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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a 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, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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)

**(1) PROPOSALS FOR TERMINATION OF 2020 SHARE OPTION
SCHEME AND 2021 SHARE AWARD PLAN AND
ADOPTION OF NEW SHARE SCHEME; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notice convening the Extraordinary General Meeting of Sino-Entertainment Technology Holdings Limited to be held at 3:15 p.m. (or immediately after the conclusion of the EGM concerning the major transaction) on Wednesday, 9 April 2025 at Suite No. 2, 3/F, Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong is set out in this circular.

Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the enclosed form of proxy for use at the Extraordinary General Meeting in accordance with the instructions printed thereon and return it 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 but in any event not less than 48 hours before the time appointed for the Extraordinary General Meeting (i.e. not later than 3:15 p.m. on Monday, 7 April 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting if they so wish.

This circular together with the form of proxy are also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.sinotecw.com).

References to time and dates in this circular are to Hong Kong time and dates.

21 March 2025

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DEFINITIONS

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

“2020 Share Option Scheme”	the existing share option scheme adopted by the Company on 19 June 2020
“2021 Share Award Plan”	the existing 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
“Adoption Date”	the date on which the New Share Scheme is approved by the Shareholders at the EGM
“Articles of Association”	the articles of association of the Company, as amended, supplemented and/or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“associated company(ies)”	has the meaning ascribed to it under the Takeovers Code
“auditors”	the auditors for the time being of the Company
“Award”	an award granted under the New Share Scheme by the Board to a Selected Participant in accordance with the New Share Scheme Rules, which may take the form of a Share Option or a Share Award
“Award Letter”	a letter issued by the Company in respect of each grant of Awards in such form as the Board may from time to time determine setting out the terms and conditions of the Award
“Award Share(s)”	new Shares (including treasury Shares) underlying an Award
“Board”	the board of Directors

DEFINITIONS

“Business Day(s)”	any day on which the Stock Exchange is open for business of dealing in securities
“close associate”	has the meaning ascribed thereto under the Listing Rules
“Companies Act”	the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented and/or otherwise modified from time to time
“Company”	Sino-Entertainment Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6933)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Earliest Vesting Date”	the earliest date and other subsequent date(s), if any, on which the Trustee may vest the legal and beneficial ownership of the Award Shares (or the relevant portions thereof) or the net proceeds thereof in the relevant Selected Participant
“EGM concerning the major transaction”	the extraordinary general meeting of the Company to be held at 3:00 p.m. on Wednesday, 9 April 2025 at Suite No. 2, 3/F, Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out in the circular headed “MAJOR TRANSACTION ACQUISITION THROUGH CONTRIBUTION IN KIND AND NOTICE OF EXTRAORDINARY GENERAL MEETING” dated 21 March 2025, or any adjournment thereof

DEFINITIONS

“Eligible Participant(s)”	<p>any person at any time during the Scheme Period belonging to the following classes of participants:</p> <ul style="list-style-type: none">(a) Employee Participant;(b) Related Entity Participant;(c) Service Provider Participant, <p>and, for the purposes of the New Share Scheme, the Award may be made to any company wholly owned by one or more of the above participant(s) or any trust of which the settlor is the above participant</p>
“Employee Participant(s)”	<p>the employees (including full-time and part-time employees), chief executive and directors (including executive, non-executive or independent non-executive directors) of any member of the Group (including persons who are granted Awards under the New Share Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category</p>
“Excluded Participant”	<p>any person who is resident in a place where the award of the Award Shares and/or the vesting and transfer of Shares pursuant to the terms of the New Share Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or a committee of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person</p>
“Exercise Period”	<p>in respect of any Award, the period during which the Selected Participant may exercise the Award</p>
“Exercise Price”	<p>the price per Share at which a Selected Participant may subscribe for Shares upon the exercise of a Share Option</p>

DEFINITIONS

“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 3:15 p.m. (or immediately after the conclusion of the EGM concerning the major transaction) on Wednesday, 9 April 2025 at Suite No. 2, 3/F, Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 40 to 43 of this circular, or any adjournment thereof
“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of the Award Letter in respect of such Award
“Group”	the Company and its subsidiaries and “member(s) of the Group” shall be construed accordingly
“Group Contribution”	mean such contribution in the form of money or otherwise made by the Company or any of its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“INEDs”	the independent non-executive Directors of the Company
“Issue Price”	in respect of any Share Award, the price per Share a Selected Participant is required to pay to subscribe for the Award Shares
“Latest Practicable Date”	19 March 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and/or otherwise modified from time to time

DEFINITIONS

“Lock-up”	Restriction on selling, transferring, pledging and/or otherwise creating security and/or other third-party rights or encumbrances over such Shares
“New Share Scheme” or “the Scheme”	the share incentive scheme of the Company proposed to be approved at the EGM, a summary of the principal terms of which is set out in Appendix I to this circular
“New Share Scheme Rules”	the rules relating to the New Share Scheme as amended from time to time
“Other Distributions”	has the meaning as defined in the paragraph headed “POOL OF AWARD SHARES” in Appendix I to this circular
“People’s Republic of China”, “PRC” or “China”	the People’s Republic of China which, for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable to a deceased Selected Participant, is or are entitled to collect and receive the Award Shares which have been vested in such Selected Participant and formed part of his estate
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participants”	any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of a Related Entity
“Remuneration Committee”	the remuneration committee of the Company
“Scheme Mandate Limit”	10% of the total number of Shares in issue (excluding any treasury Shares) as at the Adoption Date
“Scheme Period”	the period of 10 years commencing on the Adoption Date and ending on the 10th anniversary of the Adoption Date

DEFINITIONS

“Selected Participant(s)”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award or (where the context so permits) his Personal Representative
“Service Provider Participant(s)”	person(s) (including entities) providing services to the Group on a continuing basis or recurring basis in the ordinary and usual course of business of the Group which are in the interests of the long-term growth of the Group as determined by the Board pursuant to criteria set out in the New Share Scheme, as further detailed in Appendix I to this circular
“Service Provider Sublimit”	has the meaning set out in the paragraph headed “MAXIMUM NUMBER OF SHARES” in Appendix I to this circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong, as amended, supplemented and/or otherwise modified from time to time
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company, which include treasury Share(s), if any (for the avoidance of doubt, the holders of treasury Shares have no voting rights at the Extraordinary General Meeting)
“Share Award”	an award which vests in the form of the right to subscribe for and/or to be issued such number of Shares as the Board may determine at the Issue Price in accordance with the terms of the New Share Scheme Rules
“Share Option”	an award which vests in the form of the right to subscribe for such number of Shares as the Board may determine during the Exercise Period at the Exercise Price in accordance with the terms of the New Share Scheme Rules
“Shareholder(s)”	holder(s) of Share(s)
“Shares Pool”	has the meaning as defined in the paragraph headed “POOL OF AWARD SHARES” in Appendix I to this circular

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	shall have the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission, as amended, supplemented and/or otherwise modified from time to time
“treasury Shares”	has the meaning ascribed to it under the Listing Rules
“Trust Deed”	the trust deed to be entered into by the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) held or to be held by the Trustee subject to the terms thereof, as amended from time to time
“Trustee”	the trustee or trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the New Share Scheme or any additional or replacement trustee(s)
“US\$”	United States dollar, the lawful currency of the United States of America
“Vesting Date”	the date on which the legal and beneficial ownership of the Award Shares are vested in such Selected Participant pursuant to an Award
“vesting period”	the period commencing on the date on which the Award Shares have been provisionally set aside pursuant to an Award to such Selected Participant and ending on the Vesting Date (both dates inclusive)
“%”	per cent

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 Director:

Mr. He Shaoning

Independent Non-executive Directors:

Ms. Pang Xia

Mr. Deng Chunhua

Ms. Chen Nan

Registered Office:

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P.O. Box 2681, Grand Cayman

KY1-1111, Cayman Islands

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Principal Place of Business in Hong Kong:

Suite No. 2, 3/F Sino Plaza

255 Gloucester Road

Causeway Bay

Hong Kong

21 March 2025

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSALS FOR TERMINATION OF 2020 SHARE OPTION
SCHEME AND 2021 SHARE AWARD PLAN AND
ADOPTION OF NEW SHARE SCHEME; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Extraordinary General Meeting to be held on Wednesday, 9 April 2025.

