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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 your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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SINO-ENTERTAINMENT TECHNOLOGY HOLDINGS LIMITED

新娛科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6933)

**MAJOR TRANSACTION
ACQUISITION THROUGH CONTRIBUTION IN KIND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
宏博資本有限公司

A letter from the Board is set out on pages 3 to 12 of this circular.

The notice convening the EGM 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 is set out on pages 21 to 22 of this circular. A proxy form for use at the EGM is also enclosed.

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

21 March 2025

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DEFINITIONS

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

“Board”	the board of Directors
“Capital Injection”	the capital commitment of HK\$20.0 million to be injected by SEHKIHL to TEIL pursuant to the Shareholders’ Agreement
“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”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, the Shareholders’ Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Latest Practicable Date”	19 March 2025, being the latest practicable date for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“SEHKIHL”	Sino-Entertainment (HK) International Holdings Limited, a company incorporated in Hong Kong with limited liability on 30 April 2018 and an indirect wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Shareholders’ Agreement”	the shareholders’ agreement dated 12 February 2025 entered into among SEHKIHL, TIMCL and TEIL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEIL”	Time Entertainment International Limited, a company incorporated in Hong Kong with limited liability on 31 July 2024 and an indirect non-wholly owned subsidiary of the Company
“TIMCL”	Time Is Money Co., Limited, a company incorporated in Hong Kong with limited liability on 22 May 2024 which is owned by Ms. Wang Xiao and Ms. Liu Yuanyuan as to 99% and 1% respectively
“%”	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:

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

Principal Place of Business in the PRC:

Room 3-4, Floor 8, Fortune Plaza
No. 4 Deshan Road
Luocheng Dongmen Town
Luocheng Mulao Autonomous County
Hechi City, Guangxi, China

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 or Madam,

**MAJOR TRANSACTION
ACQUISITION THROUGH CONTRIBUTION IN KIND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcements of the Company dated 12 February 2025 and 28 February 2025 in relation to the Shareholders' Agreement and the acquisition through contribution in kind.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further information of the Shareholders' Agreement and the acquisition contemplated thereunder; (ii) financial information of the Group; and (iii) other information required to be disclosed under Listing Rules.

2. ACQUISITION THROUGH CONTRIBUTION IN KIND UNDER THE SHAREHOLDERS' AGREEMENT

Reference is made to the announcements of the Company dated 23 August 2024 and 10 September 2024 in relation to the deemed disposal of TEIL, which will be principally engaged in developing and providing technical support for mobile app on SocialFi with blockchain technology.

On 12 February 2025 (after trading hours), SEHKIHL (an indirect wholly-owned subsidiary of the Company), TEIL (an indirect non-wholly owned subsidiary of the Company) and TIMCL entered into the Shareholders' Agreement to govern, among other things, the relationship between SEHKIHL and TIMCL as shareholders of TEIL and the commitment by each of SEHKIHL and TIMCL to TEIL.

The principal terms of the Shareholders' Agreement are set out below:

Date: 12 February 2025

Parties: (i) SEHKIHL;
(ii) TIMCL; and
(iii) TEIL

Contributions and the injected assets: SEHKIHL shall inject capital in the amount of HK\$20.0 million into TEIL, and TIMCL shall procure the transfer of the core source code of the SocialFi mobile app developed by TIMCL and the other relevant intellectual properties related to the SocialFi mobile app, such as the data of the software framework, user interface design and programs, to TEIL. The source code will be developed as a SocialFi mobile app. As such, the amount of Capital Injection was in substance the consideration for the acquisition of the core source code of the SocialFi mobile app developed by TIMCL and the other relevant intellectual properties related to the SocialFi mobile app.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has provided a loan in the amount of HK\$8.0 million (the “**Loan**”) to TEIL, which is unsecured, interest-free and repayable on demand. The Capital Injection will be funded by the capitalisation of the Loan and the remaining HK\$12.0 million will be funded by the Group’s internal resources.

Composition of the board of directors and appointment of senior management:

The board of directors of TEIL shall comprise three members, of whom the Group shall have the right to appoint two, including the chairman of the board. The finance in-charge of TEIL shall also be nominated by the Group.

