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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sino-Entertainment Technology Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

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

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



RaffAello Capital Limited

A letter from the Board is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee, containing its recommendation to the Independent Shareholders, is set out on pages 12 to 13 of this circular, and a letter of advice from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 37 of this circular.

The notice convening the EGM at Unit 703, Tai Sang Bank Building, 130-132 Des Voeux Road Central, Hong Kong on Friday, 3 March 2023 at 4:00 p.m., is set out on pages 43 to 45 of this circular. A proxy form for use at the EGM is also enclosed.

Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders NOT to attend the EGM in person, and advises Shareholders to appoint the Chairman of the EGM or any Director or the Company Secretary of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the EGM in person.

16 February 2023

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PRECAUTIONARY MEASURES FOR THE EGM

In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of Shareholders, the Company will implement the following precautionary measures at the meeting venue:

1. Compulsory temperature screening/checks will be carried out on every attendee at the entrance of the meeting venue. Any person with a body temperature above 37.3 degrees Celsius or the reference point announced by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the meeting venue and requested to leave the meeting venue;
2. Every attendee will be required to wear a surgical face mask at the meeting venue and throughout the entire meeting and to sit at a distance from the other attendees. Please note that no surgical face masks will be provided at the meeting venue and attendees should bring and wear their own masks;
3. No refreshment, drinks, corporate gifts or gift coupons will be provided to the attendees at the meeting; and
4. Any other arrangement as required to be implemented for compliance with the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F of the laws of Hong Kong) and the Prevention and Control of Disease (Prohibition on Gathering) Regulation (Chapter 599G of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time.

To the extent permitted under law, the Company reserves the right to deny entry of any attendees into the meeting venue or require any person to leave the meeting venue so as to ensure the health and safety of the other attendees at the EGM.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. Shareholders should check the websites of the Company and the Stock Exchange for further announcements and updates on the EGM arrangements, if any.

If any Shareholder has any questions relating to precautionary measures of the EGM, please contact Customer Service Hotline of the Company's branch share registrar, Tricor Investor Services Limited at (852) 2980 1333 from 9:00 a.m. to 6:00 p.m., Monday to Friday (excluding Hong Kong public holidays).

DEFINITIONS

In this circular, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Award”	a provisional award of Awarded Shares made in accordance with the Share Award Plan
“Awarded Share(s)”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Sino-Entertainment Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange (Stock Code: 6933)
“Connected Awardees”	Mr. Sui Jiaheng, Mr. Li Tao (both being executive Directors) and Mr. He Shaoning (being a non-executive Director), all being connected persons of the Company under the Listing Rules
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	has the meaning as defined in the Share Award Plan

DEFINITIONS

“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit approve, among other things, the Proposed Connected Issue
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 24 June 2022 to allot and issue up to 81,833,526 Shares (being 20% of the total number of the issued shares of the Company as at the date of such annual general meeting)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee established by the Board comprising all the three independent non-executive Directors established for the purpose of advising the Independent Shareholders on the Proposed Connected Issue
“Independent Financial Adviser”	RaffAello Capital Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Connected Issue
“Independent Shareholders”	independent Shareholders other than Mr. Sui Jiaheng and his associates
“Latest Practicable Date”	13 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Connected Issue”	the proposed allotment and issue of 7,385,000 new Shares pursuant to the General Mandate to the Trustee on trust for the Connected Awardees to satisfy the award of 7,385,000 Awarded Shares to the Connected Awardees under the Share Award Plan
“Selected Participant(s)”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the law of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Award Plan”	the share award plan adopted by the Company on 15 April 2021 as amended on 8 December 2021. For more details, please refer to the announcements issued by the Company on 15 April 2021 and 8 December 2021 respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	Tricor Trust (Hong Kong) Limited or such other trustee or trustees as shall be appointed by the Company from time to time
“US\$”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Sui Jiaheng (*Chairman*)
Mr. Li Tao

Non-executive Directors:

Mr. Huang Zhigang
Mr. He Shaoning

Independent non-executive Directors:

Ms. Pang Xia
Mr. Deng Chunhua
Ms. Chen Nan

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Suite No. 2, 3/F
Sino Plaza
255 Gloucester Road
Causeway Bay
Hong Kong

16 February 2023

To the Shareholders

Dear Sir/Madam,

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

1. INTRODUCTION

Reference is made to the announcement and the supplemental announcement of the Company dated 12 and 16 January 2023 respectively regarding, among other things, the provisional award by the Board of a total of 9,670,186 Awarded Shares to 20 awardees, out of which 7,385,000 Awarded Shares are provisionally awarded to the Connected Awardees under the Share Award Plan which shall be satisfied by the Proposed Connected Issue.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other matters, (i) information on the Proposed Connected Issue in accordance with the requirements of the Listing Rules; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Connected Issue; and (iv) a notice of the EGM.

2. PROPOSED ISSUE OF NEW SHARES TO CONNECTED PERSONS PURSUANT TO THE SHARE AWARD PLAN

On 12 January 2023, the Board has resolved to provisionally award a total of 9,670,186 Awarded Shares to 20 awardees, out of which 7,385,000 Awarded Shares are provisionally awarded to the Connected Awardees under the Share Award Plan which shall be satisfied by the proposed allotment and issue of 7,385,000 new Shares pursuant to the General Mandate to the Trustee on trust for the Connected Awardees. Under the General Mandate, 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 annual general meeting at which the General Mandate was granted by the Shareholders to the Board). As at the Latest Practicable Date, no new Shares has been issued or allotted under the General Mandate. After the allotment and issue of 9,670,186 new Shares for satisfaction of the 9,670,186 Awarded Shares, the number of new Shares available for allotment and issue under the General Mandate shall be 72,163,340 Shares.

Each of the Connected Awardees has abstained from approving the relevant board 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.

Details of the provisional award of the Awarded Shares to the Connected Awardees are as follows:

Name of the Connected Awardees	:	Sui Jiaheng	He Shaoning	Li Tao
Date of 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

LETTER FROM THE BOARD

<p>Number of Awarded Shares awarded/approximate percentage of the Awarded Shares in the total number of issued Shares as at the Latest Practicable Date</p>	<p>: 4,000,000 / 0.98%</p>	<p>2,800,000 / 0.68%</p>	<p>585,000 / 0.14%</p>
<p>Subscription price</p>	<p>: 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</p>	<p>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</p>	<p>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</p>
<p>Market price of the Awarded Shares on the date of award</p>	<p>: 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</p>	<p>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</p>	<p>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</p>
<p>Vesting period</p>	<p>: three years upon satisfaction of the vesting conditions 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 2024; 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</p>	<p>three years upon satisfaction of the vesting conditions 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 2024; 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</p>	<p>three years upon satisfaction of the vesting conditions 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 2024; 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</p>

LETTER FROM THE BOARD

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

There is no specific requirement on the length of the vesting period under the Share Award Plan. In reviewing the vesting period, the Remuneration Committee of the Company was of the view that since the vesting of the Awarded Shares shall be made by three tranches with 50% of the Awarded Shares be vested three years later, that is, on 28 December 2025, there is sufficient safeguard to retain the Connected Awardees even though the vesting of the first tranche of the Awarded Shares (which is 20%) is less than 12 months from the date of award.

