SINO-ENTERTAINMENT TECHNOLOGY HOLDINGS LIMITED
新娱科控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6933)

MAJOR AND CONTINUING CONNECTED TRANSACTION THE LICENCE AGREEMENT

Independent Financial Advisor to the Independent Board Committee and the Shareholders

Donvex
富域資本
Donvex Capital Limited
富域資本有限公司

THE LICENCE AGREEMENT

On 15 July 2026 (after trading hours), Capybara Group and Jiangsu Dongfang entered into the Licence Agreement, pursuant to which Jiangsu Dongfang has agreed to grant, and Capybara Group has agreed to obtain, the licence of the IP Rights for Commercial Use in the PRC from completion to 31 December 2028 (or such other extended date as the parties may agree in writing).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Capybara Group is an indirect wholly owned subsidiary of the Company and Mr. Xu is the director of Capybara Group. Jiangsu Dongfang is directly and indirectly controlled by Mr. Xu. Therefore, Mr. Xu is a connected person of the Company and Jiangsu Dongfang is an associate of the Company. As such, the transaction contemplated under the Licence Agreement constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Licence Agreement is more than 25% but less than 100% on an annual basis, the Licence Agreement constitutes a major transaction and is subject to the reporting, announcement, annual review and the Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

EGM

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to consider whether the terms of the Licence Agreement and the transaction contemplated thereunder and the Proposed Annual Caps are fair and reasonable, and are conducted in the ordinary and usual course of business of the Company on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, and to advise the Shareholders as to how to vote at the EGM. Donvex Capital Limited has been appointed by the Company as the Independent Financial Advisor to advise the Independent Board Committee and the Shareholders in this regard.

To the best knowledge of the Directors, Mr. Xu and his associates do not have any interest in the Company as at the date of this announcement. Therefore, no shareholders have to abstain from voting in the EGM regarding the continuing connected transaction of the Licence Agreement.

A circular containing, among others, (i) further details of the transaction contemplated under the Licence Agreement; (ii) the recommendation of the Independent Board Committee in connection with the Licence Agreement; (iii) the advice of the Independent Financial Advisor in connection with the Licence Agreement; and (iv) a notice convening the EGM is expected to be despatched to the shareholders on or before 5 August 2026 taking into account the estimated time required for the Company to prepare the relevant information for inclusion in the circular.

LICENCE AGREEMENT

On 15 July 2026 (after trading hours), Capybara Group and Jiangsu Dongfang entered into the Licence Agreement, pursuant to which Jiangsu Dongfang has agreed to grant, and Capybara Group has agreed to obtain, the licence of the IP Assets for Commercial Use in the PRC from completion to 31 December 2028 (or such other extended date as the parties may agree in writing).

The major terms of the Licence Agreement are set out as follows:

Date: 15 July 2026

Term: from completion up to 31 December 2028 (or such other extended date as the parties may agree in writing)

Parties: (1) Capybara Group, an indirect wholly owned subsidiary of the Company; and

(2) Jiangsu Dongfang, an associate of a connected person

Scope: Pursuant to the Licence Agreement, Jiangsu Dongfang grants the following exclusive licence of the intellectual property rights relating to the IP Assets to the Company and its subsidiaries for use in commercial activities or business (the "**Commercial Use**") in the PRC, including but not limited to:

(1) the manufacturing, development and sales of, among others, toys, figures, blind box and plush products;

(2) brand collaboration and marketing;

(3) content development, including but not limited to comics, animations, short series, videos, TV series and other content for broadcasting and publication;

(4) offline experiences, including but not limited to theme parks, exhibitions, restaurants, hotels and retail shops;

(5) use and application on social media platforms and mobile applications; and

(6) commercial partnership, including but not limited to corporate gifts, member benefits, points redemption and promotional giveaways.

