



Monthly Return for Equity Issuer and Hong Kong Depositary Receipts listed under Chapter 19B of the Exchange Listing Rules on Movements in Securities

For the month ended: 31 August 2022

Status: New Submission

To : Hong Kong Exchanges and Clearing Limited

Name of Issuer: Huayi Tencent Entertainment Company Limited (Incorporated in the Cayman Islands with limited liability)

Date Submitted: 05 September 2022

I. Movements in Authorised / Registered Share Capital

1. Type of shares	Ordinary shares	Class of shares	Not applicable	Listed on SEHK (Note 1)	Yes	
Stock code	00419	Description				
	Number of authorised/registered shares	Par value		Authorised/registered share capital		
Balance at close of preceding month	150,000,000,000	HKD	0.02	HKD	3,000,000,000	
Increase / decrease (-)	0			HKD	0	
Balance at close of the month	150,000,000,000	HKD	0.02	HKD	3,000,000,000	

2. Type of shares	Preference shares	Class of shares	Not applicable	Listed on SEHK (Note 1)	No	
Stock code	N/A	Description				
	Number of authorised/registered shares	Par value		Authorised/registered share capital		
Balance at close of preceding month	240,760,000	HKD	0.01	HKD	2,407,600	
Increase / decrease (-)	0			HKD	0	
Balance at close of the month	240,760,000	HKD	0.01	HKD	2,407,600	

Total authorised/registered share capital at the end of the month: HKD 3,002,407,600

II. Movements in Issued Shares

1. Type of shares	Ordinary shares	Class of shares	Not applicable	Listed on SEHK (Note 1)	Yes	
Stock code	00419	Description				
Balance at close of preceding month			13,560,606,577			
Increase / decrease (-)			24,732,032			
Balance at close of the month			13,585,338,609			

2. Type of shares	Preference shares	Class of shares	Not applicable	Listed on SEHK (Note 1)	No	
Stock code	N/A	Description				
Balance at close of preceding month			0			
Increase / decrease (-)			0			
Balance at close of the month			0			

III. Details of Movements in Issued Shares

(A). Share Options (under Share Option Schemes of the Issuer)

1. Type of shares issuable	Ordinary shares	Class of shares	Not applicable	Shares issuable to be listed on SEHK (Note 1)	Yes		
Stock code of shares issuable (if listed on SEHK) (Note 1)		00419					
Particulars of share option scheme	Number of share options outstanding at close of preceding month	Movement during the month		Number of share options outstanding at close of the month	No. of new shares of issuer issued during the month pursuant thereto (A)	No. of new shares of issuer which may be issued pursuant thereto as at close of the month	The total number of securities which may be issued upon exercise of all share options to be granted under the scheme at close of the month
1). Share Options Scheme	0			0	0	0	1,356,060,657
General Meeting approval date (if applicable)	21 June 2022						

Total A (Ordinary shares): _____ 0

Total funds raised during the month from exercise of options: HKD _____ 0

(B). Warrants to Issue Shares of the Issuer which are to be Listed Not applicable

(C). Convertibles (i.e. Convertible into Issue Shares of the Issuer which are to be Listed) Not applicable

(D). Any other Agreements or Arrangements to Issue Shares of the Issuer which are to be listed, including Options (other than Share Options Schemes)