The 7,385,000 Awarded Shares represent approximately 1.80% of the Company's issued Shares as at the Latest Practicable Date and approximately 1.76% of the Company's issued Shares as enlarged by the issue of 7,385,000 new Shares.

All the new Shares to be issued pursuant to the Proposed Connected Issue will rank pari passu in all respects with all existing Shares presently in issue and at the time of allotment and issue of such 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.

The average closing price of the Shares for the five consecutive trading days immediately preceding the Latest Practicable Date as quoted on the Stock Exchange is HK\$0.898 per Share and based on the closing price of HK\$0.800 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of 7,385,000 Awarded Shares provisionally awarded to the Connected Awardees is HK\$5,908,000.

Conditions of the Proposed Connected Issue

The Proposed Connected Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Independent Shareholders to approve the Proposed Connected Issue at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the Proposed Connected Issue on the Stock Exchange.

The Company shall make an application to the Stock Exchange accordingly.

LETTER FROM THE BOARD

3. EFFECT OF THE PROPOSED CONNECTED ISSUE ON THE SHAREHOLDING OF THE COMPANY

The share capital and shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Proposed Connected Issue are as follows (except for the Awarded Shares to the non-connected awardees under the Share Award Plan as announced on 12 January 2023, assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date up to the date of the Proposed Connected Issue):

Name of Shareholders	Shareholding as at the Latest Practicable Date		Shareholding immediately upon the Proposed Connected Issue	
	Number of issued Shares	Appropriate percentage %	Number of issued Shares	Appropriate percentage %
Mr. Sui Jiaheng ⁽¹⁾	158,900,000 ⁽¹⁾	38.84	162,900,000	38.89
Mr. Huang Zhigang ⁽²⁾	22,740,000 ⁽²⁾	5.56	22,740,000 ⁽²⁾	5.43
Mr. He Shaoming ⁽³⁾	—	—	2,800,000	0.67
Mr. Li Tao ⁽⁴⁾	—	—	585,000	0.14
Non-connected awardees under the Share Award Plan	—	—	2,285,186	0.55
Other public Shareholders	227,527,630	55.60	227,527,630	54.32
Total	409,167,630	100.00	418,837,816	100

Notes:

- (1) Mr. Sui is an executive Director and one of the Connected Awardees. The Shares are held through Sun JH Holding Ltd. of which Mr. Sui is its sole shareholder.
- (2) Mr. Huang is a non-executive Director. The Shares are held through HX Tech Holdings Limited and LYZ Tech Holding Ltd., which hold 12,960,000 Shares and 9,780,000 Shares, respectively, of which Together Win Capital (Holdings) Co., Ltd is their control entity and Mr. Huang is the sole shareholder of Together Win Capital (Holdings) Co., Ltd.
- (3) Mr. He is a non-executive Director and one of the Connected Awardees.
- (4) Mr. Li is an executive Director and one of the Connected Awardees.

LETTER FROM THE BOARD

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

4. REASONS FOR THE AWARD OF THE AWARD SHARES

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

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 Connected 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 7,385,000 new Shares to be issued and allotted for satisfying the award of the 7,385,000 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.

5. 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.

6. IMPLICATIONS UNDER THE LISTING RULES

As the Connected Awardees are the Directors, they are connected persons of the Company under the Listing Rules and the Proposed Connected Issue constitutes connected transaction of the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

7. THE EGM

A notice of the EGM is set out from pages 43 to 45 of this circular. The EGM will be convened at 4:00 p.m. on Friday, 3 March 2023 at Unit 703, Tai Sang Bank Building, 130-132 Des Vieux Road Central, Hong Kong for the purpose of considering, and if thought fit, the approving the Proposed Connected Issue.

LETTER FROM THE BOARD

In compliance with the Listing Rules, the resolution will be voted by way of poll at the EGM.

Mr. Sui Jiaheng, being a Connected Awardee, and his associates holding 38.84% of the share capital of the Company as at the Latest Practicable Date 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 of the Directors' knowledge, information and belief having made all reasonable enquiries, no Directors and Shareholders has a material interest in the Proposed Connected Issue who is required to abstain from voting on the resolutions to be proposed at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

8. RECOMMENDATION

The Board is of the view that the terms of the Proposed Connected Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

9. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 12 to 13 of this circular in respect of its recommendation to the Independent Shareholders and the letter from the Independent Financial Adviser set out on pages 14 to 37 of this circular in respect of its advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Connected Issue.

LETTER FROM THE BOARD

10. MISCELLANEOUS

The English text of this circular and the accompanying proxy form shall prevail over the Chinese text in case of inconsistency.

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



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)

16 February 2023

To: the Independent Shareholders

Dear Sir/Madam,

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

We refer to the circular (the “**Circular**”) dated 16 February 2023 issued by the Company to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether, in its opinion, the Proposed Connected Issue is fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same respect.

We wish to draw your attention to the letter from the Board as set out on pages 4 to 11 of the Circular and the letter from the Independent Financial Adviser as set out on pages 14 to 37 of the Circular, which contains advice and recommendation in respect of the Proposed Connected Issue.

Having considered the terms of the Proposed Connected Issue, the advice and recommendation of the Independent Financial Adviser, we consider that the Proposed Connected Issue is not conducted in the ordinary and usual course of business of the Company and the terms of the Proposed Connected Issue are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, had the Proposed Connected Issue and the transactions contemplated thereby been required to be put forward for consideration and approval at a general meeting of the Company, we would recommend that you to approve them.

Yours faithfully,

Independent Board Committee
Sino-Entertainment Technology Holdings Limited

Ms. Pang Xia
Independent non-executive Director

Mr. Deng Chunhua
Independent non-executive Director

Ms. Chen Nan
Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from RaffAello Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Connected Issue for the purpose of inclusion in this circular.



7th Floor Central 88
88-98 Des Voeux Road Central
Hong Kong

16 February 2023

To: The Independent Board Committee and the Independent Shareholders of Sino-Entertainment Technology Holdings Limited

Dear Sirs,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the provisionally award of the 7,385,000 Awarded Shares to the Connected Awardees under the Share Award Plan, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 16 February 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 12 January 2023 and the supplemental announcement of the Company dated 16 January 2023. 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. Out of 9,670,186 Awarded Shares, 7,385,000 Awarded Shares are provisionally awarded to 3 Connected 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 on trust under the Share Award Plan. Under the General Mandate, the maximum number of new Shares that can

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 annual general meeting at which the General Mandate was granted by the Shareholders to the Board). As at the Latest Practicable Date, no new Shares has been issued or allotted under the General Mandate.