2. PROPOSALS FOR TERMINATION OF THE 2020 SHARE OPTION SCHEME AND THE 2021 SHARE AWARD PLAN AND ADOPTION OF THE NEW SHARE SCHEME

The Company currently has a total of two share schemes, namely (i) the 2020 Share Option Scheme and (ii) the 2021 Share Award Plan.

In view of the amended Chapter 17 of the Listing Rules (“**Amended Rules**”) which took effect on 1 January 2023, the Board proposes to terminate (i) the 2020 Share Option Scheme and (ii) the 2021 Share Award Plan and adopt the New Share Scheme for the purpose of conforming to the latest changes and requirements under the Amended Rules. Accordingly, ordinary resolutions will be proposed at the EGM for the Shareholders to consider, and if thought fit, to approve the termination of (i) the 2020 Share Option Scheme and (ii) the 2021 Share Award Plan and the adoption of the New Share Scheme.

Termination of the 2020 Share Option Scheme

The 2020 Share Option Scheme was adopted by the Company on 19 June 2020 and is valid and effective for a period of 10 years from the date of listing of the Company’s Shares on the Main Board of the Stock Exchange on 15 July 2020.

As at the Latest Practicable Date, no option had been granted under the 2020 Share Option Scheme. As the Board has no plan to grant any options under the 2020 Share Option Scheme during the period from the Latest Practicable Date to the date of the EGM, no options will remain outstanding after the 2020 Share Option Scheme is terminated.

According to the terms of the 2020 Share Option Scheme, the Company may resolve to terminate the 2020 Share Option Scheme prior to its expiry by ordinary resolution in a general meeting, and in such event, no further options will be offered or granted under the 2020 Share Option Scheme, but the provisions of the 2020 Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the 2020 Share Option Scheme. Accordingly, the termination of the 2020 Share Option Scheme is subject to the Shareholders’ approval at the EGM and pre-conditional upon the adoption of the New Share Scheme.

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Termination of the 2021 Share Award Plan

The 2021 Share Award Plan was adopted by the Board on 15 April 2021 and further amended on 8 December 2021. Duration of the 2021 Share Award Plan is 10 years commencing from the adoption date but may be terminated earlier as determined by the Board. Details of the 2021 Share Award Plan are set out in the announcement of the Company dated 15 April 2021.

As at the Latest Practicable Date, 14,837,816 Shares had been granted under the 2021 Share Award Plan, representing approximately 3.58% of the total issued Shares as at the same date. Any unvested award Shares granted under the 2021 Share Award Plan prior to the EGM shall continue to be valid in accordance with the 2021 Share Award Plan notwithstanding the proposed termination of the same. The Board has no plan to grant any share awards under the 2021 Share Award Plan during the period from the Latest Practicable Date to the date of the EGM. As at the Latest Practicable Date, the details of the outstanding unvested award Shares granted under the 2021 Share Award Plan were as follows:

	He Shaoning (non-executive Director)	Li Tao (executive Director)	17 employees of the Group (non-connected awardees)	42 selected participants under the 2021 Share Award Plan (non-connected awardees)
Awardee				
Grant date	12 January 2023	12 January 2023	12 January 2023	8 December 2021
Number of awarded Shares granted as at the Grant date	2,800,000	585,000	2,285,186	9,167,630
Purchase price	The Selected Participants are not required to pay any amount on application or for the acceptance of the Award. The awarded Shares shall be issued and allotted at par value to the trustee by the Company under the terms of the 2021 Share Award Plan by utilising the funds allocated by the Board out of the Company's resources	The Selected Participants are not required to pay any amount on application or for the acceptance of the Award. The awarded Shares shall be issued and allotted at par value to the trustee by the Company under the terms of the 2021 Share Award Plan by utilising the funds allocated by the Board out of the Company's resources	The Selected Participants are not required to pay any amount on application or for the acceptance of the Award. The awarded Shares shall be issued and allotted at par value to the trustee by the Company under the terms of the 2021 Share Award Plan by utilising the funds allocated by the Board out of the Company's resources	The Selected Participants are not required to pay any amount on application or for the acceptance of the Award. The awarded Shares shall be issued and allotted at par value to the trustee by the Company under the terms of the 2021 Share Award Plan by utilising the funds allocated by the Board out of the Company's resources

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Awardee	He Shaoning (non-executive Director)	Li Tao (executive Director)	17 employees of the Group (non-connected awardees)	42 selected participants under the 2021 Share Award Plan (non-connected awardees)
Fair value per share	closing price of HK\$1.25 per share as quoted on the Stock Exchange as at the date of award	closing price of HK\$1.25 per share as quoted on the Stock Exchange as at the date of award	closing price of HK\$1.25 per share as quoted on the Stock Exchange as at the date of award	closing price of HK\$4.8 per share as quoted on the Stock Exchange as at the date of award
Vesting period and vesting conditions	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>
Number of awarded Shares cancelled/lapsed up to the Latest Practicable Date	—	—	—	2,670,000
Number of awarded Shares vested up to the Latest Practicable Date	1,400,000	292,500	1,142,593	6,497,630
Number of outstanding unvested awards as at the Latest Practicable Date	1,400,000	292,500	1,142,593	—

Notes:

1. Three years with (1) 20% of the awarded Shares had been 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 2021 Share Award Plan and upon satisfaction of the vesting conditions/performance targets of continuous performance in his role as non-executive Director and discharge his role of governance during the vesting period.
2. Three years with (1) 20% of the awarded Shares had been 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 2021 Share Award Plan and upon satisfaction of the vesting conditions/performance targets of continuing to the contribution to the Group's business and passing the annual appraisal during the vesting period.
3. Three years with (1) 20% of the awarded Shares had been 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 2021 Share Award Plan and upon satisfaction of the vesting conditions/performance targets of the passing of an annual appraisal during the vesting period to be carried out by the head of the department in which the non-connected awardee is employed.

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4. Three years with (1) 20% of the awarded Shares had been vested on 30 November 2022; (2) 30% of the awarded Shares had been vested on 30 November 2023; and (3) 50% of the awarded Shares shall be vested on 30 November 2024 subject to the terms of the 2021 Share Award Plan and upon satisfaction of the vesting conditions/performance targets of the passing of an annual appraisal during the vesting period to be carried out by the head of the department in which the non-connected awardee is employed.

According to the terms of the 2021 Share Award Plan, the Company may resolve to terminate the 2021 Share Award Plan prior to its expiry by ordinary resolution in a general meeting, provided that such termination shall not affect any subsisting rights of any Selected Participant. In such event, no further share awards will be offered or granted under the 2021 Share Award Plan, but the provisions of the 2021 Share Award Plan shall remain in full force to the extent necessary to give effect to the settlement of any share awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2021 Share Award Plan. Accordingly, the termination of the 2021 Share Award Plan is subject to the Shareholders' approval at the EGM and pre-conditional upon the adoption of the New Share Scheme.

