**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)**

# SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION IN RELATION TO THE LICENCE AGREEMENT

Reference is made to the announcement of continuing connected transaction in relation to the Licence Agreement (the "**Announcement**") of Sino-Entertainment Technology Holdings Limited (the "**Company**") dated 15 July 2026. Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as those defined in the Announcement.

## REASONS FOR AND BENEFITS OF THE LICENCE AGREEMENT

In addition to the information disclosed in the Announcement, the Company provides further information in relation to the business model of the Licence Agreement under the paragraph headed "Reasons for and benefits of the Licence Agreement" in the Announcement.

### Integration with the Character

In order to diversify the Group's revenue streams amid intensifying competition in the gaming sector, the Company plans to expand into the IP-based trendy brand segment by leveraging the licensed IP Assets relating to the Character.

The IP Assets will be closely integrated with the Group's core mobile game publishing and development businesses. As a starting point, the Company intends to incorporate the Character into its existing or upcoming mobile games for distribution in the PRC. Priority will be given to the development of casual games that align with the characteristics of the Character, such as simulation management, puzzle-solving, social cultivation and merge-elimination games. Further, the image of the Character will be combined with gameplay and storyline elements in graphic and video materials for advertising placements and social media content operations. This initial integration is expected to enhance player engagement, improve user retention, and generate cross-promotional synergies. Positive market feedback from the game integration should strengthen brand awareness and lay the foundation for broader commercial exploitation across physical and digital products, including toys, figures, blind boxes, plush products, branded merchandise, content development, and other initiatives.

Following the integration of the Character into the Group's mobile gaming business, the enlarged game portfolio is expected to generate revenue through in-app purchases made by players within the games, including the purchase of limited-edition appearances of the Character, the redemption of additional in-game coins, the collection of illustrated guides, monthly cards, seasonal cards and other similar items. Concurrently, activities will be launched within the games in collaboration with Capybara Group through in-game physical product sales or the unlocking and claiming rewards upon completion of mission objectives. The Company will conduct quarterly reviews to facilitate dynamic resource allocation.

The development cycle from project initiation to the completion of testing and commercial launch is expected to take approximately three months. The Company expects that casual mobile games aligning with the characteristics of the Character will be launched in the fourth quarter of 2026.

This allows the Group to utilise its gaming expertise as a foundation for IP commercialisation, supported by Jiangsu Dongfang's services in design, supply chain, and marketing. The Directors consider this strategy will create synergies, reduce market entry risks, and contribute to the long-term growth of the Group.

**Business model**

Over the years, the Group has established extensive engagement with upstream suppliers, including art and animation studios, software development tool suppliers, and raw material suppliers for merchandise; as well as downstream clients and partners, including digital platform operators, retailers and distributors of consumer products, e-commerce platforms, brand owners for co-marketing campaigns, and licensing agents. These established relationships provide a strong foundation for the new IP-based trendy brand segment. The collaboration with Mr. Xu, the creator of the Character, is expected to attract further opportunities with other creators and owners of pre-existing characters, thereby facilitating additional brand collaborations, licensing deals, and merchandising contracts.

Following the development and launch of mobile games integrated with the Character, the Company intends to retain full ownership and continue the ongoing development, operation, updating and optimisation of such games, rather than disposing of, transferring or selling them to third parties upon completion. By maintaining continuous operational oversight, the Group will be able to regularly introduce new content, features and IP-themed events aligned with the Character, respond promptly to player feedback, refine monetisation strategies and extend the commercial lifecycle of the games. Such sustained involvement is expected to maximise the long-term value of the integrated IP Assets, strengthen user loyalty and generate recurring revenue through ongoing in-app purchases, advertising and related activities.

Following the launch of the games, the business model will focus on commercialising the licensed IP Assets through a combination of digital and physical products, leveraging the Group's existing gaming capabilities and the established brand recognition of the Character. Revenue will primarily be generated from product sales, brand collaborations, content licensing, and sublicensing arrangements, with payments to Jiangsu Dongfang (or other licensors collaborated with the Group in the future) in the form of licence fees (equivalent to 20% of sublicense income) and royalty fees (ranging from 35% to 50% of relevant sales revenue).