According to the Letter from the Board, as the Connected Awardees are the Directors and accordingly connected persons of the Company, the Proposed Connected Issue constitutes connected transaction of the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Ms. Pang Xia, Mr. Deng Chunhua and Ms. Chen Nan (all being independent non-executive Directors), has been established to advise the Independent Shareholders on (i) whether the terms of the Proposed Connected Issue are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Proposed Connected Issue is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Proposed Connected Issue at the EGM. We, RaffAello Capital Limited, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company or any of the Connected Awardees. Save for our appointment as the Independent Financial Adviser, we did not act as an independent financial adviser to the Company's other transactions in the past two years. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Proposed Connected Issue, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Announcement and this Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

in all material aspects until the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in this Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in this Circular, or the reasonableness of the opinions expressed by the Group, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in this Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that 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 in this Circular or this Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of this Circular, save and except for this letter.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group and the Connected Awardees or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Connected Issue. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of such information.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposed Connected Issue, we have taken into consideration the following principal factors and reasons:

I. Information of the Group

The Group is principally engaged in mobile game publishing as well as development and sale of customised software and mobile games.

Set out below is a summary of the consolidated financial information of the Group for the six months ended 30 June 2022 and 2021, and the two years ended 31 December 2021 as extracted from the Company's interim report for the six months ended 30 June 2022 (the "**2022 Interim Report**") and the Company's annual report for the year ended 31 December 2021 (the "**2021 Annual Report**"), respectively:

	For the six months ended 30 June 2022 (unaudited) RMB'000	For the six months ended 30 June 2021 (unaudited) RMB'000	For the year ended 31 December 2021 (audited) RMB'000	For the year ended 31 December 2020 (audited) RMB'000
Revenue	10,155	61,735	104,267	240,426
(Loss) profit and total comprehensive (expense) income for the year/period	(19,913)	7,319	(2,950)	56,285

As depicted by the above table, the Group's total revenue reduced from approximately RMB240.43 million for the year ended 31 December 2020 to approximately RMB104.27 million for the year ended 31 December 2021. According to the 2021 Annual Report, the Group was not able to launch and publish any new self-developed game because of the prolonged pre-approval process from the National Press and Publication Administration in the People's Republic of China ("**China**") (the "**NPPA**"), which has led to a significant reduction in revenue. The Group recorded a net loss of approximately RMB2.95 million for the year ended 31 December 2021, as compared with the net profit of approximately RMB56.29 million for the year ended 31 December 2020. Such net loss was mainly attributable to the substantial decrease in revenue from the publishing of

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self-developed games. In addition, compared with the decrease in revenue from publishing of self-developed games, the decrease in revenues from both the publishing of third parties games and the sales of customised games to third parties was also to a lesser extent contributed to such net loss.

The Group's total revenue reduced from approximately RMB61.74 million for the six months ended 30 June 2021 to approximately RMB10.16 million for the six months ended 30 June 2022. The Group's loss for the six months ended 30 June 2022 was approximately RMB19.91 million comparing to net profit of approximately RMB7.32 million for the six months ended 30 June 2021. According to the 2022 Interim Report, such loss is mainly attributable to the substantial decrease in revenue from game publishing as a result of substantial decrease in new games launching in the market due to the prolonged pre-approval process of the NPPA in China.

As stated in the 2021 Annual Report, with the fast-changing nature of the gaming industry, the delay in getting pre-approval had a great impact to the Group's operation. The Group strives to shorten the production lead time by engaging third party subcontractors for artistic solutions and music production which would develop games in a faster rate and with a better quality. The continual prolonged launching pre-approval process from the NPPA and the authority's restriction access policy for the minors to play on-line games cast uncertainty to the mobile gaming industry in China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this letter ("PRC"). At the same time, there are numerous recent events related to the gaming industry outside the PRC with the fast evolving block-chain games, NFTs, etc. The Group would adhere with the prevailing applicable policies and review the Group's business strategy regularly to capture business opportunities in the PRC and aboard. We understand from the Company that all these factors will increase the difficulties of the Group's operations; hence, the management of the Company is expected to encounter more challenges. Should the Company fail to enhance its management ability and to retain talents, the Group's future development may be hindered.

II. Background of the Connected Awardees

Set out below are the biographies and background of Mr. Sui Jiaheng, Mr. He Shaoning and Mr. Li Tao (being the three Connected Awardees) as extracted from the 2021 Annual Report:

Mr. Sui Jiaheng (隋嘉恒), aged 37, is the chairman of the Board and an executive Director primarily responsible for the overall strategic planning and development of the Group and the overall management and operations of the Group. Mr. Sui joined the Group in August 2015 as the vice general manager (sales) of Dinglian Technology and was appointed as an executive director of Dinglian Technology in November 2015. He was appointed as a Director on 18 April 2018 and was redesignated as the chairman of our Board and an executive Director on 3 April 2019. Mr. Sui has

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been a director of Southeast Oriental Gaming Technology Pte. Ltd., a subsidiary of the Company, since August 2021. He has also been a director of Shenzhen Sino Entertainment Information Technology Company Limited (深圳新娛科信息技術科技有限公司), a subsidiary of the Company, since December 2021. Prior to joining the Group, Mr. Sui has over nine years of experience in the consulting industry, where he was exposed to the gaming area and gained substantial skills and knowledge in organising the data collection, analysis and modelling, testing target gaming companies' products, performing forecast of the business development of the companies, as well as giving investment advice to clients. He was a consultant and researcher at Shanghai Hejun Venture Management Consulting Limited* (上海和君創業管理諮詢有限公司) (“**Shanghai Hejun Consulting**”) from September 2004 to June 2006, and worked as a senior consultant and researcher at the company from June 2006 to September 2008. Shanghai Hejun Consulting is principally engaged in market research analysis, business development and data collection. Mr. Sui worked with industries such as technology, entertainment and gaming. During the period from October 2008 to September 2009, Mr. Sui was an assistant to the president of Beijing Hejun Venture Management Consulting Limited* (北京和君創業管理諮詢有限公司) (“**Beijing Hejun Consulting**”). Beijing Hejun Consulting is principally engaged in the provision of management and investment consulting. Mr. Sui was responsible for providing such consulting services in relation to industries including mining, farming, gaming, and real estate industries. Between September 2009 and February 2011, Mr. Sui was the senior manager of Beijing Hejun Venture Capital Management Limited* (北京和君創業資本管理有限公司) (“**Beijing Hejun Capital**”). From February 2011 to October 2013, he was the vice president and partner of Beijing Hejun Capital. Beijing Hejun Capital is principally engaged in consultancy services in investment and financial projects of technology and gaming companies. During Mr. Sui's tenure as the vice president and partner of Beijing Hejun Capital, he participated in a number of domestic and foreign financing, restructuring and merger projects. He founded and invested in Beijing Jia Ri Xian Technology Limited* (北京嘉日鮮科技有限公司), a company principally engaged in innovative information technology in December 2013 and has acted since then as the director. Mr. Sui graduated from Hoosac School, a high school in New York, the US, in June 2001. He attended Boston University, majoring in management, from January 2002 to May 2004 but did not complete the study to pursue a career in the consulting industry with an exposure to the gaming area. Mr. Sui was awarded the Top 10 Outstanding Entrepreneurs in the Gaming Industry* (遊戲行業十大優秀企業家) and the Top 10 Innovative Characters in the Gaming Industry* (遊戲行業十大創新人物) in November 2017, both jointly issued by the China Enterprise Development Association (中國企業發展協會) and the Whole Country Brand Authentication Alliance (全國品牌認證聯盟). He was also awarded with the Innovative Technology Outstanding Leader Award* (科技創新卓越領導者獎) and Innovative Technology Outstanding Result Award* (科技創新成果優秀獎) in December 2017 from the China Association for Quality Evaluation* (中國質量評價協會).