As at the Latest Practicable Date, the board of directors of TEIL comprised Mr. Sui Jiaheng, Mr. Li Tao and Ms. Wang Xiao.

Business scope:

TEIL is principally engaged in developing and providing technical support for the SocialFi mobile app with blockchain technology.

Equity transfer:

The shares of TEIL cannot be transferred unless having obtained the approval from the other shareholders. In case of any transfer by the shareholders of TEIL of the equity interests they held in TEIL to institution(s) other than their respective related institution(s), other shareholders of TEIL shall have the right of first refusal under the same terms.

Profit or loss sharing:

Each of the shareholders of TEIL shall be entitled to or liable for the profit or loss of TEIL proportional to their shareholding interests in TEIL.

Condition to the Shareholders’ Agreement:

The Shareholders’ Agreement is subject to the Company’ having obtained the necessary approval from the Shareholders on the transaction contemplated under the Shareholders’ Agreement as required under applicable laws and regulations (including but not limited to the Listing Rules).

LETTER FROM THE BOARD

Profit guarantee:

TIMCL guarantees to SEHKIHL that the aggregate audited net profit after tax of TEIL for the years ending 31 December 2025, 2026 and 2027 will not be less than HK\$40.0 million (the “**Guaranteed Profit**”). If the aggregate audited net profit is less than HK\$40.0 million, TIMCL agrees to transfer the number of shares of TEIL held by TIMCL to SEHKIHL calculated with the following formula (rounded to the nearest number of share):

$$\frac{(40,000,000 - \text{aggregate audited net profit after tax of TEIL for the years ending 31 December 2025, 2026 and 2027})}{40,000,000} \times 98$$

Note: 98 represented the total number of shares of TEIL held by TIMCL as at the Latest Practicable Date.

If TEIL record aggregate audited loss for the years ending 31 December 2025, 2026 and 2027, TIMCL will transfer the entire number of shares of TEIL held by it to SEHKIHL.

The shares of TEIL shall be transferred by TIMCL within fifteen (15) business days following the completion of the audit of TEIL’s accounts for the financial year ending 31 December 2027.

For the avoidance of doubt, SEHKIHL will have the sole discretion for the execution of the profit guarantee if the Guaranteed Profit is not met.

Basis of the amount of Capital Injection

The amount of the Capital Injection was determined after arm’s length negotiation between SEHKIHL and TIMCL with reference to (i) the expected business scale of TEIL; (ii) the total investment costs and staff cost incurred for the development of the existing core source code of the framework module of the SocialFi mobile app (including the relevant intellectual properties related to it) of approximately HK\$22.9 million; (iii) the expected funding needs of TEIL for the further development of the SocialFi mobile app of approximately HK\$25.1 million, including, among others, the development of the modules for crypto currencies trading, group chat, voice chat and red pocket. Although the amount of the expected funding requirement is higher than

LETTER FROM THE BOARD

amount of the Capital Injection, the Company expects no further capital is required to be injected into TEIL and TEIL shall fund the remaining amount with its internal resources; and (iv) other data privacy and compliance related costs required for commercialising the SocialFi mobile app.

As (i) the development of the SocialFi mobile app has not been completed and has not yet commence operation; and (ii) the SocialFi mobile app carries certain distinct complex features such as flow pool and personal time matching mechanism that were tailor-made for the app, it is impracticable to obtain market comparable of similar mobile app, including the core source code, the Directors consider that the consideration shall be determined with reference to the cost TEIL would have to be incurred for the development of the source code to its existing status by itself. Hence, the Directors consider it is fair and reasonable that the basis of the amount of Capital Injection shall be made primarily with reference to the actual total investment costs and staff cost incurred for the development of the existing core source code of the framework module of the SocialFi mobile app (including the relevant intellectual properties related to it) of approximately HK\$22.9 million.

