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## **SINO-ENTERTAINMENT TECHNOLOGY HOLDINGS LIMITED**

**新娛科控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 6933)**

### **VOLUNTARY ANNOUNCEMENT DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY AND MEMORANDUM OF UNDERSTANDING ON CALL OPTION**

This announcement is made by Sino-Entertainment Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders (the “**Shareholders**”) and potential investors of the Company with updated information in relation to the latest business development of the Group.

#### **DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY**

Reference is made to the announcement of the Company dated 20 October 2021 in relation to the entering into of a memorandum of understanding between Luocheng Dinglian (International) Limited, being an indirect wholly-owned subsidiary of the Company (“**Dinglian (International)**”), and DeFiner Limited (“**DeFiner**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 11 November 2021, Dinglian (International) and DeFiner entered into a subscription agreement (the “**Subscription Agreement**”), pursuant to which Dinglian (International) conditionally agreed to allot and issue to DeFiner an aggregate of 20,176,471 new ordinary shares of Dinglian (International) (the “**JV Shares**”), representing approximately 49% of the enlarged issued share capital of Dinglian (International), at a consideration of HK\$1,442,377 which shall be satisfied by DeFiner in cash (the “**Subscription**”). The consideration was determined with reference to the net asset value of Dinglian (International) as at 30 September 2021.

The Subscription does not constitute a notifiable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Upon completion of the Subscription, Dinglian (International) will become a joint venture of Sino-Entertainment (HK) (as defined below) and DeFiner. Dinglian (International) intends to develop its blockchain technology business, including the development of blockchain games and decentralised finance service platform.

## **MEMORANDUM OF UNDERSTANDING ON CALL OPTION**

On 11 November 2021, Sino-Entertainment (HK) International Holdings Limited (being a direct wholly-owned subsidiary of the Company and the direct holding company of Dinglian (International)) (“**Sino-Entertainment (HK)**”) and DeFiner entered into a non-legally binding memorandum of understanding (the “**Call Option MOU**”), pursuant to which DeFiner indicates its intention to grant to Sino-Entertainment (HK) a call option (“**Call Option**”) under which Sino-Entertainment (HK) (or its specified entity) has the right to purchase and transfer part of or all of the JV Shares held by DeFiner (“**Option Shares**”) upon Dinglian (International) attaining the profit target of HK\$25 million or higher for its net profit for a consecutive 12-month period. Exercise of the Call Option shall be at the full discretion of Sino-Entertainment (HK). The Call Option is exercisable within a 24-month period commencing on the date of the Call Option MOU. The exercise price of the Call Option shall be determined with reference to the then valuation of Dinglian (International) as at the relevant financial account date and the payment terms for the consideration of Option Shares shall be at the discretion of Sino-Entertainment (HK) based on the then actual prevailing conditions and will be in accordance with the relevant applicable law and regulations (including but not limited to the Listing Rules) and the Directors’ and/or Shareholders’ resolution of the Company (if required).

## **INFORMATION OF DEFINER**

As advised by DeFiner, DeFiner is a company incorporated in the British Virgin Islands and is principally engaged in the research and implementation of technologies in relation to blockchain applications. DeFiner was founded by Dr. Zhuang Ziyin, who is an early adopter of blockchain technology application since 2017.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, DeFiner and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules) as at the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Company is principally engaged in mobile game publishing and development. The Company provides publishing services to publishing partners for third party games and publishes its self-developed games.

The Company has been seeking various development opportunities to increase the Group's source of revenue. The Board is optimistic for the prospect relating to gaming and blockchain services outside China. Considering that blockchain technology has been growing rapidly recently, the Board is of the view that the Subscription provides an opportunity for the Group to build scalability in blockchain games and metaverse through complementary cooperation between the Group and DeFiner with its research and technological capabilities in blockchain services. As such, the Board believes that the Subscription is in the interests of the Company and the Shareholders as a whole.

## **OTHER ARRANGEMENTS**

Upon completion of the Subscription, Sino-Entertainment (HK) will enter into a joint venture agreement with DeFiner and Dinglian (International) to confirm details of the cooperation between Sino-Entertainment (HK) and DeFiner on setting up the joint venture (i.e. Dinglian (International)). Currently, the said parties are still in negotiations over details of such cooperation. The Company will make further disclosure and announcement as and when necessary.

**Completion of the Subscription is subject to the satisfaction or waiver of the conditions precedent to the Subscription Agreement. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Sino-Entertainment Technology Holdings Limited**  
**Sui Jiaheng**  
*Chairman and Executive Director*

Hong Kong, 11 November 2021

*As of the date of this announcement, the executive Directors are Mr. Sui Jiaheng and Mr. Li Tao, the non-executive Directors are Mr. Huang Zhigang and Mr. He Shaoning and the independent non-executive Directors are Ms. Zhang Chunmei, Mr. Deng Chunhua and Ms. Chen Nan.*