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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)**

**PROPOSED ISSUE OF NEW SHARES PURSUANT TO  
THE SHARE AWARD PLAN UNDER THE GENERAL MANDATE  
AND  
CONNECTED TRANSACTIONS INVOLVING PROPOSED ISSUE OF  
NEW SHARES TO CONNECTED PERSONS PURSUANT TO THE  
SHARE AWARD PLAN UNDER THE GENERAL MANDATE**

The Board hereby announces that on 12 January 2023, the Board has resolved to provisionally award a total of 9,670,186 Awarded Shares to twenty (20) Awardees under the Share Award Plan which shall be satisfied by the proposed allotment and issue of 9,670,186 new Shares to the Trustee on trust for the Awardees pursuant to the general mandate granted by the Shareholders at the annual general meeting of the Company held on 24 June 2022.

The new Shares, when issued, will rank pari passu among themselves and with the Shares in issue upon allotment of the new Shares. Pursuant to the Share Award Plan, the Trustee however shall not exercise the voting rights in respect of any Shares held in trust. After such allotment, the Trustee will vest the Awarded Shares to the Awardees subject to the terms of the Share Award Plan by three tranches upon satisfaction of the vesting conditions.

Out of 9,670,186 Awarded Shares, 2,285,186 Awarded Shares are provisionally awarded to 17 Awardees who are Eligible Participants and employees of the Group and shall be satisfied by the proposed allotment and issue of 2,285,186 new Shares to the Trustee under the Share Award Plan. Such proposed allotment and issue of the new Shares is conditionally upon the approval of the Listing Committee of the Stock Exchange for the listing of and permission to deal in such new Shares on the Stock Exchange. An application in this respect will be made by the Company to the Stock Exchange. However, the issue of such new Shares is not subject to any further Shareholders' approval.

Out of 9,670,186 Awarded Shares, 7,385,000 Awarded Shares are provisionally awarded to 3 Awardees who are Eligible Participants and Directors of the Company and shall be satisfied by the proposed allotment and issue of 7,385,000 new Shares to the Trustee under the Share Award Plan. As the Connected Awardees are the Directors, they are connected persons of the Company and the awards of the Awarded Shares to them constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Thus, such proposed allotment and issue of new Shares is conditionally upon (i) the passing of ordinary resolutions by the independent Shareholders at a general meeting of the Company; and (ii) the approval of the Listing Committee of the Stock Exchange for the listing of and permission to deal in such new Shares on the Stock Exchange. An application in this respect will be made by the Company to the Stock Exchange.

A Circular containing, among other things, (i) further details of the Proposed Connected Issue; (ii) the recommendation of the Independent Board Committee to the independent Shareholders; (iii) the advice from RaffAello to the Independent Board Committee and the independent Shareholders; and (iv) a notice of the extraordinary general meeting of the Company to be held for considering and approving, if appropriate, the Proposed Connected Issue will be despatched to the Shareholders on or before 7 February 2023.

Reference is made to the announcements of Sino-Entertainment Technology Holdings Limited (the “**Company**”) dated 15 April 2021 and 8 December 2021 (the “**Announcements**”) regarding the adoption of a share award plan and its amendment respectively (the “**Share Award Plan**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

## **AWARD OF AWARDED SHARES UNDER THE SHARE AWARD PLAN**

The Board hereby announces that on 12 January 2023, the Board has resolved to provisionally award a total of 9,670,186 Awarded Shares to twenty (20) Selected Participants (the “**Awardees**”) under the Share Award Plan which shall be satisfied by the proposed allotment and issue of 9,670,186 new Shares (the “**Proposed New Issue**”) to the Trustee on trust for the Awardees pursuant to the general mandate granted by the Shareholders (the “**General Mandate**”) at the annual general meeting of the Company held on 24 June 2022 (the “**AGM**”), under which the maximum number of new Shares that can be allotted and issued are 81,833,526 Shares (being 20% of the total number of the issued shares of the Company as at the date of the AGM). As at the date of this announcement, no new Shares has been issued or allotted under the General Mandate.

The new Shares, when issued, will rank pari passu among themselves and with the Shares in issue upon allotment of the new Shares. Pursuant to the Share Award Plan, the Trustee however shall not exercise the voting rights in respect of any Shares held in trust. After such allotment, the Trustee will vest the Awarded Shares to the Awardees subject to the terms of the Share Award Plan upon satisfaction of the vesting conditions. After the award of the 9,670,186 Awarded Shares, the number of Awarded Shares that are available for future award under the Share Award Plan is 41,883,781.

