internet Technology Co., Ltd. (北京光線易視網絡科技有限公司). Ms. Li also holds directorships at Beijing Tianshen Hudong Technology Co., Ltd. (北京天神互動科技有限公司) since July 2013 and Beijing Duomi Online Technology Co., Ltd. (北京多米在線科技股份有限公司) since May 2016.

Previously, Ms. Li served as a director at Dalian Zeus Entertainment Co., Ltd. (大連天神娛樂股份有限公司), a company listed on the Shenzhen Stock Exchange (SSE Stock Code: 002354) between December 2014 and December 2017.

Ms. Li has entered into an appointment letter with the Company. The initial term for his appointment letter commenced from 23 January 2019 and shall continue for three years after or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. According to the appointment letter, Ms. Li is not entitled to any director's emoluments as a non-executive Director.

As at the Latest Practicable Date, Ms. Li does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Wang Jian (王犖), aged 49, is a non-executive Director of the Company and holds directorships and senior management positions at various companies within the Group, including as a director of Tianjin Maoyan Weying since July 2016, as an executive director and the manager of Maoyan Pictures since August 2016, and as an executive director, the general manager as well as the legal representative of Beijing Maoyan Cultural Media Co., Ltd. (北京貓眼文化傳媒有限公司) since August 2016. Currently Ms. Wang also holds directorships and senior management positions at various subsidiaries of Enlight Media, including as a director and the general manager of Shannan Enlight Pictures Co., Ltd. (山南光線影業有限公司) since August 2017. Ms. Wang has also served as a director at Enlight Holdings since January 2009.

Previously, Ms. Wang served as the chief financial officer of Enlight Media from June 2000 to September 2011 and from August 2012 to August 2018. She also served as a board secretary of Enlight Media from July 2009 to February 2016.

Ms. Wang received her associate's degree in foreign trade and economy from Dalian Institute of Economy and Management (遼寧省大連經濟管理學院) in Liaoning, the PRC in July 1992.

Ms. Wang has entered into an appointment letter with the Company. The initial term for her appointment letters commenced from 23 January 2019 and shall continue for three years after or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. According to the appointment letter, Ms. Wang is not entitled to any director's emoluments as a non-executive Director.

As at the Latest Practicable Date, Ms. Wang is interested in 450,000 shares of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Charles Sheung Wai (陳尚偉), aged 67, has been appointed as an independent non-executive Director of the Company on August 22, 2018, effective in January 2019.

Mr. Chan holds directorships in various companies. Since July 2012, Mr. Chan has served as an independent non-executive director of SRE Group Ltd. (上置集團有限公司), a company listed on the Stock Exchange (Stock Code: 1207). Since 31 January 2021, Mr. Chan has served as an independent non-executive director of Sun Art Retail Group Limited (高鑫零售有限公司), a company listed on the Stock Exchange (Stock Code: 6808). Since June 2019, Mr. Chan has served as an independent non-executive director of Hansoh Pharmaceutical Group Company Limited (翰森製藥集團有限公司), a company listed on the Stock Exchange (Stock Code: 3692). Between September 2013 and April 2020, Mr. Chan served as an independent non-executive director of Changyou.com Ltd. (暢遊有限公司), a company listed on the NASDAQ (Stock Code: CYOU). Between May 2016 and May 2019, Mr. Chan served as an independent non-executive director of CITIC Securities Ltd. (中信証券股份有限公司), a company listed on the Stock Exchange (Stock Code: 6030) and Shanghai Stock Exchange (Stock Code: 600030).

Between 1977 and 1994, Mr. Chan worked in Arthur Andersen Canada. Between 1994 and 2002, Mr. Chan served as a partner and head of audit and business advisory division in Arthur Andersen China/Hong Kong, during which he had been a global partner since 1998. Between July 2002 and June 2012, he served as a partner in assurance department of Pricewaterhouse Coopers Zhong Tian CPAs Limited.