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Mr. He Shaoning (何紹寧), aged 41, is a non-executive Director of the Group, primarily responsible for the day-to-day business management of the Group. He has been the general manager of Luocheng Mulao Autonomous County Dinglian Technology Company Limited* (羅城仫佬族自治縣頂聯科技有限責任公司) (“**Dinglian Technology**”) from December 2014 to April 2021, and has accumulated extensive experience in managing daily operations of Dinglian Technology and is responsible for work related to finance and human resources. He was appointed as director of Dinglian Technology from October 2017 to April 2021. He was appointed as an executive Director and the general manager of the Group from 3 April 2019 to April 2021. Mr. He was redesignated as non-executive Director from executive Director since 15 April 2021. Mr. He is one of the founders of the Group. He has over six years of sales and marketing experience and over four years of business management experience in the mobile game industry. Prior to joining the Group, from January 2002 to April 2007, he worked at Tongyun Business Shopping Mall* (通運商貿購物中心) as a salesperson. Mr. He served as the vice president and marketing director of Luocheng Mulao Autonomous County Wuyuechun Wine Limited* (羅城仫佬族自治縣五月春酒業有限公司) from June 2007 to November 2014. Mr. He graduated from Guangxi Commercial School* (廣西商業學校), majoring in marketing and sales, in June 1998. He was awarded the Personal Science and Technology Innovation Award (個人科技創新獎) jointly by the China Enterprise Development Association (中國企業發展協會) and the Whole Country Brand Authentication Alliance (全國品牌認證聯盟) in November 2017.

Mr. Li Tao (李濤), aged 41, is the chief executive officer and an executive Director. Mr. Li is primarily responsible for the overall business planning and daily management of the Group, including, among others, coordinating the publishing of online games. He joined the Group in January 2017 as the vice general manager of the gaming business department of Dinglian Technology. He was the general manager of the gaming business department of Khorghos Dinglian Interactive Network Technological Company Limited* (霍爾果斯頂聯互動網絡科技有限公司) from January 2018 to January 2019. Mr. Li has been the chief executive officer of Dinglian Technology since February 2018. He was appointed as executive Director on 15 April 2021. Mr. Li has over 15 years of experience in marketing through his exposure to the gaming field and management of technology companies. Prior to joining the Group, Mr. Li worked in the marketing department of Guangzhou Jiexun Communication Technology Limited* (廣州捷訊通信技術有限公司) from September 2002 to April 2008, with the last position as marketing manager. From July 2008 to January 2011, Mr. Li worked on marketing-related matters at Shenzhen Zhengchuang Technology Limited* (深圳市徵創科技有限公司), a company principally engaged in game promotion. Mr. Li worked as the chief marketing officer at Guangzhou Miqi Network Technology Limited* (廣州市覓奇網絡科技有限公司) from November 2011 to July 2013. Mr. Li served as a marketing director of Guangzhou Yinhan Technology Co., Ltd.* (廣州銀漢科技有限公司), a company principally engaged in the provision of mobile value-added services, mass online game development and operation services, from August 2013 to May 2014. During the period from June 2014 to November 2014, Mr. Li was a marketing manager of Guangdong Xinghui Tiantuo

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Interactive Entertainment Limited* (廣東星輝天拓互動娛樂有限公司) (“**Teamtop**”). Teamtop, a wholly-owned subsidiary of Rastar Group (星輝互動娛樂股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 300043), is an integrated platform game company principally engaged in the research, development and distribution of internet games. Mr. Li worked as a general manager of Guangzhou Tianhen Network Technology Limited* (廣州市天痕網絡科技有限公司), a company principally engaged in the information technology services and promotion of games, from July 2015 to July 2016. Mr. Li obtained his diploma in tourism management from Guizhou University of Commerce (貴州商業高等專科學院) in July 2002.

Upon our further enquiry, we also understand from the Company that the Company considers Mr. Sui Jiaheng, Mr. He Shaoning and Mr. Li Tao to be the key personnel for the business and operations of the Group. In addition, under their leadership and with their expertise, the Company achieved the successful listing on the main board of the Stock Exchange in 2020.

Note: The English translation which is marked with “*” is for identification purpose only

III. Background of the Share Award Plan and the Proposed Connected Issue

The Share Award Plan was adopted on 15 April 2021 (as supplemented and amended) with the purpose to recognise and reward the contribution of Eligible Participants to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

In determining the number of Awarded Shares, the Company has considered the respective unique contributions of the Connected Awardees to the Group in the past and their respective potential contribution to the development of the Group. Mr. Sui Jiaheng’s unique contributions to the Group in the past include but not limited to his role in overall strategic planning and development of the Group and his efforts in the overall management and operations of the Group. Mr. He Shaoning’s unique contributions to the Group in the past include but not limited to being one of the founders of the Group, his efforts in day-to-day business management of the Group. Mr. Li Tao’s unique contributions to the Group in the past include but not limited to his role in overall business planning and daily management of the Group and his efforts in coordinating the publishing of online games. All of the unique contributions of the respective Connected Awardees have been crucial to the development of the Group, and are regarded to be significant drivers behind the Group’s successful listing on the Stock Exchange in 2020. Since the listing, the Connected Awardees continued to contribute to the development of the Group through their leadership in the Group’s operations.

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As stated in the 2021 Annual Report, Mr. Sui Jiaheng, Mr. Li Tao joined the Group in August 2015 and January 2017 respectively and Mr. He Shaoning is one of the founders of the Group. Each of the Connected Awardees has served the Group for over 5 years and the Connected Awardees are Eligible Participants as defined in the Share Award Plan. The Connected Awardees are Directors and their contribution to the Group led to the Group's development. Therefore, the selection of Connected Awardees and the Proposed Connected Issue are in line with the aforesaid purpose of the Share Award Plan.