To assess the fairness and reasonableness of the investment costs and staff cost incurred for the development of the existing core source code, the Directors had (i) reviewed the breakdown on the costs on the staff cost incurred, and noted that the salary level of the staffs were generally in line with the market and the number of staff being reasonable with reference to their experience in the gaming business, and considered that the Company would be required to incur similar level of cost if the Company is to develop the core source code itself; (ii) reviewed the list of software, including development tools, cloud storage, database and testing tools, that were utilised in the development of the core source code and the investment costs required for their subscriptions or purchases; (iii) reviewed the prototype of the SocialFi mobile app; and (iv) conducted researches on the prospect and development potential of the SocialFi business. In particular, SocialFi has the potential to become a cornerstone of the Web3 ecosystem by leveraging on its transparency and decentralised characteristics. According to a research report (<https://www.futuremarketinsights.com/reports/decentralized-social-network-market>) on Future Market Insights, a market research organization headquartered in the United States, the global market for decentralized social networks has grown rapidly since 2018 and the market size of which is estimated to be of USD12,132.2 million in 2023, and such growth is expected to continue in the next 10 years and reach USD101,200.8 million by 2033.

Taken into account (a) the amount of Capital Contribution being less than the investment costs and staff cost incurred for the development of the existing core source code; (b) the prospect of the SocialFi market; (c) the contribution in kind would save the time required by the Company to individually develop the SocialFi mobile app from scratch; and (d) the interest of the Company is further safeguarded by the profit guarantee under the Shareholders' Agreement as the Company would have the discretion to confiscate the equity interest of TEIL for its own further development

LETTER FROM THE BOARD

in case of the aggregate audited net profit after tax of TEIL for the three years ending 31 December 2027 fell short of the Guaranteed Profit, the Directors consider that it is in the interest of the Company to acquire the core source code in its existing status through contribution in kind.

Development plan for the SocialFi mobile app

It is expected that following the completion of the Capital Contribution, the development of the SocialFi mobile app would be completed and ready to be launched by the third quarter of 2025. Following its launch, TEIL would promote the SocialFi mobile app by engaging content creators to publish content on the SocialFi mobile app to drive the organic growth on the number of users. Thereafter, the platform can earn income from the following sources: (i) content creators will publish paid content, and the platform will collect handling fee when viewers make purchases; (ii) KOLs will list and sell their time as tokens, and the platform will collect issuance fee for these time token from the KOLs and the handling fee when users trade these time tokens on the platform; and (iii) advertising income. In addition, TEIL can sell the core source code and provide maintenance services to third parties for their localisation to launch the platform in different countries.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the Shareholders' Agreement, including TIMCL transferring the core source code of the SocialFi mobile app as its 49% capital contribution to TEIL, are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. INFORMATION ON THE PARTIES

The Group

The Company is an investment holding company and its subsidiaries are principally engaged in publishing and development of mobile games in the PRC and blockchain technology business outside of the PRC. The Group provides publishing services to publishing partners for third party games and publishes its self-developed games. It is also engaged in the development and sales of customized software and games.

As at the Latest Practicable Date, the Company held 51% equity interest in TEIL and the remaining 49% equity interest in TEIL was owned by TIMCL. TEIL is an indirect non-wholly owned subsidiary and its financial results are consolidated into the financial statements of the Group.

LETTER FROM THE BOARD

TIMCL

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, TIMCL is owned by Ms. Wang Xiao and Ms. Liu Yuanyuan as to 99% and 1%, respectively. Ms. Wang Xiao and Ms. Liu Yuanyuan are the chief marketing officer and the chief financial officer of Island Peak Innovation Private Limited (新加坡島峰科創有限公司), respectively, and have more than six years' experience in blockchain business and SocialFi. TIMCL is principally engaged in the research and development of blockchain technology innovation business. As TEIL is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules, notwithstanding that TIMCL is a substantial shareholder of TEIL, it is not a connected person of the Company.

4. REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SHAREHOLDERS' AGREEMENT

The Group is principally engaged in publishing and development of mobile games in the PRC and blockchain technology business outside of the PRC. The National Press and Publication Administration (the "NPPA") in China had suspended the issuance of new game licenses from August 2021 to March 2022. Although new game licenses were issued again since April 2022, the prolonged pre-approval progress of the NPPA and the large number of games pending for approval have led to a significant decrease in the number of new games launched in the market and the Group's revenue has been adversely impacted. Also, having considered the increased risk in the market as a result of certain default instances related to cryptocurrency at the end of year 2022, the Group suspended its blockchain technology business. While the Group will continue to strive to improve its business performance in the mobile game business by obtaining new game licences in the future, the Group has been exploring potential business opportunities particularly in the blockchain field from time to time in order to broaden its income source and eventually optimise the returns to the Shareholders. As at the Latest Practicable Date, the Group has no intention to discontinue, downsize or dispose of the mobile game business.

SocialFi, short for Social Finance, is a new concept combining social media and decentralized finance which allows everyone to earn benefits while participating in social media interactions. Users on SocialFi platforms have control over their content as no central authorities are running the networks which are in the case of traditional social media platforms. On the other hand, content creators on SocialFi platforms can earn from engagement with other users and social interactions through in-app tokens or tokens developed by them. Creators can use social tokens to control who interact with their content and users will need creators' tokens to engage with the creators, which also incentivises high-quality content. With the blockchain technology, the privacy of the participants is protected and the megadata will not be easily controlled such that the participants are at ease to surf and buy goods and services from the app.

LETTER FROM THE BOARD

The Directors consider that SocialFi will reshape the business model of social media with high business development potentials. As such, the Group cooperated with TIMCL to form TEIL for the development of the SocialFi mobile app business. As at the Latest Practicable Date, TIMCL has already developed the core source code of the framework modules of the SocialFi mobile app, which includes the modules for the functions of, among others, login, registration of new users, identity authentication, announcement and notifications, time token issuance, time token price review, wallet, 1-on-1 chat, sharing, homepage and hot picks, and personal center. The total investment costs and staff cost incurred for the development of the existing core source code of the SocialFi mobile app amounted to approximately HK\$22.9 million, which included the cost for, among others, market research analysis, product design, development of system, modules, database, application programming interface and user interface, testing on modules, integration, functions and compatibilities, and optimisation.

Following the entering into of the Shareholders' Agreement, TIMCL will transfer the core source code of the SocialFi mobile app to TEIL for the further development of the SocialFi mobile app. TEIL is expected to utilise the proceeds from the Capital Injection for the development of modules for cryptocurrencies trading, group chat, voice chat and red pocket, including the development of certain Web 3.0 technology modules, such as cryptocurrency trading, crypto wallet integration and decentralization of accounts. It is expected that TEIL would be able to complete the above modules for the SocialFi mobile app by June 2025. Following the development, the platform will allow users to purchase paid contents of content creators and purchase the time of key opinion leaders (KOLs). The platform can earn income from the following sources: (i) content creators will publish paid content, and the platform will collect handling fee when viewers make purchase; (ii) KOLs will list and sell their time as tokens, and the platform will collect issuance fee for these time token from the KOLs and the handling fee when users trade these time tokens on the platform; and (iii) advertising income. In addition, TEIL can sell the core source code and provide maintenance services to third parties for their localisation to launch the platform in different countries. The Capital Injection will be funded by the Group's internal resources. As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB74.1 million. As the Group is not expected to further inject capital into TEIL, the Directors consider that the Group has sufficient working capital for maintaining its existing businesses, as well as the operation of TEIL.

From 2022, the Group had been engaged in the liquidity mining operations business, which involved, among others, providing technological infrastructure for decentralized finance protocols and developing and maintaining robust blockchain infrastructure. Although the liquidity mining operations business was suspended in 2023, the Group obtained experience in the development and operation of blockchain related business. Leveraged on the Group's experience on mobile gaming and blockchain businesses, the management of the Group are familiar with mobile apps, in-app tokens, cryptocurrency trading, crypto wallet and decentralization of accounts, which are crucial for the commercialization and ongoing development of the SocialFi mobile app. Having considered

LETTER FROM THE BOARD

the above, the Board considers that the terms of the Shareholders' Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

5. FINANCIAL IMPACT ON THE COMPANY

The amount of the Capital Commitment to be provided by the Group is HK\$20.0 million. As TEIL will be continued to be accounted as an indirect non-wholly owned subsidiary, its operating results, assets and liabilities will be continued to be consolidated in the financial statements of the Group. It is also expected that the total assets of the Group will be increased by the value of the core source code of the SocialFi mobile app. The Group will finance the Capital Commitment from its internal resources and the entering into of the Shareholders' Agreement will not be expected to have any other material impact on the assets, liabilities and earnings of the Company.