1. Type of shares issuable	Ordinary shares	Class of shares	Not applicable	Shares issuable to be listed on SEHK (Note 1)	Yes	
Stock code of shares issuable (if listed on SEHK) (Note 1)		00419				
Description			General Meeting approval date (if applicable)	No. of new shares of issuer issued during the month pursuant thereto (D)	No. of new shares of issuer which may be issued pursuant thereto as at close of the month	
1).	<p>On 7 April 2021, the Company and Prowess Investment Limited (“PIL”) entered into the Capital Increase and Acquisition Agreement with Pingtan Xinban Clinic Company Limited (“Pingtan Xinban”, together with its subsidiaries, the “Pingtan Xinban Group”), Shaanxi Yizhinuo Information Technology Company Limited and Mr.WANG Jian, Ms. SHANG Jing, Mr. LIN Jincong and Xi’an Yizhinuo Enterprise Management Partnership (Limited Partnership) (collectively the “Founding Shareholders”), which was supplemented by a supplemental agreement entered into among the Company, PIL, Pingtan Xinban, YZN and the Founding Shareholders on 17 May 2021 and a second supplemental agreement entered into among the Company, PIL, Robust Ocean Limited (a subsidiary of the Company), Beijing Tenghai Boye Health Technology Co., Ltd., Pingtan Xinban, YZN, the Founding Shareholders and Ms. HAN Lihui on 20 December 2021 (the capital increase and acquisition agreement as supplemented from time to time hereinafter referred to as the “Capital Increase and Acquisition Agreement”), with the aim of, among other things, developing its strategic layout in the realms of pharmaceutical and medical care services in the PRC by acquiring equity interest in the Pingtan Xinban Group.</p> <p>Pursuant to the said agreement dated 7 April 2021, the Group acquired 51% equity interest in Pingtan Xinban at the consideration of up to RMB204,000,000 (the full payment of which is subject to certain conditions). Due to certain restrictions of foreign investment in the PRC, pursuant to the said supplemental agreement dated 20 December 2021, the Group transferred its 51% equity interest in Pingtan Xinban to Ms. HAN Lihui and retained 51% equity interest in Maximum Gains Ventures Limited (“MGVL”) which through its subsidiary is contractually entitled to economic interest in Pingtan Xinban Group. Pursuant to the Capital Increase and Acquisition Agreement, the Group further conditionally agreed to acquire the remaining 49% equity interest in MGVL at the consideration of up to RMB196,000,000 (subject to adjustments) (the “Further Acquisition”).</p> <p>Pursuant to the Third Supplemental Agreement dated 12 July 2022, the First Performance Target, Second Performance Target and Payment Terms in relation to the First Consideration Shares and the Second Cash Investment have been amended.</p> <p>The Company will allot and issue the following tranches of new Shares as part of the consideration of and in accordance with the terms and conditions of the Capital Increase and Acquisition Agreement (the “Consideration Shares”) to the Founding Shareholders.</p>		21 June 2022	24,732,032	0	

<p>1. The First Consideration Shares Although the Revised First Performance Target has not yet been fulfilled as at the date of the Third Supplemental Agreement, the parties to the Third Supplemental Agreement agreed to issue the First Consideration Shares at the price of HKD0.529 per Share to the Founding Shareholders. These shares were issued on 4 August 2022.</p> <p>2. The Second Consideration Shares After the satisfaction of the Revised Second Performance Target, RMB50,000,000 shall be paid and settled by the allotment and issue of Shares to the Founding Shareholders.</p> <p>3. The Third Consideration Shares RMB43,000,000 shall be paid and settled by the allotment and issue of Shares to the Founding Shareholders.</p> <p>4. The Fourth Consideration Shares After the completion of the Further Acquisition, RMB19,600,000 shall be settled by the allotment and issue of Shares to the Founding Shareholders.</p> <p>5. The Fifth Consideration Shares After the satisfaction of the Guaranteed Profits (i.e. the consolidated net profits after taxation of the Pingtan Xinban Group for the relevant period as reported in accordance with the Hong Kong Financial Reporting Standards being not less than RMB50,000,000) in the first 12 months following the completion of the Further Acquisition and within 60 days after the expiry of the 12-month period following the completion of the Further Acquisition, RMB88,200,000 shall be settled by the allotment and issue of Shares to the Founding Shareholders; and</p> <p>6. The Sixth Consideration Shares After the satisfaction of the Guaranteed Profits during the 13th to the 24th month following the completion of the Further Acquisition and within 60 days after the expiry of the 24-month period following the completion of the Further Acquisition, RMB88,200,000 shall be settled by the allotment and issue of Shares to the Founding Shareholders.</p> <p>As at this monthly return, (i) the Revised First Performance Target, the Revised Second Performance Target and the Guaranteed Profits had not yet been satisfied, and (ii) The First Consideration Shares will be issued under the Capital Increase and Acquisition Agreement.</p> <p>For details, please refer to the Company's announcements dated 7 April 2021, 21 April 2021, 17 May 2021, 20 December 2021, 12 July 2022 and 20 July 2022, Company's Annual Report 2021 and the Company's Next Day Disclosure Return dated 4 August 2022 respectively.</p>			
<p>2). The Board of the Company has granted an aggregate of 77,500,000 Awarded Shares to Grantees under the Share Award Scheme at nil consideration. However, only 62,500,000 Awarded Shares have vested and issued to the Trustee. The Trustee will hold those New Shares in trust for the Grantees and will transfer the New Shares to the Grantees upon expiry of the stages of the Lock-up Period. For details, please refer to the Company's announcement dated 18 May 2022 and the Company's Next Day Disclosure Return dated 6 June 2022.</p>	20 May 2021	0	15,000,000