IV. Reasons for the Proposed Connected Issue

As set out in the Letter from the Board, the Share Award Plan forms part of the Group's incentive schemes. The Board considers that the award of the Awarded Shares to the Connected 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 Company considers the Proposed Connected Issue to be a means of aligning the interests of the Connected Awardees and of the Shareholders through the ownership of Shares, effectively incentivising the Connected Awardees to strive for higher returns to the Company. The Company also considers the Proposed Connected Issue to be a recognition of the Connected Awardees' industry expertise and their positions as key leaders in the management of the Group's business both historically and going forward. In this connection, retaining their involvement is vital to the Group's future development.

We understand from the Company that the Connected Awardees (i) have the expertise in the gaming industry which are important to the Group; (ii) have served the Group for over 5 years; and (iii) have been playing significant roles in leading the Group for sustainable development, including the successful listing of the Company on the main board of the Stock Exchange in 2020. Having taken into account (i) the background and working experience of the Connected Awardees and their respective roles in the Company and (ii) it is common for companies listed on the Stock Exchange to grant restricted shares or award shares to their directors and employees, we are of the view that the Proposed Connected Issue would be a better alternative measure for the Company.

The Remuneration Committee is of the view that the proposed issue of a total of 9,670,186 new Shares for the purpose of provisionally awarding a total of 9,670,186 Awarded Shares to twenty (20) Selected Participants including the 3 Connected Awardees is to recognise and reward the contribution of the awardees to the growth and development of the Group and to retain them for the continual operation and development of the Group. There is no specific requirement on the length of the vesting period under the Share Award Plan. In reviewing the vesting period, the Remuneration Committee of the Company was of the view that since the vesting of the Awarded Shares shall be made by three tranches with 50% of the Awarded Shares be vested three years

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later, that is, on 28 December 2025, there is sufficient safeguard to retain the Connected Awardees even though the vesting of the first tranche of the Awarded Shares (which is 20%) is less than 12 months from the date of award.

Furthermore, we understand from the information provided by the Company and our phone interview with the Directors that they have considered different incentive schemes to the Connected Awardees, including remuneration increment, the grant of Awarded Shares to be satisfied by way of purchase of issued Shares and the Proposed Connected Issue. As compared to remuneration increment, the Proposed Connected Issue will not incur any outflow of cash from the Group and will not impose pressure on the Group's cash flow position. In addition, the Proposed Connected Issue aligns the interests of the Connected Awardees directly with the performance of the Company and the interests of the Shareholders through the ownership of Shares. According to the Share Award Plan, in order to satisfy any award to be granted under the Share Award Plan from time to time, the Trustee shall maintain a shares pool comprising issued Shares obtained by the Trustee through different ways including purchase of issued Shares, the Company considered that the grant of Awarded Shares to be satisfied by way of purchase of issued Shares instead of the Proposed Connected Issue would substantially increase the cost to the Group. After considering various alternatives in a careful manner, the Company considered the Proposed Connected Issue to be appropriate as it enables the Company to recognise the historical performance, encourage contributions of the Connected Awardees to the Group and provide incentives to the Connected Awardees to strive for the development of the Group consistently without incurring cash outflow from the Group.

Having considered the above, we are of the view that the Proposed Connected Issue may effectively help to motivate and retain the Connected Awardees for further contribution to the Group and therefore the Proposed Connected Issue is in the interests of the Company and the Shareholders as a whole.

V. Principal terms of the Proposed Connected Issue

The Proposed Connected Issue refers to the proposed allotment and issue of 7,385,000 new Shares pursuant to the General Mandate to the Trustee on trust for the Connected Awardees to satisfy the award of 7,385,000 Awarded Shares to the Connected Awardees under the Share Award Plan. The numbers of Awarded Shares awarded to Mr. Sui Jiaheng (who is an executive Director and a controlling Shareholder interested in approximately 38.84% of the issued shares of the Company as at the Latest Practicable Date), Mr. He Shaoning (who is a non-executive Director) and Mr. Li Tao (who is an executive Director) are 4,000,000 Shares, 2,800,000 Shares and 585,000 Shares respectively, representing approximately 0.98%, 0.68% and 0.14% respectively of the total

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number of issued Shares as at the Latest Practicable Date. 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.

Based on the closing price of HK\$0.8 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the aggregate market value of the 7,385,000 Awarded Shares provisionally awarded to the Connected Awardees is HK\$5,908,000, of which the market values of the Awarded Shares granted to Mr. Sui Jiaheng, Mr. He Shaoning and Mr. Li Tao are HK\$3,200,000, HK\$2,240,000 and HK\$468,000 respectively.

As stated in the Letter from the Board, the Proposed Connected Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Independent Shareholders to approve the Proposed Connected Issue at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the Proposed Connected Issue on the Stock Exchange.

All the new Shares to be issued pursuant to the Proposed Connected Issue will rank *pari passu* in all respects with all existing Shares presently in issue and at the time of allotment and issue of such 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 Connected Awardees subject to the terms of the Share Award Plan by three tranches upon satisfaction of the vesting conditions/performance targets: (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 2024; and (3) 50% of the Awarded Shares shall be vested on 28 December 2025.

The vesting conditions/performance targets for Mr. Sui Jiaheng and Mr. Li Tao are continuing to the contribution to the Group's business and passing the annual appraisal during the vesting period respectively. The vesting conditions/performance targets for Mr. He Shaoning are continuous performance in his role as non-executive Director and discharge his role of governance during the vesting period.

Further details in relation to the allotment and issue of the Awarded Shares are set out in the Letter from the Board.

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In order to assess the fairness and reasonableness of the Proposed Connected Issue, we have made reference to the recent grant of awarded shares as part of the incentive schemes by other listed companies in Hong Kong.

We have considered and identified 14 comparable companies (the “**Comparables**”) listed on the Stock Exchange which announced the grant of awarded shares (including restricted share units) to their respective employees and/or directors and/or other eligible participants of share award plan during the past one-month period preceding and including the date of the Announcement (i.e. period from 13 December 2022 to 12 January 2023 (the “**Review Period**”)) with their terms set out in the table below. We consider that the length of the Review Period is a time span for our analysis which covers sufficient number of comparable companies to reflect the current practice in the market in respect of the grant of awarded shares. We consider that the Comparables are fair and representative as they satisfy our aforesaid selection criteria. Among the Comparables, eight of which grant award shares/restricted share units solely to non-connected awardees (the “**Comparable Non-connected Grants**”), five of which grant award shares/restricted share units to connected person(s) only or both connected persons and non-connected awardees (the “**Comparable Connected Grants and Independent Grants**”), and one of which did not specify clearly in the announcement whether the awardees include connected persons or not. We consider analysis of merely the Comparable Connected Grants and Independent Grants excluding Comparable Non-connected Grants may produce a biased result given that there were only five Comparable Connected Grants and Independent Grants during the Review Period. Shareholders should note that the size, businesses, operations and prospects of the Company are not the same as the comparable companies.