Adoption of the New Share Scheme

In view of the Amended Rules, the Board considered that the adoption of the New Share Scheme, which will be valid for a term of ten years commencing on the Adoption Date, will ensure the continuity of a share scheme for the Group to attract, reward, motivate and retain the Eligible Participants which will comply with the new requirements in the Amended Rules and provide the Company with more flexibility in long term planning of granting of the Share Options or Share Awards to Eligible Participants for their contributions or potential contributions to the Group.

A summary of the principal terms of the New Share Scheme is set out in Appendix I to this circular.

Conditions of the adoption of the New Share Scheme

The proposed adoption of the New Share Scheme is conditional upon:

- (A) the passing of an ordinary resolution by the Shareholders in the EGM to approve the adoption of the New Share Scheme and authorising the Directors to grant Awards thereunder and to allot, issue and deal with Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the New Share Scheme;
- (B) the passing of an ordinary resolution by the Shareholders in the EGM to terminate the 2020 Share Option Scheme;

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- (C) the passing of an ordinary resolution by the Shareholders in the EGM to terminate the 2021 Share Award Plan; and
- (D) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company pursuant to the grant of Awards in accordance with the terms and conditions of the New Share Scheme.

If the resolutions proposed at the EGM for approving (1) the adoption of the New Share Scheme and (2) the termination of (i) the 2020 Share Option Scheme and (ii) the 2021 Share Award Plan were not passed by the Shareholders at the EGM, (i) the 2020 Share Option Scheme and (ii) the 2021 Share Award Plan shall continue in full force and effect.

3. FURTHER INFORMATION UNDER THE NEW SHARE SCHEME

Purpose of the New Share Scheme

The purpose of the New Share Scheme is, through an award of Shares, to:

- (A) 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
- (B) attract suitable personnel for further development of the Group.

Eligible Participants

Eligible Participants include the Employee Participants, the Service Provider Participants and the Related Entity Participants.

The eligibility of an Eligible Participant to the grant of Awards shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

In assessing the eligibility of Employee Participants, the Board will consider, among others, (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) their contribution made or expected to be made to the growth of the Group; and (iv) their educational and professional qualifications, and knowledge in the industry.

LETTER FROM THE BOARD

In assessing the eligibility of Related Entity Participants, the Board will consider, among others: (i) the contributions to the returns and benefits of the Group's investment and/or interest in the Related Entity; (ii) the business synergy and opportunities brought by them to the Group and/or the Related Entity; and (iii) whether they should be rewarded to further motivate their performance for the benefit of the Group and/or the Related Entity.

In assessing the eligibility of Service Provider Participants, the Board will consider, among others: (i) in respect of advisers and consultants, their expertise, professional qualifications and industry experience; their performance and track record, including whether the Service Provider Participants have a proven track record of delivering quality services and products; the Group's period of engagement of or collaboration with the Service Provider Participants; and their actual or potential contribution to the Group in terms of a reduction in cost or an increase in turnover or profit; and (ii) in respect of online platform service provider, game publishing service provider, contractors, suppliers, and agents, the scale of the Service Provider Participants' business dealings with the Group in terms of purchases or sales attributable to them; their ability to maintain the quality of services and products; their performance and track record, including whether the Service Provider Participants have a proven track record of delivering quality services and products; the benefits and strategic value brought by the Service Provider Participants to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider Participants' collaboration with the Group; the scale of the Service Provider Participants' collaboration with the Group; the length of business relationships between the Service Provider Participants and the Group; and the business opportunities and external connections that the Service Provider Participants have introduced or will potentially introduce to the Group.

In assessing whether the Service Provider Participant provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrence and regularity of such services, the nature of the services provided to the Group by the Service Provider Participant, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

The Service Provider Participants as set out in the paragraph headed "ELIGIBLE PARTICIPANTS" in Appendix I to this circular, who have relevant expertise in fields related to the business(es) engaged by the Group from time to time, that are, mobile game publishing as well as development and sale of customised software and mobile games and blockchain technology business, possess in the view of the Board industry-specific knowledge, or have extensive experience and understand the market trend, can directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Provider Participants are closely connected to and important to the Group's day-to-day business which spans across provision of

LETTER FROM THE BOARD

products and services, and marketing, and their contribution directly impacts the results of operations of the Group. The strategic advice and guidance provided by engaging these Service Provider Participants benefit the Group in its ordinary and usual course of business and often allows the Group to more effectively plan its future business strategies for long-term growth.

Taking into account the criteria of eligibility for the Service Provider Participants as set out above and their relevance and significance to the main businesses of the Group, the independent non-executive Directors of the Company (the “INEDs”) are of the view that the categories of the Service Provider Participants and the criteria in determining the eligibility of such Service Provider Participants were designed and set in line with the Group’s business need. In view of the above, the INEDs are of the view that the inclusion of Service Provider Participants as Eligible Participants is fair and reasonable and aligns with the purposes of the New Share Scheme and in the long-term interest of the Company and its Shareholders as a whole.

The Group maintains close collaborative relationships with the Related Entity Participants such as senior management of the associated companies of the Group. Given that the Company may have significant interests in these associated companies, the INEDs consider it important for the Company to be able (if thought fit) to deploy benefits in the form of Awards to attract, retain and/or incentivise appropriate directors and/or employees of such entities (being Related Entity Participants) in the same way as Employee Participants, so that the Related Entity Participants may also align their interest with the growth and performance of such entities as well as the Group. In view of the above, the INEDs are of the view that the inclusion of Related Entity Participants as Eligible Participants is fair and reasonable and aligns with the purposes of the New Share Scheme and in the long-term interest of the Company and its Shareholders as a whole.

Grant of Awards to Service Provider Participants and Related Entity Participants would not only align the interest of the Group with Service Provider Participants and Related Entity Participants, but also strengthen their loyalty to the Group and provide incentives to them for (i) a higher degree of participation and involvement in promoting the business of the Group; and (ii) maintaining a stable and long-term relationship with the Group.

The INEDs are of the view that, apart from the contributions of employees, the success of the Group may also come from the efforts and cooperation of Service Provider Participants and Related Entity Participants who play a part in the development and continued success of the Group’s business and operations, and have contributed or may contribute to the Group in the future. Despite the Company has never granted share awards and share options to Service Provider Participants and Related Entity Participants under the respective 2020 Share Option Scheme and 2021 Share Award Plan, the INEDs are of the view that it would be in the Company’s interest to retain such flexibility to grant Awards to the Service Provider Participants and Related Entity Participants.

LETTER FROM THE BOARD

The INEDs are of the view that the inclusion of Service Provider Participant and Related Entity Participant will enable the Group to preserve its cash resources and use equity incentives to encourage persons within and outside the Group to continue to contribute to the growth and development of the Group's business, and therefore aligns with the purpose of the New Share Scheme and the long-term interests of the Company and the Shareholders.

More specifically, the use of equity incentives for Service Provider Participants and Related Entity Participants will:

- (a) encourage the Service Provider Participants to provide quality services and products (as the case may be) on a long-term basis and strengthen their loyalty in order to maintain sustainable relationships with the Service Provider Participants and ensure stable and sufficient supply of the relevant services and/or products; and
- (b) allow the Related Entity Participants to have a common goal in the growth and development of the Group's business, participate in the future prospects of the Group and enhance the long-term relationship by aligning their interests with that of the Company and the Shareholders as a whole.

Based on the above, in particular the benefits the Service Provider Participants and Related Entity Participants could bring to the development and continued success of the Group's business and operation, the INEDs considered that the Awards to the Service Provider Participants and Related Entity Participants are fair and reasonable, despite the dilution impact, and the additional administration costs and expenses to be incurred from granting Awards.