Total D (Ordinary shares): 24,732,032

(E). Other Movements in Issued Share Not applicable

Total increase / decrease (-) in Ordinary shares during the month (i.e. Total of A to E)	<u>24,732,032</u>
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IV. Information about Hong Kong Depositary Receipt (HDR) Not applicable

V. Confirmations

We hereby confirm to the best knowledge, information and belief that, in relation to each of the securities issued by the issuer during the month as set out in Part III and IV which has not been previously disclosed in a return published under Main Board Rule 13.25A / GEM Rule 17.27A, it has been duly authorised by the board of directors of the listed issuer and, insofar as applicable:

(Note 2)

- (i) all money due to the listed issuer in respect of the issue of securities has been received by it;
- (ii) all pre-conditions for listing imposed by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited under "Qualifications of listing" have been fulfilled;
- (iii) all (if any) conditions contained in the formal letter granting listing of and permission to deal in the securities have been fulfilled;
- (iv) all the securities of each class are in all respects identical (Note 3);
- (v) all documents required by the Companies (Winding Up and Miscellaneous Provisions) Ordinance to be filed with the Registrar of Companies have been duly filed and that compliance has been made with other legal requirements;
- (vi) all the definitive documents of title have been delivered/are ready to be delivered/are being prepared and will be delivered in accordance with the terms of issue;
- (vii) completion has taken place of the purchase by the issuer of all property shown in the listing document to have been purchased or agreed to be purchased by it and the purchase consideration for all such property has been duly satisfied; and
- (viii) the trust deed/deed poll relating to the debenture, loan stock, notes or bonds has been completed and executed, and particulars thereof, if so required by law, have been filed with the Registrar of Companies.

Submitted by: Hau Wai Man

Title: Company Secretary

(Director, Secretary or other Duly Authorised Officer)

Notes

1. SEHK refers to Stock Exchange of Hong Kong.
2. Items (i) to (viii) are suggested forms of confirmation which may be amended to meet individual cases. Where the issuer has already made the relevant confirmations in a return published under Main Board Rule 13.25A / GEM Rule 17.27A in relation to the securities issued, no further confirmation is required to be made in this return.

3. "Identical" means in this context:
 - . the securities are of the same nominal value with the same amount called up or paid up;
 - . they are entitled to dividend/interest at the same rate and for the same period, so that at the next ensuing distribution, the dividend/interest payable per unit will amount to exactly the same sum (gross and net); and
 - . they carry the same rights as to unrestricted transfer, attendance and voting at meetings and rank pari passu in all other respects.
4. If there is insufficient space, please submit additional document.
5. In the context of repurchase of shares:
 - . "shares issuable to be listed on SEHK" should be construed as "shares repurchased listed on SEHK"; and
 - . "stock code of shares issuable (if listed on SEHK)" should be construed as "stock code of shares repurchased (if listed on SEHK)"; and
 - . "type of shares issuable" should be construed as "type of shares repurchased"; and
 - . "issue and allotment date" should be construed as "cancellation date"
6. In the context of redemption of shares:
 - . "shares issuable to be listed on SEHK" should be construed as "shares redeemed listed on SEHK"; and
 - . "stock code of shares issuable (if listed on SEHK)" should be construed as "stock code of shares redeemed (if listed on SEHK)"; and
 - . "type of shares issuable" should be construed as "type of shares redeemed"; and
 - . "issue and allotment date" should be construed as "redemption date"