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Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Health and Happiness (H&H) International Holdings Limited (1112.HK)	14 December 2022	2 Selected participants who are employees of the group and not connected persons	0.04%	Subject to fulfilment of vesting conditions, 111,000 shares shall be vested on 1 April 2024, 148,000 shares shall be vested on 1 April 2025.	HK\$3,807,300
Lvji Technology Holdings Inc. (1745.HK)	19 December 2022	six selected employees who are not connected persons	4.95%	n/a	HK\$57,960,540

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Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Transcenta Holding Limited (6628.HK)	19 December 2022	<p>(1) 92 award grantees of which three are connected award grantees, 89 are non-connected award grantees;</p> <p>(2) grant of restricted share units to a connected person</p>	<p>(1) the award shares:1.2%;</p> <p>(2) the restricted share units: 1.05%</p>	<p>(1) For non-connected award grantees:</p> <p>(i) 4,645,160 award shares will be vested over one to four years from the vesting commencement date as specified in the award letter(s);</p> <p>(ii) 300,000 of the award shares will be vested based on performance targets.</p> <p>For connected award grantees:</p> <p>(i) 30,000 award shares will vest with immediate effect on the date of grant;</p> <p>(ii) 30,000 award shares will be vested on September 29, 2023; and</p> <p>(iii)30,000 award shares will be vested on September 29, 2024.</p>	<p>(1) the awarded shares: HK\$15,105,480;</p> <p>(2) the restricted share units: HK\$13,200,000</p>

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Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
				<p>(2) Subject to the vesting conditions being met, 850,000 of the restricted share units will vest with immediate effect on the date of grant and 2,550,000 of the restricted share units will vest equally in three years installments on the anniversaries of the vesting commencement date as specified in the award letter. The 1,000,000 remaining restricted share units will vest according to the achievement of certain performance targets relating to the valuation of the company as set out in the grant letter.</p>	
BOE Varitronix Limited (710.HK)	21 December 2022	selected participants, comprising all employees of the group	0.06%	<p>(i) the first 40% of the awarded shares to be vested on 27 March 2023;</p> <p>(ii) the second 30% of the awarded shares to be vested on 27 March 2024; and</p> <p>(iii) the remaining 30% of the awarded shares to be vested on 27 March 2025.</p>	HK\$6,930,000

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Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Wai Chi Holdings Company Limited (1305.HK)	23 December 2022	12 selected employees including connected persons	1.34%	<p>(i) For 1,700,000 awarded shares granted to certain directors and employees of the group, the vesting date is the first anniversary date of the date of grant;</p> <p>(ii) For the conditional grant, the vesting date is the first anniversary date of the date on which the independent shareholders' approval at the extraordinary general meeting was obtained.</p>	HK\$4,640,000
Smooore International Holdings Limited (6969.HK)	28 December 2022	certain selected participants who are not connected persons	0.01%	n/a	HK\$10,348,560
Da Ming International Holdings Limited (1090.HK)	29 December 2022	a connected person	0.02%	Subject to the scheme rules and save for a lapse or a partial lapse and unless otherwise determined by the board, the awarded shares shall be vested on 5 January 2023.	HK\$410,400
Joy Spreader Group Inc.(6988.HK)	30 December 2022	five employees who are not connected persons	1.69%	n/a	HK\$86,000,000

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Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
ClouDr Group Limited (9955.HK)	30 December 2022	<p>(i) 75 employees of the group who were granted award shares in accordance with the post-IPO share award scheme, none of the grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the company or an associate (as defined in the Listing Rules) of any of them;</p> <p>(ii) a connected person who was granted restricted share unit(s) under the pre-IPO equity incentive scheme</p>	<p>(i) award shares: 2.36%;</p> <p>(ii) restricted share units: 0.34%</p>	<p>(i) the vesting period for the award shares is two or four years from the vesting commencement date, subject to the term of the post-IPO share award scheme and the relevant grant letters entered into between the grantees and the company, the vesting of the Award Shares shall be conditional upon the achievement of certain performance targets relating to performance rating as set out in the relevant grant letters entered into between the grantees and the company;</p> <p>(ii) subject to the vesting conditions being met, 25% of the restricted share units will vest each year from the vesting commencement date which is December 30, 2022 over the next four years on the anniversary of the vesting commencement date as specified in the share award agreement</p>	<p>(i) the market value of award shares granted to 75 employees amounts to approximately HK\$ 186,034,750;</p> <p>(ii) the market value of restricted share units granted to the connected person amounts to approximately HK\$26,840,000.</p>

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Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
JD Logistics, Inc. (2618.HK)	2 January 2023	the employees of the group who were granted award shares in accordance with the post-IPO share award scheme, none of the grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the company or an associate (as defined in the Listing Rules) of any of them	approximately 0.08%	<ul style="list-style-type: none"> (i) 259,540 award shares will be vested over three months to 3.25 years from the date of grant; (ii) 114,860 award shares will be vested over six months to 3.5 years from the date of grant; and (iii) 4,864,194 award shares will be vested over one to four years from the date of grant 	HK\$79,207,541.28

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
JD Health International Inc. (6618.HK)	2 January 2023	the employees of the group who were granted award shares in accordance with the post-IPO share award scheme, none of the grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the company or an associate (as defined in the Listing Rules) of any of them	approximately 0.05%	(i) 665,907 award shares will be vested over three months to three years from the date of grant; and (ii) 788,099 award shares will be vested over one to four years from the date of grant.	HK\$103,743,328.1
Altus Holdings Limited (8149.HK)	5 January 2023	2 employees who are not connected persons	up to 0.03%	30 September 2023	up to HK\$33,360
Xuan Wu Cloud Technology Holdings Limited (2392.HK)	6 January 2023	54 selected participants who are core employees and are not connected persons	0.89%	within approximately three years from the date of grant	HK\$14,955,000

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Century Sage Scientific Holdings Limited (1450.HK)	10 January 2023	68 selected participants including connected persons	5.68%	<p>In accordance with the terms of the share award plan and on the premise of achieving the performance targets, the vesting period and minimum holding period (if applicable) of the awarded shares granted in 5 batches to different awardees are as below:</p> <p>(1) For the 1st batch awarded share granted, the vesting periods for 60%, 20% and 20% of the awarded shares granted are 10 January 2023 to 28 February 2023, 10 January 2023 to 31 July 2023, 10 January 2023 to 31 January 2024 respectively, and the minimum holding period for 60%, 20% and 20% of the awarded shares granted are 28 February 2023 to 30 November 2023, 31 July 2023 to 30 April 2024, 31 January 2024 to 31 October 2024 respectively.</p>	HK\$140,005,912.4