As the Group is principally engaged in mobile game publishing as well as development and sale of customised software and mobile games and blockchain technology business, the Group may require different types of professional services to be provided by the Service Provider Participants on a recurring basis to assist in the Group's new initiatives and projects in order to capture new business opportunities. The Board will determine whether the Service Provider Participants providing such professional services are eligible to participate in the New Share Scheme based on whether such professional services provided are in line with the Group's business need and the industry norm, desirable and necessary from a commercial perspective and helps maintain or enhance the competitiveness of the Group, having regard to the Group's key business segments and focuses from time to time. In respect of Related Entity Participants, they will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group's business, reputation, operations and performance, for example referring or introducing opportunities to the Group or assist the Group in tapping into new markets and/or increase its market share. The INEDs are of the view that the inclusion of Service Provider Participants and Related Entity Participants as Eligible Participants is fair and reasonable and the terms of grant

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(including vesting requirements and performance targets, if any) align with the purpose of the New Share Scheme and the criteria for selection of Service Provider Participants and Related Entity Participants are appropriate and in the interest of the Company and the Shareholders as a whole.

Exercise Period

The Board may determine in its absolute discretion the Exercise Period for any award of Share Options and/or Share Awards and such period shall be set out in the Award Letter. However, the Exercise Period for any award of Share Options shall not be longer than 10 years from the Grant Date.

Vesting Period

The vesting period of the Award Shares shall not be less than 12 months from the Grant Date saved for certain circumstances permitted under the rules of the New Share Scheme as disclosed in the paragraph headed “VESTING OF AWARD SHARES AND EXERCISE PERIOD” in Appendix I to this circular. The Board and the Remuneration Committee believe that its ability to provide for flexible accelerated exercisability or vesting of an Award in certain cases allows it to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, and to provide for succession planning and the effective transition of employee responsibilities by incentivizing key employees to remain during critical transitions, ensuring continuity and stability facilitating knowledge transfer, mitigating disruption, attracting external talent by keeping its remuneration package competitive, and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified. The Company should also be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

Therefore, the Board and the Remuneration Committee are of the view that allowing a shorter vesting period in the circumstances prescribed in the paragraph headed “VESTING OF AWARD SHARES AND EXERCISE PERIOD” in Appendix I to this circular is in line with the market practice and is appropriate and aligns with the purpose of the New Share Scheme.

Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, there were 414,837,816 Shares in issue. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the EGM and after the resolutions regarding the proposed adoption of the New Share Scheme are passed at the EGM, (i) the total number of Shares which may be issued and the number of treasury Shares which may be

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transferred in respect of all Awards under the New Share Scheme and other share schemes of the Company that involve the issuance of new Shares and transfer of treasury Shares (if any) would be no more than 41,483,781 Shares, representing no more than approximately 10% of the total number of Shares in issue (excluding the treasury Shares) as at the Adoption Date; and (ii) within the Scheme Mandate Limit, the total number of Shares that may be issued and the number of treasury Shares which may be transferred under the New Share Scheme and other share schemes of the Company that involve the issuance of new Shares and transfer of treasury Shares (if any) to the Service Provider Participants would be no more than 4,148,378 Shares, representing no more than approximately 1% of the total number of Shares in issue (excluding the treasury Shares) as at the Adoption Date.

The Service Provider Sublimit is determined after considering a number of factors, including (i) the potential dilution effect arising from grants to Service Provider Participants, (ii) the importance of striking a balance between achieving the purpose of the New Share Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Award Shares to the Service Provider Participants, (iii) the extent of use of the Service Provider Participants in the Group's businesses, the current payment and/or settlement arrangement with the Service Provider Participants, (iv) the expected contribution to the development and growth of the Company attributable to the Service Provider Participants and (v) the sublimit represents a maximum limit and that the Company retains the flexibility to allocate Award Shares from this sublimit to satisfy Awards to other Eligible Persons depending on business growth and needs in the future as and when appropriate. The dilution of Shareholders' interest resulting from the adoption of the New Share Scheme will not be significant each year given that the grants of Awards to be made pursuant to the Scheme Mandate Limit (and the Service Provider Sublimit) are expected to be spread out over the 10-year term of the New Share Scheme (unless the Scheme Mandate Limit or the Service Provider Sublimit is sought to be refreshed, in which case further approval of the Shareholders will be required). Given the above, the Board considers that a Service Provider Sublimit of 1% would not lead to an excessive dilution of shareholding of the existing Shareholders. The Service Provider Sublimit is subject to separate approval by the Shareholders at the EGM.

Considering the Group's hiring practice, organizational structures and business growth and needs in the future and that the Service Provider Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that, the Service Provider Sublimit is appropriate and reasonable given the Group's business needs, and such limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the New Share Scheme.

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Performance target and clawback mechanism

Unless otherwise determined by the Board or a committee of the Board and specified in the Award Letter, a Selected Participant is not required to achieve any performance targets before vesting of an Award granted to him/her.

Under the New Share Scheme, the Board may impose clawback mechanism for the Company to recover or withhold any unvested Awards granted to any participants. The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the Award Shares under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Eligible Participants' contribution or potential contribution. Further, to impose performance targets as may be stipulated in the Award Letter on a case-by-case basis allow the Company to be in a better position to retain such Eligible Participants to continue serving the Group whilst at the same time providing these Eligible Participants further incentive in achieving the goals of the Group, and therefore aligns with the purposes of the New Share Scheme.

4. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Extraordinary General Meeting is set out on pages 40 to 43 of this circular.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinotecw.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, at the 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 but in any event not less than 48 hours before the time appointed for the Extraordinary General Meeting (i.e. not later than 3:15 p.m. on Monday, 7 April 2025) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting if they so wish.

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5. GENERAL

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the Award Shares that may be granted under the New Share Scheme.

As at the Latest Practicable Date, no Trustee has been appointed to administer and implement the New Share Scheme. None of the Directors is a Trustee of the New Share Scheme or has any direct or indirect interest in the Trustees of the New Share Scheme, if any. Upon the adoption of the New Share Scheme, the Company shall enter into the Trust Deed to appoint the Trustee for the administration of the New Share Scheme. The Trustee is a third party independent of the Company and not connected with any of its connected persons (as defined under the Listing Rules).

As at the Latest Practicable Date, the Company has no other share option schemes or share award schemes other than the 2020 Share Option Scheme and the 2021 Share Award Plan.

The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

6. VOTING BY WAY OF POLL

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Extraordinary General Meeting in the manner prescribed under the Listing Rules.

7. 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Directors consider that the adoption of the New Share Scheme (including the Scheme Mandate Limit and the Service Provider Sublimit) are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the resolutions to be proposed at the EGM. So far as the Directors are aware of, at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on any resolutions to be approved at the EGM.

9. DOCUMENT PUBLISHED ON WEBSITES AND AVAILABLE FOR INSPECTION

The New Share Scheme will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.sinotecw.com not less than 14 days before the date of EGM, and a copy of the New Share Scheme will be available for inspection at the EGM.

10. CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from Monday, 7 April 2025 to Wednesday, 9 April 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with 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 for registration not later than 4:30 p.m. on Thursday, 3 April 2025.

Yours faithfully,

For and on behalf of the Board

Sino-Entertainment Technology Holdings Limited

Sui Jiaheng

Chairman

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

This appendix summaries the principal terms of the New Share Scheme but does not form part of nor is it intended to be part of the New Share Scheme, nor should it be taken as effecting the interpretation of the rules of the New Share Scheme.

1. PURPOSE OF THE NEW SHARE SCHEME

The purpose of the New Share Scheme is, through an award of Shares, to:

- (A) 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
- (B) attract suitable personnel for further development of the Group.