**Key processes and products**

The key product under the Licence Agreement centres on the integration of the Character into the Group's mobile games. The Company intends to develop and launch casual mobile games incorporating the Character as the primary digital offering and the core of its initial commercialisation strategy. These games are expected to serve as the principal platform for engaging players, generating in-app revenue, enhancing user retention and building brand awareness of the Character, thereby establishing a solid foundation for subsequent expansion into physical and other related products.

As disclosed in the Announcement, the key processes and products derived from the Character following the launch of games encompass the manufacturing, development and sales of trendy toys, figures, blind boxes, plush products and other merchandise; brand collaborations and marketing; content development (including animations, short videos and comics); and offline experiential initiatives featuring the Character. As abovementioned, the Company intends to integrate the Character into the Group's mobile games for distribution in the PRC as a starting point, which will serve as a foundation for broader commercial use. The production of physical merchandise will be outsourced to independent third-party manufacturers, which is in line with the industry practice of the trendy toy sector, while the Group will manage product design (subject to review by Jiangsu Dongfang under the Licence Agreement), selection of manufacturers, quality control standards and procurement planning.

**Roles of the Group**

The Group acts as the operator and commercialiser of the IP Assets, and is responsible for the overall commercialisation strategy and day-to-day operations, including the integration of the Character into the Group's mobile games for distribution in the PRC and a broader range of operational functions, including product design, manufacturing, quality control, warehousing and logistics, channel management and after-sales services. The Group bears the principal business risks of the segment, including inventory backlog, product defects and quality control risks.

The Group will add value by leveraging its expertise in game development and digital content creation to deliver engaging IP experiences. This includes comprehensive end-to-end management covering product design (subject to review by Jiangsu Dongfang), quality control, warehousing, logistics, channel management, marketing, and after-sales services. The Group will also drive cross-promotion between its core gaming business and the new IP products to enhance brand visibility and create operational synergies.

***(i) Creativity and operational capabilities***

The Group is an integrated game publisher and developer, and maintains regular research and development activities in respect of its self-developed games. The Group possesses capabilities in game development and publishing operations, digital content creation and user engagement strategies, with a total workforce of 22 employees as at 31 December 2025 as disclosed in the Company's 2025 annual report. In particular, the Group has prior experience as a licensee of intellectual property, having licensed fiction and animation copyrights from copyright owners for the development, publication and operation of mobile games, and is therefore familiar with the operation and commercialisation of licensed IP. These capabilities and experience can be directly applied to the adaptation and integration of the Character into mobile games for distribution in the PRC as the initial phase of commercialization, as well as to content development under the Licence Agreement.

The production of physical merchandise will be outsourced to independent third-party manufacturers, which is in line with the asset-light industry practice of the IP-based trendy brand segment, such that no production facility is required to be owned by the Group.

In addition, pursuant to the Licence Agreement, Jiangsu Dongfang will provide integrated support services, including product design, supply chain coordination, quality control management, marketing support and logistics, as well as ongoing maintenance, protection and enforcement of the IP Assets and continuous content development. The Board (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) is of the view that such contractual support arrangements provide the Group with the necessary operational support during the initial phase of operation of the segment, while the Group builds up its own merchandising team and capabilities.

***(ii) Commercial capabilities***

The Group's extensive network of upstream and downstream partners in the gaming and consumer products sectors provides the channel foundation for the distribution and marketing of IP-based products.

The Group is also actively in negotiations with owners of other more established characters in the market for potential collaboration to expand its IP portfolio for Commercial Use. As at the date of this announcement, none of these discussions have been materialised.

## RECLASSIFICATION OF A NOTIFIABLE TRANSACTION

The auditor has confirmed that the licence fees and royalty fees payable by the Group under the Licence Agreement are expense in nature and will be charged to the profit or loss of the Group as and when they are incurred, being the period in which the relevant sublicense income or sales revenue is recognised by the Group. No intangible asset will be recognised on the Group's consolidated statement of financial position in respect of the Licence Agreement.

In this regard, the Company wishes to clarify that, although 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%, the Licence Agreement does not constitute an acquisition. Accordingly, the Licence Agreement will not constitute a major transaction and will not be subject to the requirements under Chapter 14 of the Listing Rules.

Nevertheless, 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. Therefore, the terms of the Licence Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save as disclosed above, the Board confirms that all information in the Announcement remains unchanged.

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

Hong Kong, 12 August 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.*