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
				<p>(2) For the 2nd batch awarded shares granted, the vesting period for 34%, 33% and 33% of the awarded shares granted are 10 January 2023 to 31 July 2023, 10 January 2023 to 31 July 2024, 10 January 2023 to 31 July 2025 respectively.</p>	
				<p>(3) For the 3rd batch awarded shares granted, the vesting periods for 34%, 33% and 33% of the awarded shares granted are 10 January 2023 to 31 January 2024, 10 January 2023 to 15 January 2025, 10 January 2023 to 30 January 2026 respectively.</p>	
				<p>(4) For the 4th batch of the awarded shares granted, the vesting period for the 34%, 33% and 33% of the awarded shares granted are 10 January 2023 to 30 April 2024, 10 January 2023 to 30 April 2025, 10 January 2023 to 30 April 2026 respectively.</p>	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
				(5) For the 5 th batch of the awarded shares granted, the vesting period for 50% and 50% of the awarded shares granted are 10 January 2023 to 31 January 2024 and 10 January 2023 to 15 January 2025 respectively.	
Company	12 January 2023	20 awardees who are employees including 3 connected persons	2.36%	Three years with 20%, 30% and 50% of the Awarded Shares shall be vested on 28 December 2023, 28 December 2024 and 28 December 2025 respectively subject to the terms of the Share Award Plan and upon satisfaction of the vesting conditions/performance targets.	HK\$12,087,732.5

Source: the Company and the website of the Stock Exchange

Notes:

1. Joy Spreader Group Inc.(6988.HK) plans to repurchase of 40,000,000 shares at a consideration of not more than HK\$3.14 per share in average for granting the award shares.

We noted from the above table that the vesting periods of the awarded shares (including restricted share units) granted by the Comparables, saved for satisfaction of vesting conditions and/or certain vesting based on achievement of performance targets, ranged from immediate vesting for partial award shares on the date of grant to up to 4 years from the date of grant or the

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vesting commencement date, therefore the vesting period of the Awarded Shares is recognised as a normal market practice. We understand from the Company that there is no difference on the vesting period of the Awarded Shares granted to the Connected Awardees and the Awarded Shares granted to the non-connected awardees under the Share Award Plan as announced by the Company on 12 January 2023. In reviewing the vesting period, the Remuneration Committee of the Company was of the view that since the vesting of the Awarded Shares shall be made by three tranches with 50% of the Awarded Shares be vested three years later, that is, on 28 December 2025, there is sufficient safeguard to retain the Awardees even though the vesting of the first tranche of the Awarded Shares (which is 20%) is less than 12 months from the date of award. To understand the factors taken into consideration by the Remuneration Committee in forming the above view and determining the Proposed Connected Issue, we have conducted phone interviews with the members of the Remuneration Committee who advised that Proposed Connected Issue is a means of aligning the interests of the Connected Awardees and of the Shareholders through the ownership of Shares and the Proposed Connected Issue would encourage further contributions of the Connected Awardees for the Group's future development. Besides, from the table of Comparables above we can see Comparables set different length of vesting periods to their awarded shares based on their own circumstances, we consider the vesting period of the Awarded Shares are in line with market practice. We noted from the announcement of the Company dated 12 January 2023 that each of the Connected Awardees is required to meet the specified vesting conditions/performance targets. Based on the above, we are of the view that the terms of the Proposed Connected Issue are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

VI. Possible Financial effects of the Proposed Connected Issue

Save for the expenses relating to the allotment and issue of the new Awarded Shares pursuant to the Share Award Plan, the Proposed Connected Issue will not have any material impact on the Group's cash position and net current assets.

Under the accounting policies of the Company, the fair value of new Awarded Shares is allocated and charged as share-based payment expenses of the Group for the relevant financial year throughout the vesting period.

VII. Effect of the issue of the Awarded Shares on the shareholding structure of the Company

The 7,385,000 Awarded Shares, which represent approximately 1.80% of the total number of Shares in issue as at the Latest Practicable Date and approximately 1.76% of the total number of Shares in issue as enlarged by the issue and allotment of the 7,385,000 Awarded Shares to the three Connected Awardees and the 2,285,186 Awarded Shares to the non-connected awardees under the Share Award Plan as announced on 12 January 2023 assuming that there is no change in the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

issued share capital of the Company between the Latest Practicable Date and the date of the Proposed Connected Issue, will be issued and allotted to the Trustee on trust for the Connected Awardees.

According to the Letter from the Board, immediately upon the Proposed Connected Issue, the shareholding of the public Shareholders including non-connected awardees under the Share Award Plan as announced on 12 January 2023 will be diluted from approximately 55.60% to approximately 54.87% assuming that there is no change in the issued share capital and the shareholding structure of the Company from the Latest Practicable Date up to the date of the Proposed Connected Issue save for the Awarded Shares to the non-connected awardees under the Share Award Plan as announced on 12 January 2023. Having considered (i) that such dilution effect on the shareholding of the existing public Shareholders is minimal; and (ii) the benefits of the Proposed Connected Issue in providing incentives to the Connected Awardees as elaborated above, we consider such dilution effect on the shareholding of the existing public Shareholders to be acceptable.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the opinion that the terms of the Proposed Connected Issue are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Proposed Connected Issue, although is not conducted in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole. Therefore, we advise (i) the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution to approve the Proposed Connected Issue at the EGM; and (ii) the Independent Shareholders to vote in favour of the relevant resolution to approve the Proposed Connected Issue at the EGM.

Yours faithfully,
For and on behalf of
RaffAello Capital Limited
Ricky Tsang
Managing Director

Note: Mr. Ricky Tsang is a licensed person registered with the Securities and Futures Commission and a responsible officer of RaffAello Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has around 22 years of experience in the investment banking industries.