2. ADMINISTRATION

The New Share Scheme shall be subject to the administration of the Board whose decisions on all matters arising in relation to the New Share Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice the powers of the Trustee as provided under the Trust Deed.

The Board will also have final discretion on how the rules set forth in the New Share Scheme are applied and administered for Selected Participants who reside outside of Hong Kong for the purpose of complying with overseas securities laws and restrictions provided that such application and administration shall in all respects be subject to the Company's compliance of the Listing Rules at all times.

3. ELIGIBLE PARTICIPANTS

Eligible Participants under the New Share Scheme shall include:

- (i) **Employee Participants**, director(s) and employee(s) (including full-time and part-time employees) of the Group (including persons who are granted Awards as an inducement to enter into employment contracts with the Group);
- (ii) **Related Entity Participants**, any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of a Related Entity; and

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

- (iii) **Service Provider Participants**, any person (other than an Employee Participant or a Related Entity Participant, solely with respect to rendering services in such person's capacity as an employee or director) providing goods and/or services to the Group on a continuing or recurring basis in the ordinary and usual course of business of the Group which are in the interests of the long-term growth of the Group as determined by the Board, including:
- (a) an online platform service provider that renders high-quality services to the Group on a continuing or recurring basis who/which supports the Group's businesses of providing publishing-related services (that are, marketing, promotion, navigating the game players to register and recharge in the game) to the game publishers with whom the Group would consider important to maintain a close business relationship on an ongoing basis;
 - (b) a game publishing service provider that provides high-quality services of publishing, providing payment solution, market promotion and customer service and maintaining the access portal network, to the Group on a continuing or recurring basis to ensure the game players can continue to gain access to the mobile game to get the game experience and benefit after the sale of the virtual items and to ensure customer satisfaction and retention for the Group's businesses of mobile game publishing as well as development and sale of customised software and mobile games, with whom the Group would consider important to maintain a close business relationship on an ongoing basis;
 - (c) a supplier of goods and/or services to the Group who/which supports the Group's businesses of (i) mobile game publishing as well as development and sale of customised software and mobile games and blockchain technology business; (ii) marketing and advertising services that promote the Group's brand and attract new customers for the Group's mobile game publishing as well as development and sale of customised software and mobile games and blockchain technology business; and/or (iii) information technology support and technical services that offer information technology and technical infrastructure to ensure the Group's business operate smoothly and securely; on a continuing or recurring basis, with whom the Group would consider important to maintain a close business relationship on an ongoing basis;
 - (d) a consultant and adviser of the Group who/which provides advisory and consultancy services which are material and relevant to the Group's operations (that are, advisory and consultancy services in relation to research and

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

development of mobile game, software and blockchain technology, technology advancement, business development, market expansion, recruitment and tax) and engage with the Group on a continuing or recurring basis.

For the avoidance of doubt, (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional Service Provider Participants such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall not be Service Provider Participants for the purposes of the New Share Scheme.

For prospective employee who is granted Award as an inducement for enter into employment contracts with the Group, if such person does not join the Group prior to the commencement of the vesting period, the Award will be cancelled by the Board accordingly.

4. POOL OF AWARD SHARES

4.1 The Trustee may, at any time during the continuation of the New Share Scheme and the Trust Deed, set aside the appropriate number of Award Shares out of a pool of issued Shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee pursuant to the Trust Deed (the “**Shares Pool**”) comprising the following:

- (A) such Shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilising the Group Contribution and Other Distributions
- (B) such Shares as may be subscribed for by the Trustee by utilising the Group Contribution and Other Distributions;
- (C) such Shares as may be allotted or issued to the Trustee as a holder of Shares, whether by way of scrip dividend or otherwise;
- (D) such Shares which remain unvested and revert to the Trustee;
- (E) such Shares which any person or company recommended by the Company may irrevocably donate or transfer to or irrevocably vest or caused to be vested in the Trustee to be held upon trusts and with and subject to the powers and provisions in the Trust Deed; and/or

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

(F) such Shares vested and transferred to a Selected Participant but subject to lock-up, which are returned to the Share Pool according to the condition(s) set out in the Award Letter, to form part of the Trust Fund; and/or

(G) treasury Shares which shall be held by the broker after repurchase of such shares.

4.2 In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of (a) the closing market price on the date of such purchase, and (b) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

4.3 The Trustee shall set aside from the Shares Pool the number of Award Shares that are subject to Awards which have been granted to the Selected Participants pending the transfer and vesting of the Award Shares under the Award. The Trustee shall hold the Award Shares so set aside during the vesting period on the terms of the Trust Deed. At any time during any particular financial year of the Company, the Board or a committee of the Board after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the near future), may from time to time cause to be paid to the Trustee from the Company's resources such amount of moneys which may be utilised by the Trustee to subscribe for and/or purchase Shares which will constitute the Shares Pool. The Trustee may also utilise any dividends and other distributions declared and made in respect of any Award Shares ("**Other Distributions**") to subscribe for and/or purchase Shares which will constitute the Shares Pool.

5. MAXIMUM NUMBER OF SHARES

(a) Scheme Mandate Limit and Service Provider Sublimit

The maximum number of Shares which may be issued (and, together with treasury Shares which may be transferred, as applicable) in respect of all awards and options to be granted under the New Share Scheme and other share schemes of the Company that involve(s) the issuance of new Shares and the transfer of treasury Shares will be 41,483,781 Shares, representing 10% of the total number of Shares in issue (excluding treasury Shares) as at the Adoption Date ("**Scheme Mandate Limit**"), unless the Company obtains an approval from its Shareholders for refreshment of the Scheme Mandate Limit in accordance with paragraph 5(b) below.

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

Within the Scheme Mandate Limit, the maximum number of Shares which may be newly issued (and, together with treasury Shares which may be transferred, as applicable) in respect of all awards and options granted to Service Provider Participants under the New Share Scheme and other share schemes of the Company that involve(s) the issuance of new Shares and the transfer of treasury Shares will be 4,148,378 Shares, representing 1% of the total number of issued Shares (excluding treasury Shares) as at the Adoption Date (“**Service Provider Sublimit**”), unless the Company obtains an approval from its Shareholders for a refreshment of this Service Provider Sublimit pursuant to paragraph 5(b) below.

For the avoidance of doubt, the Scheme Mandate Limit and the Service Provider Sublimit do not apply to Share Awards that are funded by existing Shares to be held by the Trustee, and there is no upper limit for Share Awards in this regard.

Awards lapsed in accordance with the terms of the New Share Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit.

The Board shall not instruct the Trustee to subscribe for and/or purchase any Shares for the purpose of the New Share Scheme when such subscription and/or purchase will result in the Scheme Mandate Limit or the Service Provider Sublimit being exceeded.

(b) Refreshment of the Scheme Mandate Limit and Service Provider Sublimit

The Company may seek approval by its Shareholders in general meeting for refreshing the Scheme Mandate Limit and/or the Service Provider Sublimit under the New Share Scheme after three years from the date of Shareholders’ approval for the last refreshment or the adoption of the New Share Scheme and in accordance with the applicable Listing Rules.

Any refreshment within any three-year period must be approved by the Shareholders subject to the following provisions:

- (i) any controlling shareholders of the Company and their respective associates (or, if there is no such controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company must comply with the relevant requirements of the Listing Rules,

the requirements under sub-paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

(as a percentage of the total number of Shares in issue (excluding any treasury Shares)) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole Share.

Awards already granted under the New Share Scheme and any other share schemes of the Company (including those outstanding, cancelled or lapsed in accordance with its terms or exercised) shall not be counted for the purpose calculating the Scheme Mandate Limit or the Service Provider Sublimit as refreshed.