### **Proposed Issue of New Shares to Employees Pursuant To The Share Award Plan**

Out of 9,670,186 Awarded Shares, 2,285,186 Awarded Shares are provisionally awarded to 17 Awardees who are Eligible Participants and employees of the Group (the “**Non-connected Awardees**”). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Non-connected Awardees are not connected persons of the Company.

The 2,285,186 Awarded Shares represent approximately 0.56% of the Company’s issued Shares as at the date of this announcement and approximately 0.55% of the Company’s issued Shares as enlarged by the issue of the new Shares pursuant to the Proposed New Issue (assuming that there is no change in the share capital of the Company from the date of this announcement up to the date of the Proposed New Issue).

Particulars of the award of the Awarded Shares to Non-connected Awardees are summarised as follows:

Date of the award:	12 January 2023
Relationship with the Company	17 persons, all are employees of the Group
Number of Awarded Shares awarded:	2,285,186 in aggregate, none of the Non-connected Awardees is awarded with Awarded Shares which exceed 1% of the total number of issued Shares as at the date of this announcement
Subscription price:	the Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Share Award Plan by utilising the funds allocated by the Board out of the Company’s resources

Market price of the Awarded Shares on the date of award:	based on the closing price of HK\$1.25 per Shares as quoted on the Stock Exchange as at the date of award, the market value of 2,285,186 Awarded Shares is HK\$2,856,482.50
Vesting period:	three years with (1) 20% of the Awarded Shares shall be vested on 28 December 2023; (2) 30% of the Awarded Shares shall be vested on 28 December 2023; and (3) 50% of the Awarded Shares shall be vested on 28 December 2025 subject to the terms of the Share Award Plan and upon satisfaction of the vesting conditions/performance targets
Vesting conditions/performance targets:	the passing of an annual appraisal during the vesting period to be carried out by the head of the department in which the Non-connected Awardee is employed

The average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange is HK\$1.506 per Share and based on the closing price of HK\$1.25 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of 2,285,186 Awarded Shares provisionally awarded to the Non-connected Awardees is HK\$2,856,482.50.

The proposed allotment and issue of 2,285,186 new Shares to satisfy the award of the 2,285,186 Awarded Shares to the Non-connected Awardees is conditionally upon the approval of the Listing Committee of the Stock Exchange for the listing of and permission to deal in such new Shares on the Stock Exchange. An application in this respect will be made by the Company to the Stock Exchange.

As the issue of the new Shares to satisfy the award of the Awarded Shares to the Non-connected Awardees shall be made pursuant to the General Mandate, the issue of such new Shares is not subject to any further Shareholders' approval.

## Proposed Issue of New Shares to Connected Persons Pursuant To The Share Award Plan

Out of 9,670,186 Awarded Shares, 7,385,000 Awarded Shares are provisionally awarded to 3 Awardees who are Eligible Participants and Directors of the Company (the “**Connected Awardees**”), details of which are summarised as follows:

Name of the Connected Awardees:	Sui Jiaheng	He Shaoning	Li Tao
Date of the award:	12 January 2023	12 January 2023	12 January 2023
Relationship with the Company:	Executive Director and a controlling Shareholder	Non-executive Director	Executive Director
Number of Awarded Shares awarded/approximate percentage of the Awarded Shares in the total number of issued Shares as at the date of this announcement:	4,000,000/0.98%	2,800,000/0.68%	585,000/0.14%
Subscription price:	the Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Share Award Plan by utilising the funds allocated by the Board out of the Company’s resources	the Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Share Award Plan by utilising the funds allocated by the Board out of the Company’s resources	the Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Share Award Plan by utilising the funds allocated by the Board out of the Company’s resources
Market price of the Awarded Shares on the date of award:	based on the closing price of HK\$1.25 per Shares as quoted on the Stock Exchange as at the date of award, the market value of 4,000,000 Awarded Shares is HK\$5,000,000.00	based on the closing price of HK\$1.25 per Shares as quoted on the Stock Exchange as at the date of award, the market value of 2,800,000 Awarded Shares is HK\$3,500,000.00	based on the closing price of HK\$1.25 per Shares as quoted on the Stock Exchange as at the date of award, the market value of 585,000 Awarded Shares is HK\$731,250.00