Pricing policy: Pursuant to the terms of the Licence Agreement, consideration payable shall be determined on an arm's length basis in the following manners:

(1) Licence fees: Capybara Group and/or its controlled entities shall pay Jiangsu Dongfang a fixed licence fee equivalent to 20% of all sublicense income received by Capybara Group and/or its controlled entities from activities conducted under the Commercial Use; and

(2) Royalty fees: ranging from 35% to 50% of the sales revenue generated from the production and sale of different types of products of the Character (whether by Capybara Group and/or its controlled entities or through third parties) under the Commercial Use. The percentage of royalty fees on different products shall be agreed between the parties in writing from time to time.

Such fees are determined on arm's length basis based on the following factors and shall be on terms that are normal commercial terms or better to the Group:

— In determining the licence fees under the Licence Agreement, the Board has taken into account prevailing industry benchmarks in the IP licensing sector, where revenue sharing ratios between IP owners and operators typically range from 10% to 30%.

— In determining the royalty fee under the Licence Agreement, the Board has taken into account (i) the complicated operational processes whereby the Group is responsible for a broader range of operational functions, including product design, manufacturing, quality control, warehousing and logistics, channel management and after-sales services, as compared to pure licensing arrangements; and (ii) the uncertainties associated with the product business, including inventory backlog, product defects and quality control risks.

The fees payable by Capybara Group to Jiangsu Dongfang for the Commercial Use of the IP Rights shall be separately agreed under the specific transaction agreements or orders to be entered.

Conditions precedent: Completion of the Licence Agreement is conditional upon the Company having obtained the independent Shareholders' approval in the EGM approving the Licence Agreement and the transaction contemplated thereunder.

Special arrangement in adaptation and derivative works: Where Capybara Group and/or its controlled entities carry out any adaptation or secondary creation of the IP Assets (including but not limited to the creation of adapted character images, new derivative products and short-form videos), Capybara Group and/or its controlled entities shall, within a specified period after completion of the initial draft of such adapted content, submit the same to Jiangsu Dongfang for review.

Jiangsu Dongfang shall have the right to propose reasonable amendments to such adapted content.

PROPOSED ANNUAL CAPS FOR THE LICENCE AGREEMENT

Having considered the factors as set out in the paragraph headed "Reasons for and benefits of the Licence Agreement", the Directors propose that the Proposed Annual Caps of the licensing the IP Rights during the term of the Licence Agreement shall be as follows:

	From Completion to 31 December 2026	For year ending 31 December 2027	For year ending 31 December 2028
	RMB'000	*RMB'000*	*RMB'000*
The Proposed Annual Caps including licence fees and royalty fees	22,000	28,290	28,290

The Proposed Annual Caps have been determined with reference to (i) the scale of the PRC trendy toy market, which is expected to reach approximately RMB110.1 billion in 2026; and (ii) the uncertainties associated with the Group's early stage of business development. The Board is of the view that the Proposed Annual Caps provide reasonable headroom for potential growth.

REASONS FOR AND BENEFITS OF THE LICENCE AGREEMENT

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. In light of the increasingly competitive landscape of the gaming industry and changes in the regulatory environment, the Board has decided to integrate into the IP-based trendy brand segment as a new growth driver of the Group, including but not limited to IP of mobile game character and/or other industry segments.

The Character under the Licence Agreement is a proven and well-established IP with existing brand recognition and market acceptance. Mr. Xu is the creator of the Character, who also created other cartoon characters. In anticipation of entering into the Licence Agreement, the Group in June 2026 acquired several companies which include Capybara Group (together, the "**New Companies**") with company names similar to the Character and another cartoon character. Mr. Xu is the ultimate beneficial owner of the New Companies and procured the vendors of the New Companies (who are Independent Third Parties who held the interests of the New Companies on trust for Mr. Xu) to transfer the entire equity interest of the New Companies to the Group. The New Companies were used to secure the IP of the names of cartoon characters and have not commenced business at the time of the acquisitions. The Group acquired the New Companies at cost in the sum of US$20,000 representing the nominal paid-up capital. The acquisitions did not constitute notifiable transactions under Chapter 14 of the Listing Rules, hence no announcement was made. The Directors consider entering into the Licence Agreement will enable the Group to leverage the established IP portfolio and enter the growing market of IP-driven consumer products. It is expected to shorten the commercialization cycle and reduce market entry risk of IP business for the Group. The Company also consider cooperation with other IP rights of mobile game character if suitable targets are identified.