The total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Scheme and all other schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue (excluding any treasury Shares) as at the date of the aforesaid approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting.

Subject to compliance with the relevant requirements as set out in the Listing Rules, the Company may seek separate approval by the Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit provided that, the Awards in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought.

6. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT OTHER THAN ANY DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY

The maximum number of Shares, in a 12-month period up to and including the date of award, which may be issued (and, together with treasury Shares which may be transferred, as applicable) in respect of an Award or Awards to a Selected Participant together with any Shares to be issued under any options and awards granted to such Selected Participant under any share schemes of the Company shall not (i) in aggregate exceed 1% of the issued share capital (excluding treasury Shares) of the Company; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules. Any further grant of Awards must be separately approved by the Shareholders in general meeting with such Eligible Participant and his or her close associates (or his or her associates if the Eligible Participant is a connected person) abstaining from voting. The Company must then send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participants, the number and terms of the Awards to be granted and Awards previously granted to such Eligible Participant and the information required under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant must be fixed before Shareholders' approval.

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

7. AWARD OF AWARD SHARES

The Board shall, subject to and in accordance with the rules of the New Share Scheme, be entitled (but shall not be bound) to, at any time during the continuation of the New Share Scheme, make an Award to any of the Eligible Participants (as it shall in its absolute discretion select but excluding any Excluded Participant) such number of issued Shares, fully paid or credited as fully paid.

Any grant of Awards to any Director, chief executive or substantial Shareholder of the Company, or any of his respective associates, shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards). In addition:

- (A) where any grant of Share Awards to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of his respective associates, would result in the Shares issued and to be issued (or the treasury Shares to be transferred, as applicable) in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the New Share Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding treasury Shares) at the date of such grant; or
- (B) where any grant of Awards to an independent non-executive Director or substantial Shareholder of the Company (or any of his respective associates) would result in the number of Shares issued and to be issued in respect of all (i) options; and (ii) awards involving issue of new Shares (regardless whether such awards are granted under the New Share Scheme or any other share scheme(s) of the Company) (excluding any options or awards lapsed in accordance with the terms of the New Share Scheme or any other share scheme(s) of the Company) to such person in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of Shares in issue (excluding treasury Shares), such further grant of Awards must be approved by Shareholders of the Company in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.
- (C) In the circumstances described in 7(A) and 7(B) above, the Company must send a circular to the Shareholders. The Selected Participants, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

8. RESTRICTIONS ON AWARDS

No Award shall be granted to any Eligible Participant during the following time periods:

- (a) in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules) or by any other applicable rule, regulation or law;
- (b) where the Company is in possession of any unpublished inside information (having the meaning defined in the SFO) in relation to the Company, until (and including) the trading day after such inside information has been announced; and
- (c) during the periods commencing 30 days immediately before the earlier of: (i) the date of the board meeting for approving the Company's results for any year or interim (including quarterly) period, and (ii) the deadline for the Company to announce such results, and ending on (and including) the date of the results announcement publication, provided that such period will also cover any period of delay in the publication of any results announcement.

9. VESTING OF AWARD SHARES AND EXERCISE PERIOD

9.1 Subject to the terms of the New Share Scheme, the Trustee shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Award Shares (or the net sale proceeds thereof) to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of:

- (a) the Earliest Vesting Date as specified in the Award Letter to which such Award relates;
- (b) the receipt by the Trustee of the requisite information and documents stipulated by the Trustee within the stipulated period; and
- (c) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or paid by such Selected Participant as specified in the related Award Letter have been attained or paid and notified to the Trustee by the Board or a committee of the Board in writing.

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

- 9.2 Notwithstanding the requirement that the Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date under paragraph 9.4 below, but subject to the terms of the New Share Scheme, at any time prior to a Vesting Date, unless the Board or a committee of the Board otherwise determines, in respect of an Employee Participant who died, all the Award Shares of the Employee Participant shall be deemed to be vested on the Employee Participant on the day immediately prior to his/her death.
- 9.3 Notwithstanding the requirement that the Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date under paragraph 9.4 below, in the event of a dissolution or liquidation of the Company, or if there is an event of change in control of the Company, or a general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all Shareholders other than the offeror, any persons controlled by the offeror and any persons acting in association or concert with the offeror), and such offer becomes or is declared unconditional prior to the vesting of the Award Shares in the relevant Employee Participants pursuant to the New Share Scheme, the Employee Participant shall be entitled to, subject to the direction of the Board or a committee of the Board, be vested with all of his Award Shares at any time before the expiry of the period of ten (10) Business Days following the date on which the offer becomes or is declared unconditional. For the purpose of this paragraph 9.3, “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.
- 9.4 Subject to the Listing Rules, the Board or a committee of the Board may from time to time, at its discretion, determine the Earliest Vesting Date and other subsequent date(s), if any, upon which the Award Shares (or the net sale proceeds thereof) held by the Trustee upon trust and which are referable to a Selected Participant shall vest in that Selected Participant. The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date, provided that for Employee Participants, the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances:
- (A) grants of “make-whole” Awards to new Employee Participants to replace share awards such Employee Participants forfeited when leaving their previous employers;
 - (B) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

- (C) grants of Awards which are subject to the fulfilment of performance targets pursuant to the terms of the New Share Scheme;
- (D) grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirements;
- (E) grants of Awards with a mixed vesting schedule such that the Awards vest evenly over a period of 12 months;
- (F) grants of Awards with a total vesting and holding period of more than 12 months;
or
- (G) such circumstances as set out in paragraphs 9.2 and 9.3,

each of which is considered appropriate and serves the purpose of the New Share Scheme to provide flexibility to grant Awards (1) as part of competitive terms and conditions to induce valuable talent to join the Group; (2) to reward past contribution which may otherwise be neglected due to administrative or technical reasons; (3) to reward exceptional performers with accelerated vesting; (4) to motivate exceptional performers based on performance metrics rather than time; and (5) in exceptional circumstances such as death of the relevant Employee Participants or in case of takeover or winding up of the Company to provide appropriate safeguard of interests of the relevant Selected Participants so as to be in line with market standard.

- 9.5 The Directors and the Remuneration Committee are of the view that the vesting period (including the circumstances in which a shorter vesting period may apply) enables the Company to offer competitive remuneration and reward packages to Employee Participants, on an ad hoc basis, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and the former practice of the Company and peer companies in the Group's industry. Accordingly, the above vesting period is considered appropriate and aligns with the purpose of the New Share Scheme.
- 9.6 The Board may determine in its absolute discretion the Exercise Period for any award of Share Options and/or Share Awards and such period shall be set out in the Award Letter. However, the Exercise Period for any award of Share Options shall not be longer than 10 years from the Grant Date.

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10. LAPSE OF AWARDS

10.1 Without prejudice to the authority of the Board to provide additional situations when an Award shall lapse in the terms of any Award Letter, an Award shall lapse automatically on the earliest of:

- (i) the expiry of any applicable Exercise Period;
- (ii) the Selected Participant no longer qualifies as an Eligible Participant;
- (iii) the clawback mechanism being triggered;
- (iv) the expiry of any of the periods for accepting or exercising the Awards;
- (v) the Selected Participant breaching the rule against transferring the Awards; and
- (vi) the Selected Participant forfeiting the Award as a result of (i) the voluntary liquidation or winding up of the Company; (ii) the death of the Selected Participant; or (iii) the Selected Participant has become bankrupt or has made any arrangement or composition with his/her creditors or has been convicted of any criminal offense involving fraud or dishonesty.

11. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

Unless otherwise determined by the Board and specified in the Award Letter, vesting of Awards is not subject to any performance target that needs to be achieved by the Selected Participant. The Board may in respect of each Award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of Awards in its sole and absolute discretion. In determining the performance targets of the Selected Participants (if any), the Board will, on a case-by-case basis, take into account both qualitative and quantitative factors including, but not limited to, the business performance of the Group, the actual or expected increase in the Group's revenue or profits which is attributable to the Selected Participant, the Selected Participants' past contributions to the Group, their leadership roles, duties and responsibilities and effort. Any such performance targets, criteria or conditions shall be set out in the Award Letter.

The Company considers that it is not practicable to expressly set out a generic set of performance targets in the rules of the New Share Scheme since each Selected Participant has a different position/role with respect to the Group or the Related Entity and will contribute differently to the Group in nature, duration and significance. While there is no performance target

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prescribed under the rules of the New Share Scheme at the outset, the Board may, in respect of each grant of Award and subject to all applicable laws, rules and regulations, determine and specify in the Award Letter such performance target(s) for vesting of the Awards in its sole and absolute discretion considers appropriate in light of the particular circumstances of the Award. Such performance target(s) (if any) may be based on, among others, business or financial performance results in terms of the Group's revenue and/or profits, the actual or expected increase in the Group's revenue or profits which is attributable to the Selected Participant, transaction milestones, individual performance appraisal, results of strategic plans formulated by the Selected Participant, developments or breakthroughs in certain markets of the Group and/or the Selected Participant's contribution to the Group (via his/her/its position at the Group or at the Related Entity, or as a Service Provider Participant) and as evaluated by the Group over a specified evaluation period. The methods for assessing how the performance target(s) (if any) are satisfied include but not limited to setting specific targets, establishing a measurement period, evaluating actual performance against these targets, and making any necessary adjustments for exceptional circumstances according to changes in market conditions. By giving maximum flexibility for the Board to impose conditions in the Award Letter as and when required, the Board will be able to ensure that all Awards granted will align with the purpose of the New Share Scheme as far as possible.

The Company will evaluate the actual performance and contribution of a Selected Participant against the performance targets set and form a view as to whether the relevant performance targets have been satisfied. Each performance target may be assessed either on a time basis (i.e., annually or cumulatively over a period of years) to previous years' results or to a designated comparison group, or upon the completion of the milestone event(s) as specified in the Award Letter, in each case as specified by the Board in its sole discretion. The Board shall have the sole discretion in determining whether the relevant performance targets for the Selected Participant have been met.

The Remuneration Committee is in the view of that, it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant of an Award, to align with the Eligible Participants' contribution or potential contribution. Further, by allowing the Company to grant Awards under the New Share Scheme and to impose such clawback mechanism along the scope as described below and/or require the Eligible Participants to achieve such performance targets as may be stipulated in the Award Letter on a case-by-case basis, the Company may be in a better position to retain such Eligible Participants to continue serving and achieving the goals of the Group, and therefore aligns with the purpose of the New Share Scheme as a whole.

With reference to the clawback mechanism, where certain events specified in the rules of the New Share Scheme arise, with respect to a Selected Participant, Awards granted but not yet exercised shall immediately lapse, regardless of whether such Awards have vested or not, and with

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

respect to any Shares delivered or amount paid to the Selected Participant, the Selected Participant be required to transfer the same value, whether in Shares and/or cash, back to our Company (or nominee). These circumstances are:

- (a) the Selected Participant ceasing to be an Eligible Participant by reason of termination of his/her employment or contractual engagement with the Group or Related Entity for cause (including but not limited to, misconduct, fraud or poor performance) or as a result of the Selected Participant having been charged, penalised or convicted or an offence involving the Selected Participant's integrity or honesty;
- (b) the Selected Participant commits a serious misconduct or breach, including with respect to a policy or code of or other agreement with the Group, which is considered to be material;
- (c) a Selected Participant has engaged in any act or omission to perform his/her duties that has had or will have a material adverse effect on the reputation or interests of the Group; or
- (d) the Award to the Selected Participant will no longer be appropriate and aligned with the purpose of the New Share Scheme.

If the Board exercises its discretion with respect to any matters in relation to this paragraph, it may give (but is not obliged to) the relevant Selected Participant written notice and the Board's interpretation of and determination shall be final, conclusive and binding.

For the avoidance of doubt, such clawback mechanism will be applicable to the granted but unvested Awards which shall immediately lapse in the event if there is any transfer of Related Entity Participants from one Related Entity to another Related Entity or to the Group or vice versa.

The Directors are of the view that the above clawback mechanism enables the Company to clawback awards (or the award Shares underlying such Awards) received by those Selected Participants that have, for example, seriously violated the policies of the Group, put the Group into disrepute, adversely harmed the Group, or otherwise exposed the Group to significant risk. In these circumstances, the Company would not consider it in the Company or Shareholders' best interests to incentivise them with proprietary interests of the Company under the New Share Scheme, nor would the Company consider such Selected Participants benefiting under the New Share Scheme to align with the purpose thereof. As such, the Company considers this clawback mechanism appropriate and reasonable and aligns with the purpose of the New Share Scheme.

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12. ACCEPTANCE

The Board may determine in their absolute discretion the amount (if any) payable on application or acceptance of an Award and the period within which any such payments must be made, and such amounts (if any) and periods shall be set out in the Award Letter. Such amount will either be HK\$1.0 or nil. Unless otherwise specified in the Award Letter, the Selected Participant shall have 21 Business Days from the Grant Date to accept the Award, following which, the portion not accepted by the Selected Participant shall automatically lapse.

13. ISSUE PRICE AND EXERCISE PRICE

The Directors may determine in their absolute discretion the Issue Price for the exercise of Share Awards and/or the Exercise Price for Share Options for Awards in the form of Share Awards and/or Share Option (as the case may be) and such prices shall be set out in the Award Letter.

- (a) However, the Exercise Price for Share Options shall be no less than the higher of: the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Grant Date.
- (b) The Issue Price shall be determined on an individual basis for each of the Selected Participant by the Directors, taking into account the purpose of the Scheme, the interests of the Company and the individual circumstances of each Selected Participant.

The Company will disclose the Issue Price and Exercise Price in the announcement on grant of relevant Awards and in its annual and interim reports to the extent required under Chapter 17 of the Listing Rules.

The Directors are of the view that the above flexibility allows the Company to control the costs incurred by the Company from the grant of Awards under the New Share Scheme by correlating the Exercise Price for Share Options with prevailing market prices at the time of grant (particularly considering that timing of when the Share Options will be exercised are within the discretion of the Selected Participant and is typically made with reference to the difference between Exercise Price and prevailing market prices at the time of exercise) and the Company reserving the discretion to determine the Issue Price, if any, on an individual basis taking into account the nature and degree of value benefiting the Group from granting Awards to such Selected Participant, which is aligned with the purpose of the New Share Scheme (particularly considering that Share Awards typically do not involve the same degree of exercise procedure and discretion on the part of the Selected Participant as with Share Options).

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14. VOTING AND DIVIDEND RIGHTS

Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No Selected Participant shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award unless and until the Shares underlying an Award are delivered to the Selected Participant pursuant to the vesting and exercise of such Award.

15. DURATION AND TERMINATION OF THE NEW SHARE SCHEME

15.1 Subject to early termination, the New Share Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date.

15.2 The New Share Scheme shall terminate on the earlier of: (a) the 10th anniversary of the Adoption Date; and (b) such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights in respect of the Awards already granted to Eligible Participants.