6. LISTING RULES IMPLICATIONS

The transactions under the Shareholders' Agreement constitute an acquisition (through contribution in kind) under the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the acquisition (through contribution in kind) contemplated under the Shareholders' Agreement exceed 25% but less than 100%, the entering into of the Shareholders' Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company's option (the "**Option**") to acquire the equity interests of TEIL under the profit guarantee clause of the Shareholders' Agreement is treated as a transaction and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. Since the exercise of the Option is at the discretion of the Company, according to Rule 14.75(1) of the Listing Rules, on the grant of the Option, only the premium (which is nil) will be taken into consideration for calculating the percentage ratios. The Company will comply with the relevant Listing Rules on the exercise of the Option (where required).

None of the Directors has any material interest in the Shareholders' Agreement and the transactions contemplated thereunder, and therefore none of the Directors is required under the Listing Rules to abstain from voting on the relevant Board resolution approving the Shareholders' Agreement.

LETTER FROM THE BOARD

The EGM will be held at Suite No. 2, 3/F Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 9 April 2025 at 3:00 p.m. to consider and, if thought fit, approve the Shareholders' Agreement and the transactions contemplated thereunder. To the knowledge, information and belief of the Directors, no Shareholders have a material interest in the Shareholders' Agreement and the transactions contemplated thereunder and no Shareholders will have to abstain from voting at the EGM to approve the Shareholders' Agreement and the transactions contemplated thereunder.

A notice convening the EGM is set out on pages 21 to 22 of this circular. A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

7. RECOMMENDATION

The Directors (including all of the independent non-executive Directors) consider that the terms of the Shareholders' Agreement are (i) fair and reasonable; (ii) on normal commercial terms; and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM to approve Shareholders' Agreement and the transactions contemplated thereunder.

8. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2023 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 are accessible via the following hyperlinks:

- The annual report of the Company for the year ended 31 December 2021 published on 14 April 2022 (pages 70–149):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0414/2022041400437.pdf>

- The annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 69–161):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042700103.pdf>

- The annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (pages 68–167):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603301.pdf>

- The interim report of the Company for the six months ended 30 June 2024 published on 6 September 2024 (pages 9–25):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0906/2024090600243.pdf>

2. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds, and the present other facilities, the Group will have sufficient working capital for at least twelve (12) months from the date of publication of this circular.

3. INDEBTEDNESS

Apart from intra-group liabilities and normal trade payables, as at the close of the business on 31 January 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other

borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts or liabilities under acceptances or acceptance credits or hire purchase commitments, or outstanding mortgages and charges, or contingent liabilities or guarantees.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in publishing and development of mobile games in the PRC and blockchain technology business outside of the PRC. The National Press and Publication Administration (the “NPPA”) in China had suspended the issuance of new game licenses from August 2021 to March 2022. Although new game licenses were issued again since April 2022, the prolonged pre-approval progress of the NPPA and the large number of games pending for approval have led to a significant decrease in the number of new games launched in the market and the Group’s revenue has been adversely impacted. Based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 and the information currently available to the Board, the Group is expected to record a reduction in net loss as compared with the net loss of approximately RMB104.6 million for the year ended 31 December 2023. The reduction in net loss was mainly due to the combined results of: (i) the increase in revenue from co-publishing of third-party games and revenue from the development and sales of games, (ii) the reversal of impairment losses under expected credit loss model previously recognised, and (iii) the increase in administrative expenses as a result of the increases in amortisation of intangible assets, and expenses on share-based payments. With the number of new game licences being approved in each batch tends to be more stable, the Group expects to obtain new game licences in the future, including the Group’s two game products of which licence applications have been submitted to the NPPA for approval. Also, having considered the increased risk in the market as a result of certain default instances related to cryptocurrency at the end of year 2022, the Group suspended its blockchain technology business. While the Group will continue to strive to improve its business performance in the mobile game business by obtaining new game licences in the future, the Group has been exploring potential business opportunities particularly in the blockchain field from time to time in order to broaden its income source and eventually optimise the returns to the Shareholders. As at the Latest Practicable Date, the Group has no intention to discontinue, downsize or dispose of the mobile game business.