Mr. Chan received a bachelor's degree in commerce from University of Manitoba in Manitoba, Canada in May 1977. Mr. Chan has been a Chartered Accountant in Canada and a Certified Public Accountant in Hong Kong since 1980 and 1995, respectively. Mr. Chan was a member of Council, Hong Kong Society of Accountants (now named Hong Kong Institute of Certified Public Accountants). Between 1998 and 2001, he was a member of Listing Committee of the Stock Exchange. Mr. Chan was a member of the First Election Committee for the Hong Kong Legislature in April 1998.

Mr. Chan has entered into an appointment letter with the Company. The initial term for his appointment letter commenced from 23 January, 2019 and shall continue for three years after or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. According to the appointment letter, Mr. Chan is entitled to receive emoluments of HK\$350,000 per annum as determined by the Board as recommended by the Remuneration Committee and with reference to his job responsibility and prevailing market rate.

As at the Latest Practicable Date, Mr. Chan does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Yin Hong (尹紅, alias: Yin Hong (尹鴻)), aged 59, has been appointed as an independent non-executive Director of the Company on 28 October 2020.

Mr. Yin has been serving as a professor of Tsinghua University since 1999. Between December 1984 and August 1986, Mr. Yin served as a teaching assistant of Sichuan University (四川大學). Between September 1989 and August 1999, Mr. Yin served in Beijing Normal University (北京師範大學) with his last position as a professor. Mr. Yin is a well-known film theorist, critic, and planner in China. He has served as a consultant, producer, and art director for a number of film and television works, and concurrently assumes many important positions within several national associations and societies including the vice chairman of the China Literature and Art Critics Association (中國文藝評論家協會) and the vice chairman of the China Film Association (中國電影家協會).

Mr. Yin obtained the bachelor degree in Chinese language and the master degree in modern Chinese literature from Sichuan University (四川大學) in 1982 and 1984, respectively, and the doctoral degree in modern Chinese literature from Beijing Normal University (北京師範大學) in 1989. Mr. Yin received the Special Government Allowances of the State Council (國務院政府特殊津貼) from the State Council of the PRC in 2010 and was awarded the Top Ten Film Workers of Beijing (北京十佳電影工作者) by departments including Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局), Beijing Federation of Literary and Art Circles (北京市文學藝術界聯合會) and Beijing Television Artists Association (北京電視藝術家協會) in 2013.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Yin has entered into an appointment letter with the Company. The initial term for his appointment letter commenced from 28 October 2020 and shall continue for three years after (subject always to re-election as and when required under the Memorandum and Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. According to the appointment letter, Mr. Yin is entitled to receive emoluments of HK\$350,000 per annum as determined by the Board as recommended by the Remuneration Committee and with reference to his job responsibility and prevailing market rate.

As at the Latest Practicable Date, Mr. Yin does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,139,107,201 Shares of nominal value of US\$0.00002 each. Subject to the passing of the resolution granting of the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 113,910,720 Shares representing 10% of the number of issued shares of the Company during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company or (ii) the expiration of the period with which the next annual general meeting of the Company is required to be held by any applicable laws or the Articles of Association or (iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS AND FUNDING OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The grant of the Proposed Repurchase Mandate will provide the Directors with flexibility to repurchase Shares when it is in the interest of the Company to do so.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association and the Cayman Companies Law. The Cayman Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Cayman Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Cayman Companies Law. The circumstances for which the Company can apply funds in repurchasing the Share are provided under section 37 of the Cayman Companies Law.

According to article 15(a) of the Articles of Association, subject to the Cayman Companies Law, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which expression as used in the Articles of Association includes redeemable Shares) provided that the manner and terms of purchase have first been authorised by an ordinary resolution of the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the current prevailing market value, it may have a material adverse impact on the working capital and the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates, currently intends to sell any Shares to the Company or its subsidiaries, if the Proposed Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No core connected person, has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Proposed Repurchase Mandate is approved by the Shareholders.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Wang Changtian was interested in approximately 41.39% of our Company's issued share capital through the following entities: (i) Vibrant Wide Limited, which holds approximately 24.40% of the Shares; and (ii) Hong Kong Pictures International Limited, which holds approximately 16.99% of the Shares. In the event that the Directors should exercise in full the Proposed Repurchase Mandate, the shareholding of Mr. Wang Changtian, Vibrant Wide Limited and Hong Kong Pictures International Limited in the Company will be increased to approximately 45.99%, 27.12% and 18.87% of the issued share capital of the Company respectively. To the best knowledge and belief of the Directors, such increase in shareholding of Mr. Wang Changtian would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Proposed Repurchase

Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Proposed Repurchase Mandate.