15.3 Upon termination, no further Award (including Awards granted under the Scheme but not yet exercised or in respect of which Award Shares are not yet issued to the Eligible Participant(s)) shall be granted but in all other respects the provisions of the Scheme shall remain in full force and effect. The Award Shares granted and subsisting prior to the termination shall continue to be in full force and effect.

15.4 For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the New Share Scheme.

16. ALTERATIONS IN SHARE CAPITAL OR CORPORATE TRANSACTIONS

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) after the Adoption Date, the Board shall make such corresponding adjustments, if any, as the Board in its discretion may deem appropriate to reflect such change with respect to:

- (a) the number of Shares constituting the Scheme Mandate Limit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;

APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE SCHEME

(b) the number of Shares in each Award to the extent any Award has not been exercised;

(c) the Exercise Price of any Share Option or Issue Price of any Share Award,

or any combination thereof, as the auditors or an independent financial advisor engaged by the Company for such purpose have certified satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular Selected Participant, provided always that (i) any such adjustments should give each Selected Participant the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Selected Participant was previously entitled prior to such adjustments, and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial advisor or the auditors shall confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules. The capacity of the auditors or financial advisor (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Selected Participants.

Any adjustments made by the Board will be made in accordance with the requirements under Appendix 1 to Frequently Asked Questions FAQ13 — No.1–20 published by the Stock Exchange.

17. RANKING OF SHARES

The Award Shares to be allotted and issued (or the treasury Shares to be transferred, as applicable) pursuant to the rules of the New Share Scheme shall be identical to all existing issued Shares and shall be allotted and issued (or transferred) subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid Shares in issue on the date the name of the Selected Participant is registered on the register of members of the Company (or the date of transfer of treasury Shares, as the case may be). For the avoidance of doubt, a Selected Participant shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

18. TRANSFERABILITY

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so. Any

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breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant, and the Board or a committee of the Board shall notify the Trustee in writing accordingly.

19. CANCELLATION OF AWARDS

Subject to Chapter 17 of the Listing Rules, with the prior consent of the Selected Participant, the Board may in its sole and absolute discretion cancel any Awards granted.

If the Company cancels the Award Shares granted to a Selected Participant and makes a new grant to the same Selected Participant, such new grant may only be made under the New Share Scheme with available Scheme Mandate Limit approved by the Shareholders as mentioned in paragraph 5 above and granted in compliance with the terms of the New Share Scheme, the Listing Rules and the applicable laws or regulations. The Award Shares so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit thereunder as applicable).

20. ALTERATION OF THE NEW SHARE SCHEME

20.1 The rules of the New Share Scheme may be altered by the prior sanction of a resolution passed by the Board or a committee of the Board provided that no such alteration shall operate to affect adversely any rights of any Selected Participant in respect of his Award Shares which remain unvested except with the consent in writing of the majority of the Selected Participants whose Award Shares remained unvested on that date (but, for the avoidance of doubt, excluding for this purpose any such Shares in respect of which that date is a Vesting Date) as would be required of the holders of Shares under the Articles for a variation of the rights attached to such Shares. The amended terms of the rules of the New Share Scheme must comply with all applicable laws, rules and regulations (including without limitation the Listing Rules).

Any alteration to the terms of the rules of the New Share Scheme which are of material nature or relating to the matters as set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by the Shareholders in general meeting.

20.2 Change to the terms of the Awards granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive directors of the Company and/or Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent

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non-executive directors of the Company and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Scheme.

- 20.3 Any change to the authority of the directors of the Company or scheme administrators to alter the terms of the rules of the New Share Scheme must be approved by the Shareholders in general meeting.

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 is hereby given that the extraordinary general meeting the (“**Extraordinary General Meeting**”) of Sino-Entertainment Technology Holdings Limited (the “**Company**”) will be held at 3:15 p.m. (or immediately after the conclusion of the EGM concerning the major transaction) on Wednesday, 9 April 2025 at Suite No. 2, 3/F, Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolution of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and the permission to deal in, the ordinary shares of the Company (or such shares as shall result from a capitalisation issue, rights issue, open offer, subdivision, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) (the “**Share(s)**”) which may be issued (including any transfer of Shares out of treasury that are held as treasury shares of the Company (“**treasury Shares**”)) in respect of the awards granted under the New Share Scheme of the Company (the “**New Share Scheme**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, the New Share Scheme be and is hereby approved and adopted, and the directors of the Company (“**Directors**”) or their delegate(s) be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Scheme, including but without limitation:
 - (i) to administer the New Share Scheme under which award shares will be granted to the Eligible Participants eligible under the New Share Scheme to subscribe for Shares, including but not limited to determining and granting the award shares in accordance with the terms of the New Share Scheme;

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- (ii) to modify and/or amend the New Share Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Scheme;
 - (iii) to grant awards of Shares under the New Share Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued (and/or to transfer such number of treasury Shares, as applicable) in respect of the awards to be granted under the New Share Scheme;
 - (iv) to make application at appropriate time or times to The Stock Exchange of Hong Kong Limited and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the awards to be granted under the New Share Scheme; and
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Scheme;
- (b) subject to and conditional upon the New Share Scheme becoming unconditional, the existing share option scheme adopted by the Company on 19 June 2020 (“**2020 Share Option Scheme**”) be and is hereby terminated except that the provisions of the 2020 Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination, or otherwise as may be required in accordance with the provisions of the 2020 Share Option Scheme.
- (c) subject to and conditional upon the New Share Scheme becoming unconditional, the existing share award plan adopted by the Company on 15 April 2021 as amended on 8 December 2021 (“**2021 Share Award Plan**”) be and is hereby terminated except that the provisions of the 2021 Share Award Plan will remain in full force and effect to the extent necessary to give effect to the exercise of any awards granted prior to its termination, or otherwise as may be required in accordance with the provisions of the 2021 Share Award Plan.
2. “**THAT**, subject to and conditional upon the passing of ordinary resolutions numbered 1, the Scheme Mandate Limit (as defined in the New Share Scheme) being 10% of the total number of Shares in issue (excluding any treasury Shares) as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether

NOTICE OF EXTRAORDINARY GENERAL MEETING

under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”

3. “**THAT** subject to and conditional upon the passing of ordinary resolutions numbered 1, the Service Provider Sublimit (as defined in the New Share Scheme) on the total number of Shares that may be issued (including any transfer of Shares out of treasury that are held as treasury Shares) in respect of all Awards to be granted to Service Provider Participants (as defined in the New Share Scheme) under the New Share Scheme or all other share schemes of the Company (i.e. 1% of the total number of Shares in issue (excluding any treasury Shares) as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

Yours faithfully,

For and on behalf of the Board

Sino-Entertainment Technology Holdings Limited

Sui Jiaheng

Chairman

Hong Kong, 21 March 2025

As at the date of this notice, the executive Directors of the Company are Mr. Sui Jiaheng and Mr. Li Tao; the non-executive Director is Mr. He Shaoning; and the independent non-executive Directors are Ms. Pang Xia, Mr. Deng Chunhua and Ms. Chen Nan.

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company in accordance with the Rules Governing the Listing of Securities on the Stock Exchange.
2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

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3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at 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 not less than 48 hours before the time appointed for the meeting (i.e. not later than 3:15 p.m. on Monday, 7 April 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Monday, 7 April 2025 to Wednesday, 9 April 2025 both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with 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 for registration not later than 4:30 p.m. on Thursday, 3 April 2025.
5. References to time and dates in this notice are to Hong Kong time and dates.
6. If tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons or a "black" rainstorm warning signal is in force at 10:00 a.m. on Wednesday, 9 April 2025, the Extraordinary General Meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The Extraordinary General 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 Extraordinary General Meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.