Vesting period:	three years with (1) 20% of the Awarded Shares shall be vested on 28 December 2023; (2) 30% of the Awarded Shares shall be vested on 28 December 2023; and (3) 50% of the Awarded Shares shall be vested on 28 December 2025 subject to the terms of the Share Award Plan and upon satisfaction of the vesting conditions/ performance targets	three years each year with (1) 20% of the Awarded Shares shall be vested on 28 December 2023; (2) 30% of the Awarded Shares shall be vested on 28 December 2023; and (3) 50% of the Awarded Shares shall be vested on 28 December 2025 subject to the terms of the Share Award Plan and upon satisfaction of the vesting conditions/ performance targets	three years with (1) 20% of the Awarded Shares shall be vested on 28 December 2023; (2) 30% of the Awarded Shares shall be vested on 28 December 2023; and (3) 50% of the Awarded Shares shall be vested on 28 December 2025 subject to the terms of the Share Award Plan and upon satisfaction of the vesting conditions/ performance targets
Vesting conditions/performance targets:	continuing to the contribution to the Group's business and passing the annual appraisal during the vesting period	continuous performance in his role as non-executive Director and discharge his role of governance during the vesting period	continuing to the contribution to the Group's business and passing the annual appraisal during the vesting period

The 7,385,000 Awarded Shares represent approximately 1.80% of the Company's issued Shares as at the date of this announcement and approximately 1.76% of the Company's issued Shares as enlarged by the issue of the new Shares pursuant to the Proposed New Issue (assuming that there is no change in the share capital of the Company from the date of this announcement up to the date of the Proposed New Issue).

The average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange is HK\$1.506 per Share and based on the closing price of HK\$1.25 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of 7,385,000 Awarded Shares provisionally awarded to the Connected Awardees is HK\$9,231,250.00.

As the Connected Awardees are the Directors, they are connected persons of the Company and the awards of the Awarded Shares to them constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.



Each of the Connected Awardees has abstained from approving the relevant resolution relating to the award of the Awarded Shares to himself under the Share Award Plan and the proposed allotment and issue of new Shares to the Trustee on trust for himself pursuant to the General Mandate to satisfy such award.

The proposed allotment and issue of 7,385,000 new Shares to satisfy the 7,385,000 Awarded Shares to the Connected Awardees (the “**Proposed Connected Issue**”) is conditionally upon (i) the passing of ordinary resolutions by the independent Shareholders at a general meeting of the Company; and (ii) the approval of the Listing Committee of the Stock Exchange for the listing of and permission to deal in such new Shares on the Stock Exchange. An application in this respect will be made by the Company to the Stock Exchange.

The Company shall put forward, among other things, ordinary resolutions to approve the Proposed Connected Issue and the transactions contemplated therein at an extraordinary general meeting of the Company (the “**EGM**”) for the independent Shareholders’ consideration and approval.

An independent Board committee comprising all the three independent non-executive Directors of the Company (the “**Independent Board Committee**”) has been established to give recommendations to the independent Shareholders on the Proposed Connected Issue. RaffAello Capital Limited (“**RaffAello**”) has been appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the independent Shareholders.

A circular (the “**Circular**”) containing, among other things, (i) further details of the Proposed Connected Issue; (ii) the recommendation of the Independent Board Committee to the independent Shareholders; (iii) the advice from RaffAello to the Independent Board Committee and the independent Shareholders; and (iv) a notice of the EGM to be held for considering and approving, if appropriate, the Proposed Connected Issue will be despatched to the Shareholders on or before 7 February 2023.

Mr. Sui Jiaheng, being a Connected Awardee, and his associates will be required to abstain from voting on the resolution proposed at the EGM to approve the proposed allotment and issue of the new Shares to satisfy the award of the Awarded Shares to him. Save and except Mr. Sui Jiaheng and his associates, to the best knowledge, information and belief of the Directors, no Shareholder is required to abstain from voting on the resolutions to approve the Proposed Connected Issue.

Assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the date of the Proposed New Issue, the Company will be able to comply with the public float requirement under the Listing Rules immediately after the Proposed New Issue.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

## **REASONS FOR THE AWARD OF THE AWARD SHARES**

The Share Award Plan forms part of the incentive schemes of the Group. The Board considers that the award of the Awarded Shares to the Awardees is to recognise and reward their contribution to the growth and development of the Group and to retain them for the continual operation and development of the Group.

The 9,670,186 new Shares to be issued and allotted for satisfying the award of the 9,670,186 Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Share Award Plan. The Company will bear the relevant cost and no new funds will be raised.

The Directors (excluding the members of the Independent Board Committee whose views will be set out in the Circular) are of the view that the terms of the Proposed Connected Issue are fair and reasonable and are in the interests of the Company and the Shareholders as well as the independent Shareholders as a whole.

## **GENERAL INFORMATION**

The Group is principally engaged in publishing and development of mobile games in the People's Republic of China.

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

Hong Kong, 12 January 2023

*As at 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. Pang Xia, Mr. Deng Chunhua and Ms. Chen Nan.*