As disclosed in the Prospectus and the announcement of the Company dated 27 February 2019, the Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, pursuant to which the public float of the Company may fall below 25% of the issued share capital of the Company, to allow a minimum public float of the Company to be 24.78%. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

Month	Highest traded prices HK\$	Lowest traded prices HK\$
2020		
April	10.68	8.65
May	12.86	9.56
June	14.30	11.44
July	15.96	11.84
August	16.04	13.04
September	16.06	12.26
October	13.80	10.74
November	13.40	10.60
December	13.20	10.62
2021		
January	14.42	11.92
February	19.30	12.54
March	15.66	12.22
April (up to the Latest Practicable Date)	14.30	12.68



Maoyan Entertainment

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

27 April 2021

To the Independent Shareholders

Dear Sir or Madam,

**GRANT OF OPTIONS TO EXECUTIVE DIRECTOR
UNDER THE POST-IPO SHARE OPTION SCHEME**

We refer to the circular of Maoyan Entertainment (the “**Company**”) dated 27 April 2021 to the shareholders of the Company (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

This letter sets out our recommendation to the Independent Shareholders as to voting in relation to the resolutions to be proposed at the AGM for the approval of the grant of Options to Mr. Zheng Zhihao (an executive Director and chief executive officer of the Company) on the Grant Date.

Having considered the past contribution by Mr. Zheng Zhihao to the business performance of the Group and as an incentive for his continuing commitment and contribution to the Group in the future, we are of the view that the terms of the Grant is fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM to approve the Grant of Options to Mr. Zheng Zhihao.

Mr. Wang Hua Mr. Chan Charles Sheung Wai Mr. Yin Hong Ms. Liu Lin
Independent Non-executive Directors

NOTICE OF ANNUAL GENERAL MEETING



Maoyan Entertainment

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2021 Annual General Meeting (the “**AGM**”) of Maoyan Entertainment (the “**Company**”) will be held at No.3 Building, Yonghe Hangxing Garden, No.11 Heping East Street, Dongcheng District, Beijing, PRC on Monday, 28 June 2021 at 2:00 p.m. for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and auditor of the Company for the year ended 31 December 2020.
2. (a) To re-elect the following persons as Directors:
 - (i) To re-elect Mr. Zheng Zhihao as an executive Director;
 - (ii) To re-elect Ms. Li Xiaoping as a non-executive Director;
 - (iii) To re-elect Ms. Wang Jian as a non-executive Director;
 - (iv) To re-elect Mr. Chan Charles Sheung Wai as an independent non-executive Director;
 - (v) To re-elect Mr. Yin Hong as an independent non-executive Director;
- (b) To authorize the board of Directors (the “**Board**”) to fix remuneration of the Directors.
3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and authorize the Board to re-authorize the executive Director or the management of the Company to fix remuneration of auditor.

NOTICE OF ANNUAL GENERAL MEETING

4. To consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:

(A) “**THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20 per cent of the number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:

(a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(1) the conclusion of the next annual general meeting of the Company; or

(2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association of the Company to be held; or

(3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting; and

(b) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the capital of the Company whose name appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “**THAT:**

(i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange and, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to purchase its shares at a price determined by the Directors;
- (iii) the number of shares of the Company which are authorized to be purchased by the Directors pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (iv) subject to the passing of each of the paragraphs (i) to (iii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) to (iii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (v) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.”

- (C) “**THAT** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice convening this meeting being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition to the number of issued shares of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the number of issued shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in the notice convening this meeting, provided that such amount shall not exceed 10 per cent of the number of issued shares of the Company as at the date of passing of the said resolutions.”