In view of the above, the Company has been exploring the development on the business of SocialFi, short for Social Finance, which is a new concept combining social media and decentralized finance which allows everyone to earn benefits while participating in social media interactions. The Directors consider that SocialFi will reshape the business model of social media with high business development potentials. As such, the Group entered into the Shareholders' Agreement with TIMCL to form TEIL for the development of the SocialFi mobile app business. It is expected that TEIL would be able to complete the SocialFi mobile app by June 2025 and the app will be ready to be launched by the third quarter of 2025. Following its launch, TEIL would promote the SocialFi mobile app by engaging content creators to publish content on the SocialFi mobile app to drive the organic growth on the number of users. Thereafter, the platform can earn income from the following sources: (i) content creators will publish paid content, and the platform will collect handling fee when viewers make purchases; (ii) KOLs will list and sell their time as tokens, and the platform will collect issuance fee for these time token from the KOLs and the handling fee when users trade these time tokens on the platform; and (iii) advertising income. In addition, TEIL can sell the core source code and provide maintenance services to third parties for their localisation to launch the platform in different countries. Taking into account of the prospect and development potential of the SocialFi, the Directors consider that the financial prospect of the Group would be improved in the coming years.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the 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.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors and Chief Executives

As at Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules, were as follows:

(a) Long positions in the Shares of the Company

Name of Director	Class of Shares	Number of Shares	Nature of interest	Percentage of interest in the issued share capital of the Company
Mr. Sui Jiaheng (“ Mr. Sui ”) (<i>Note 1</i>)	Ordinary	158,900,000	Interest of controlled corporation	38.30%
Mr. Li Tao	Ordinary	292,500	Beneficial owner	0.07%
Mr. He Shaoning	Ordinary	840,000	Beneficial owner	0.34%

Note:

- Mr. Sui is the sole shareholder of Sun JH Holding Ltd. which holds 158,900,000 Shares. Therefore, Mr. Sui is deemed to be interested in Sun JH Holding Ltd.’s interest in the Shares pursuant to the SFO.

(b) Long positions in the Company's associated corporations

Name of Director	Name of associated corporation	Class of shares	Nature of interest	Approximate percentage shareholding in the associated corporation
Mr. Sui	Luocheng Mulao Autonomous County Dinglian Technology Company Limited (“ Dinglian Technology ”)	Ordinary	Beneficial interest	50.00% (<i>Note 1</i>)

Note:

1. Mr. Sui Jiaheng holds 50.00% of the equity interest of Dinglian Technology as part of the contractual arrangements to enable the Company to maintain and exercise control over Dinglian Technology.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives of the Company and their respective associates had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Substantial Shareholders' Interests

As at the Latest Practicable Date, the following persons (other than the Directors or chief executive of the Company) were substantial shareholders of the Company (as defined in the Listing Rules) who had interests, directly or indirectly, or short positions in the Shares and underlying Shares which were recorded in the register kept by the Company under section 336 of the SFO:

Name of substantial Shareholder	Nature of interest	Number of shares interested	Percentage of interest in the issued share capital of the Company
Sun JH Holding Ltd. <i>(Note 1)</i>	Beneficial owner	158,900,000	38.30%
Li Wei <i>(Note 1)</i>	Beneficial owner	158,900,000	38.30%
Together Win Capital (Holdings) Co., Ltd. <i>(Note 2)</i>	Interest in controlled corporations	22,740,000	5.48%
Huang Zhigang <i>(Note 2)</i>	Interest in controlled corporations	22,740,000	5.48%