In addition to granting the IP Rights, Jiangsu Dongfang will provide certain integrated support services, including product design, supply chain coordination, quality control management, marketing support and logistics. Such comprehensive support is expected to enhance operational efficiency and facilitate the Group's expansion into the new business segment.

Furthermore, Jiangsu Dongfang will be responsible for the ongoing maintenance, protection and enforcement of the IP Assets, as well as continuous content development. This allows the Group to benefit from sustained brand value enhancement while minimizing the need for substantial upfront and ongoing investment in IP development and protection.

In view of the above, the Directors (excluding the independent non-executive Directors whose views will be set out in the circular to be published by the Company in connection with the Licence Agreement) are of the view that the terms of the Licence Agreement are fair and reasonable, on normal commercial terms, and that the entering into of the Licence Agreement is in the interests of the Company and its shareholders as a whole.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under the Licence Agreement are fair and reasonable, and the transaction are carried out based on normal or no less favorable commercial terms than those offered by Independent Third Parties, the Group has adopted the following internal control procedures:

1. the Group shall obtain and compare with quotations from at least two other Independent Third Parties for equivalent or comparable intellectual property rights for licence and will only enter into separate agreements for the licence of the IP Rights if the terms contemplated thereunder are no less favourable than the terms quoted by such two other Independent Third Parties;

2. the Group will also monitor the implementation of the Licence Agreement on a regular basis, and report regularly to the Board and management of the Group;

3. the independent non-executive Directors and auditors of the Company will conduct annual review of the transaction under the Licence Agreement and provide annual confirmations in accordance with the Listing Rules that the transaction are conducted in accordance with the terms of the Licence Agreement and the Group's pricing policy measures, and to confirm if the price and terms offered are fair and reasonable and comparable to those offered by Independent Third Parties; and

4. the Group strictly monitors the continuing connected transaction under the Licence Agreement for not exceeding the Proposed Annual Caps thereunder. In the event the Proposed Annual Caps are expected to be exceeded, the Board will consider whether to revise the Proposed Annual Caps and comply with the applicable Listing Rules accordingly.

The Board considers that the above internal control procedures adopted by the Group in connection with the transaction contemplated under the Licence Agreement are appropriate and sufficient, and will give sufficient assurance that the continuing connected transaction will be appropriately monitored by the Group.

INFORMATION ON THE PARTIES TO THE LICENCE AGREEMENT

Capybara Group

Capybara Group is an indirect wholly owned subsidiary of the Company. Mr. Xu is a director of Capybara Group. It is a company incorporated in Hong Kong on 27 October 2025 and has not commenced business as at the date of this announcement.

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.

Jiangsu Dongfang

Jiangsu Dongfang is a company established in the PRC and is principally engaged in literary and artistic creation, as well as the sale of toys, animation and entertainment products. It is the IP rights owner of the Character.

Jiangsu Dongfang is beneficially owned as to 70% by Wuxi Electric Whale Interactive Technology Co., Ltd.* (無錫電鯨互動科技有限公司)("**Wuxi Electric Whale**") and 30% by Jiangsu Xiaopai Intelligent Technology Co., Ltd.* (江蘇小拍智能科技有限公司) ("**Jiangsu Xiaopai**").

Wuxi Electric Whale is owned as to (i) approximately 37.26% by Mr. Xu; (ii) approximately 19.33% by Wuxi Jinpai Consulting Management Services Partnership (Limited Partnership)* (無錫金拍諮詢管理服務合夥企業(有限合夥)), in which Mr. Xu holds approximately 5.20% as a limited partner; (iii) approximately 10.49% by Jiangsu Zouquan Jinmao New Materials Venture Capital Partnership (Limited Partnership)* (江蘇疌泉金茂新材料創業投資合夥企業(有限合夥)); (iv) approximately 3.87% by Wuxi Zipai Enterprise Management Services Partnership (Limited Partnership)* (無錫紫拍企業管理服務合夥企業(有限合夥)), in which Mr. Xu holds approximately 25% as a limited partner; and (v) the remaining shares owned by 10 shareholders each holds less than 6.5% equity interest of Electric Whale.