NOTICE OF ANNUAL GENERAL MEETING

(D) **“THAT**

- (i) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to grant restricted share unit awards (the **“RSU Awards”**) and to allot and issue, procure the transfer of, and otherwise deal with such new Shares pursuant to the vesting of the RSU Awards that are granted under the RSU Scheme as and when the RSU Awards vest be and is hereby approved;
- (ii) the aggregate number of new shares of the Company to be issued under all RSU Awards granted by the Directors pursuant to the approval in paragraph (i) of this resolution shall not exceed 30,798,217 shares of the Company; and
- (iii) for the purpose of this resolution, **“Relevant Period”** shall have the same meaning as assigned to it under paragraph (iv) of Resolution 4(A) in the notice of this meeting of which this resolution forms a part.”

- (E) **“THAT** the grant of Options to Mr. Zheng Zhihao under the Post-IPO Share Option Scheme adopted by the Company on 23 July 2018 to subscribe for 15,066,000 shares in the share capital of the Company at the exercise price of HK\$13.136 per Share and on the terms and conditions set out in the circular to the shareholders of the Company dated 27 April 2021 be and is hereby approved and that any one director of the Company is hereby authorized to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”

By order of the Board
Maoyan Entertainment
Zheng Zhihao
Executive Director

Hong Kong, 27 April 2021

Registered office:
Walkers Corporate Limited
190 Elgin Avenue George Town
Grand Cayman KY1-9008
Cayman Islands

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen’s Road East
Wanchai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) The ordinary resolution numbered 4(C) above will be proposed to the Shareholders for approval provided that the ordinary resolutions numbered 4(A) and 4(B) above are passed by the Shareholders.
- (ii) Any shareholder entitled to attend and vote at the AGM is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote in his stead. A proxy need not be the Shareholders.
- (iii) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, shall be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the AGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person if he is subsequently able to be present.
- (iv) A form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, must be either executed under seal or under the hand of an officer or attorney duly authorized to sign the same.
- (v) In the case of joint holders of any shares, any one of such joint holders may vote at the AGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto. However, if more than one of such joint holders is present at the meeting, either personally or by proxy, the joint holder whose name stands first in the register of members of the Company will alone be entitled to vote in respect of such shares.
- (vi) On a poll, every shareholder present at the AGM shall be entitled to one vote for every fully paid-up share of which he is the holder. The result of such poll shall be deemed to be the resolution of the AGM at which the poll was so required or demanded.
- (vii) Shareholders or their proxies attending the AGM shall be responsible for their own accommodation and travel expenses.
- (viii) For determining the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Wednesday, 23 June 2021 to Monday, 28 June 2021, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending and voting at the AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 22 June 2021.
- (ix) In respect of the ordinary resolution numbered 2 above, Mr. Zheng Zhihao, Ms. Li Xiaoping, Ms. Wang Jian, Mr. Chan Charles Sheung Wai and Mr. Yin Hong shall retire and, being eligible, offered themselves for re-election at the AGM. Details of the above retiring Directors are set out in Appendix I to the accompanied circular of the Company dated 27 April 2021.
- (x) In respect of the ordinary resolution numbered 4(A) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to such general mandate, other than shares which may fall to be allotted and issued upon the exercise of any options granted under the Share Options Schemes of the Company. Approval is being sought from the Shareholders as a general mandate for the purposes of the Listing Rules.
- (xi) In respect of ordinary resolution numbered 4(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders. An explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanied circular of the Company dated 27 April 2021.

As at the date of this notice, the Board of Directors of the Company comprises Mr. Zheng Zhihao as executive Director, Mr. Wang Changtian, Ms. Li Xiaoping, Ms. Wang Jian, Mr. Cheng Wu, Mr. Chen Shaohui, Mr. Lin Ning and Mr. Tang Lichun, Troy as non-executive Directors, and Mr. Wang Hua, Mr. Chan Charles Sheung Wai, Mr. Yin Hong and Ms. Liu Lin as independent non-executive Directors.