Notes:

- Ms. Li Wei is the spouse of Mr. Sui. By virtue of the SFO, Ms. Li Wei is deemed to be interested in the same number of Shares in which Mr. Sui is deemed to be interested. Mr. Sui is the sole shareholder of Sun JH Holding Ltd. Therefore, Mr. Sui is deemed to be interested in Sun JH Holding Ltd.'s interest in the Shares pursuant to the SFO. Mr. Sui is a director of Sun JH Holding Ltd..
- Together Win Capital (Holdings) Co., Ltd. is, pursuant to the SFO, a control entity of HX Tech Holdings Limited and LYZ Tech Holding Ltd., which hold 12,960,000 Shares and 9,780,000 Shares, respectively. Together Win Capital (Holdings) Co., Ltd. is deemed to be interested in an aggregate of 22,740,000 Shares pursuant to the SFO. Mr. Huang Zhigang is the sole shareholder of Together Win Capital (Holdings) Co., Ltd. and thus is deemed to be interested in Together Win Capital (Holdings) Co., Ltd.'s interest in the Shares pursuant to the SFO.
- Save for Mr. Sui as state in Note 1 above, no other Director is the director or employee of Sun JH Holding Ltd. or Together Win Capital (Holdings) Co., Ltd.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, no other persons (not being a Director or chief executive of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register kept by the Company under section 336 of the SFO.

3. LITIGATION

As at the Latest Practicable Date, none of the members of the Group were engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

4. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interest in businesses which competes or was likely to compete, whether directly or indirectly, with the business of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at such date and which was significant in relation to the business of the Group.

7. MATERIAL CONTRACT

Save as the Shareholders' Agreement, no other contract (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within two years immediately preceding the issue of this circular and is material.

8. GENERAL

- (i) The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (ii) The Company's principal place of business in Hong Kong is at Suite No. 2, 3/F Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong.
- (iii) The share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (iv) The secretary of the Company is Mr. Yuen Chi Wai. Mr. Yuen, FCPA, obtained his bachelor of commerce in accounting and finance degree from The University of New South Wales. He was admitted as a fellow of the Hong Kong Institute of Certified Public Accountants in March 2013 and a fellow of CPA Australia in July 2014.
- (v) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

9. DOCUMENT ON DISPLAY

The Shareholders' Agreement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sinotecw.com>) for a period of 14 days from the date of this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



SINO-ENTERTAINMENT TECHNOLOGY HOLDINGS LIMITED

新娛科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6933)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Sino-Entertainment Technology Holdings Limited (the “**Company**”) will 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 for the purpose of considering and, if thought fit, passing the following resolution, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the Shareholders’ Agreement (as defined and described in the circular to the shareholders of the Company dated 21 March 2025 (the “**Circular**”), a copy of which has been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification) and the execution thereof and implementation of all transactions thereunder be and are hereby approved, ratified and confirmed; and
- (b) the directors of the Company or any other person authorized by the directors of the Company be and are hereby authorized to sign, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the Shareholders’ Agreement and all transactions and other matters contemplated thereunder or ancillary thereto, to waive compliance from and/or agree to any amendment or supplement to any of the provisions of the Shareholders’ Agreement which in their opinion is not of a material nature and to effect or implement any other matters referred to in this resolution.”

By order of the Board of

Sino-Entertainment Technology Holdings Limited

Sui Jiaheng

Chairman and executive director

Hong Kong, 21 March 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the accompanying form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the offices of the Company's Hong Kong branch registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no less than 48 hours before the time for holding the EGM or adjourned EGM. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.
3. The register of members of the Company will be closed from Monday, 7 April 2025 to Wednesday, 9 April 2025, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for attending the EGM convened by the above notice, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 3 April 2025.
4. If tropical cyclone warning signal no. 8 or above is hoisted, "extreme condition" caused by super typhoons or a black rainstorm warning signal is in force at 3:00 p.m. on Wednesday, 9 April 2025, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

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