1. 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 inquiries, 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.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules (the “**Model Code**”) were as follows:

(1) Long positions in the Shares of the Company

Name of Director	Class of Shares	Number of Shares interested	Nature of interest	Approximate percentage of interest in the issued share capital of the Company
Mr. Sui Jiaheng ⁽¹⁾	Ordinary	158,900,000	Interest in a controlled corporation	38.84%
Mr. Huang Zhigang ⁽²⁾	Ordinary	22,740,000	Interest in a controlled corporation	5.56%

(2) Long positions in the Company's associated corporations (within the meaning of Part XV of the SFO)

Name of Director	Name of associated corporation	Class of shares	Nature of interest	Approximate percentage shareholding in the associated corporation
Mr. Sui Jiaheng	Luocheng Mulao Autonomous County Dinglian Technology Company Limited ("Dinglian Technology")	Ordinary	Beneficial interest	50% ⁽³⁾

Notes:

- (1) Mr. Sui Jiaheng is the sole shareholder of Sun JH Holding Ltd. which holds 158,900,000 Shares. Therefore, Mr. Sui is deemed to be interested in Sun JH Holding Ltd.'s interest in the Shares pursuant to the SFO.
- (2) Mr. Huang Zhigang is the sole shareholder of Together Win Capital (Holdings) Co., Ltd. which, pursuant to the SFO, is a control entity of HX Tech Holdings Limited and LYZ Tech Holding Ltd. HX Tech Holdings Limited and LYZ Tech Holding Ltd. together hold in aggregate 22,740,000 Shares. Therefore, Mr. Huang Zhigang is deemed to be interested in Together Win Capital (Holdings) Co., Ltd.'s interest in the Shares pursuant to the SFO.
- (3) Mr. Sui Jiaheng holds 50% of the equity interest of Dinglian Technology as part of the contractual arrangements to enable the Company to maintain and exercise control over Dinglian Technology.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO), or recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Long positions in the Shares of the Company

As at the Latest Practicable Date, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial Shareholder	Nature of interest	Number of Shares interested	Approximate percentage of interest in the issued share capital of the Company
Sun JH Holding Ltd. ⁽¹⁾	Beneficial interest	158,900,000	38.84%
Li Wei ⁽¹⁾	Interest of spouse	158,900,000	38.84%
Together Win Capital (Holdings) Co., Ltd. ⁽²⁾	Interest in controlled corporations	22,740,000	5.56%

Notes:

- (1) Ms. Li Wei is the spouse of Mr. Sui Jiaheng. By virtue of the SFO, Ms. Li Wei is deemed to be interested in the same number of Shares in which Mr. Sui Jiaheng is deemed to be interested; Mr. Sui Jiaheng is the sole shareholder of Sun JH Holding Ltd. Therefore, Mr. Sui Jiaheng is deemed to be interested in Sun JH Holding Ltd.'s interest in the Shares pursuant to the SFO.
- (2) Together Win Capital (Holdings) Co., Ltd. is, pursuant to the SFO, a control entity of HX Tech Holdings Limited and LYZ Tech Holding Ltd., which hold 12,960,000 Shares and 9,780,000 Shares, respectively. Together Win Capital (Holdings) Co., Ltd. is deemed to be interested in an aggregate of 22,740,000 Shares pursuant to the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. DIRECTORS' INTERESTS

- (a) None of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2021, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.
- (c) None of the Directors or chief executives of the Company and their respective associates has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder of the Company.

5. SERVICE CONTRACTS

Each of the executive Directors had entered into a service contract with the Company for an initial term of three years. All the service contracts of the Directors are automatically renewed upon expiration and may be terminated by either party with a three-month's prior written notice.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or operation positions of the Group since 31 December 2021, the date to which the latest published audited consolidated accounts of the Group were made up.

7. MATERIAL LITIGATION

No member of the Group was engaged in any litigation or claim of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group, as at the Latest Practicable Date.

8. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion, letter or advice, contained or referred to in this circular:

Name	Qualification
RaffAello Capital Limited	A corporation licensed to carry on Type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, RaffAello had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, RaffAello was not interested, directly or indirectly, in any assets which had since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

RaffAello has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report and/or opinion dated 16 February 2023, as the case may be, and references to its name in the form and context in which they respectively appear.

9. DOCUMENT ON DISPLAY

A copy of the Share Award Plan will be published on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.sinotecw.com> for not less than 14 days before the date of the EGM and a copy of Share Award Plan is available for inspection at the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company will be convened at 4:00 p.m. on Friday, 3 March 2023 at Unit 703, Tai Sang Bank Building, 130-132 Des Vouex Road Central, Hong Kong for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as ordinary resolution of the Company. Capitalised terms defined in the circular of the Company dated 16 February 2023 shall have the same meanings when used in this notice unless otherwise specified.

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, 7,385,000 new Shares:

- (a) 4,000,000 new Shares be and are hereby issued and allotted to the Trustee on trust for Mr. Sui Jiaheng to satisfy the award of 4,000,000 Awarded Shares to Mr. Sui Jiaheng under the Share Award Plan pursuant to the General Mandate and such award be and is hereby approved, confirmed and ratified;
- (b) 2,800,000 new Shares be and are hereby issued and allotted to the Trustee on trust for Mr. He Shaoning to satisfy the award of 2,800,000 Awarded Shares to Mr. He Shaoning under the Share Award Plan pursuant to the General Mandate and such award be and is hereby approved, confirmed and ratified;
- (c) 585,000 new Shares be and are hereby issued and allotted to the Trustee on trust for Mr. Li Tao to satisfy the award of 585,000 Awarded Shares to Mr. Li Tao under the Share Award Plan pursuant to the General Mandate and such award be and is hereby approved, confirmed and ratified; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) any one Director be and is hereby authorised to do all such acts and things and execute all such documents which he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the aforesaid awards of the Awarded Shares and the transactions contemplated thereunder, including but not limited to the issue and allotment of the new Shares to the Trustee on trust for the Connected Awardees pursuant to the Share Award Plan.”

Yours faithfully,

By order of the Board

Sino-Entertainment Technology Holdings Limited

Sui Jiaheng

Chairman and Executive Director

Hong Kong, 16 February 2023

As at the date of this notice, the executive Directors of the Company 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.

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the accompanying form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the offices of the Company's Hong Kong branch registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no less than 48 hours before the time for holding the EGM or adjourned EGM. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.
3. The register of members of the Company will be closed from Wednesday, 1 March 2023 to Friday, 3 March 2023, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for attending the EGM convened by the above notice, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 28 February 2023.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of Shareholders, the Company will implement the following precautionary measures at the EGM:
 - i. Compulsory temperature screening/checks will be carried out on every attendee at the entrance of the meeting venue. Any person with a body temperature above 37.3 degrees Celsius or the reference point announced by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the meeting venue and be requested to leave the meeting venue;
 - ii. Every attendee will be required to wear a surgical face mask at the meeting venue and throughout the EGM and to sit at a distance from the other attendees. Please note that no surgical face masks will be provided at meeting venue and attendees should bring and wear their own masks;
 - iii. No refreshment, drinks, corporate gifts or gift coupons will be provided to the attendees at the EGM; and
 - iv. Any other arrangement as required to be implemented for compliance with the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F of the laws of Hong Kong) and the Prevention and Control of Disease (Prohibition on Gathering) Regulation (Chapter 599G of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time.
5. In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders NOT to attend the EGM in person, and advises Shareholders to appoint the Chairman of the EGM or any Director or the Company Secretary of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the EGM in person.
6. Subject to the development of COVID-19 pandemic, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.
7. If tropical cyclone warning signal no. 8 or above is hoisted, “extreme condition” caused by super typhoons or a black rainstorm warning signal is in force at 2:00 p.m. on Friday, 3 March 2023, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.