Jiangsu Xiaopai is owned as to 95% by Mr. Xu and the remaining 5% of Ye Chenxi (葉晨曦).

As a result, Jiangsu Dongfang is directly and indirectly controlled by Mr. Xu whereby Wuxi Electric Whale and Jiangsu Xiaopai are associates of Mr. Xu.

LISTING RULES IMPLICATIONS

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As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Licence Agreement is more than 25% but less than 100% on an annual basis, the Licence Agreement constitutes a major transaction and is subject to the reporting, announcement, annual review and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

EGM

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to consider whether the terms of the Licence Agreement and the transaction contemplated thereunder and the Proposed Annual Caps are fair and reasonable, and are conducted in the ordinary and usual course of business of the Company on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, and to advise the Shareholders as to how to vote at the EGM. Donvex Capital Limited has been appointed by the Company as the Independent Financial Advisor to advise the Independent Board Committee and the Shareholders in this regard.

To the best knowledge of the Directors, Mr. Xu and his associates do not have any interest in the Company as at the date of this announcement. Therefore, no shareholders have to abstain from voting in the EGM regarding the continuing connected transaction of the Licence Agreement.

A circular containing, among others, (i) further details of the transaction contemplated under the Licence Agreement; (ii) the recommendation of the Independent Board Committee in connection with the Licence Agreement; (iii) the advice of the Independent Financial Advisor in connection with the Licence Agreement; and (iv) a notice convening the EGM is expected to be despatched to the shareholders on or before 5 August 2026 taking into account the estimated time required for the Company to prepare the relevant information for inclusion in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors of the Company
"Capybara Group"	Capybara Group Limited, is an indirect wholly owned subsidiary of the Company incorporated in Hong Kong
"Character"	Capybara PIMOO, cartoon character of capybara and the intellectual rights of which are owned by Jiangsu Dongfang
"Company"	Sino-Entertainment Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 6933)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"EGM"	the extraordinary general meeting of the Company to be convened to consider and approve, among others, the Licence Agreement and the transaction contemplated thereunder
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors established to advise the Shareholders with respect to the Licence Agreement and the Proposed Annual Caps
"IP"	intellectual property
"IP Assets"	the intellectual property assets in respect of the Character, including but not limited to trademarks, patents and artistic images of the Character
"IP Rights"	The rights exercisable in respect of the IP Assets include, but are not limited to the rights of (1) reproduction; (2) distribution; (3) sale; (4) exhibition; (5) performance; (6) manufacturing; (7) broadcasting; (8) information network communication; (9) cinematographic production; (10) adaptation; (11) translation; (12) development; and (13) merchandising
"Independent Financial Adviser"	Donvex Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and the independent financial adviser to the Independent Board Committee and the Shareholders with respect to the Licence Agreement
"Independent Third Party(ies)"	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
"Jiangsu Dongfang"	Jiangsu Dongfang Chaowan Technology Co., Ltd.* (江蘇東方潮玩科技有限公司) is a company established in the PRC and is principally engaged in literary and artistic creation, as well as the sale of toys, animation and entertainment products
"Licence Agreement"	the licence agreement dated 15 July 2026 entered into between Capybara Group and Jiangsu Dongfang in relation to the IP Rights of the Character
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Mr. Xu"	Mr. Xu Mingjun (徐銘駿), is a director of Capybara Group and indirectly wholly owns Jiangsu Dongfang
"PRC"	the People's Republic of China, and for the sole purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan region
"Proposed Annual Caps"	the maximum amounts to be paid by Capybara Group to Jiangsu Dongfang for the IP Rights per year under the Licence Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	holder(s) of the Share(s) in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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

Hong Kong, 15 July 2026

As at the date of this announcement, the executive Directors are Mr. Sui Jiaheng, Mr. Li Tao and Mr. Wang Donglei; the independent non-executive Directors are Ms. He Chuan, Ms. Pang Xia, Mr. Deng Chunhua and Ms. Chen Nan.

* *For identification purposes.*