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**Maoyan Entertainment**

**貓眼娛樂**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1896)**

## **PROPOSED AMENDMENTS TO THE SHARE SCHEMES**

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The Company adopted the RSU Scheme and the Share Option Scheme on July 23, 2018. Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes with effect from January 1, 2023 (the “**Rule Amendments**”).

In light of the Rule Amendments, the Board is pleased to announce that it has resolved on March 23, 2023 on the proposed amendments to be made to the RSU Scheme (the “**Proposed Amendments to the RSU Scheme**”) and Share Option Scheme (the “**Proposed Amendments to the Share Option Scheme**”), together with the Proposed Amendments to the RSU Scheme, the “**Proposed Amendments to the Share Schemes**”), among others, to bring the Share Schemes in line with the Rule Amendments and make certain minor housekeeping amendments. The Board proposes to seek approval from the Shareholders at the AGM for the Proposed Amendments to the Share Schemes.

### **INTRODUCTION**

Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes with effect from January 1, 2023.

In light of the Rule Amendments, the Board is pleased to announce that it has resolved on March 23, 2023 on the Proposed Amendments to the Share Schemes to bring the Share Schemes in line with the Rule Amendments and make certain minor housekeeping amendments. The Board proposes to seek approval from the Shareholders at the AGM for the Proposed Amendments to the Share Schemes.

## PROPOSED AMENDMENTS TO THE RSU SCHEME

The key changes entailed by the Proposed Amendments to the RSU Scheme are set out below:

- (a) to specify an aggregate scheme mandate limit for both RSU Scheme and Share Option Scheme of not exceeding 55,211,880 Shares<sup>1</sup> (the “**Aggregate Scheme Limit**”), and a scheme mandate limit for the RSU Scheme of not exceeding 31,918,285 Shares<sup>2</sup> (the “**RSU Scheme Limit**”);
- (b) to specify the requirement of Shareholders’ approval of refreshment of the Aggregate Scheme Limit and the RSU Scheme limit;
- (c) to specify that where the Company cancels RSUs granted to a Participant, and makes a new grant to the same Participant, such RSUs cancelled will be regarded as utilized for the purpose of calculating the RSU Scheme Limit;
- (d) to require approval by the Shareholders for grant of RSUs where the maximum number of Shares which may be issued or to be issued in respect of all RSUs and Options granted under the Share Schemes to a Selected Person in the 12-month period up to and including the date of such grant will exceed 1% of the Shares in issue;
- (e) to require approval by the independent Shareholders for grant of RSUs to a Director (other than an independent non-executive Directors) or chief executive of the Company, or any of their respective associates, if the maximum number of Shares which may be issued and to be issued in respect of all RSUs (excluding grant of Options) granted to such person under the Share Schemes in the 12-month period up to and including the date of such grant will exceed 0.1% of the Shares in issue;
- (f) to require approval by the independent Shareholders for grant of RSUs to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, if the maximum number of Shares which may be issued and to be issued in respect of all RSUs and Options granted to such person under the Share Schemes in the 12-month period up to and including the date of such grant will exceed 0.1% of the Shares in issue;

### *Notes:*

<sup>1</sup> The total number of Shares which have been allotted and issued in respect of the Options and RSUs granted under the Share Schemes since the Adoption Date and may be allotted and issued in respect of the Options and RSUs granted / to be granted under the Share Schemes which represents approximately 4.83% of the total issued shares of the Company as of the date of this announcement.

<sup>2</sup> The total number of Shares which have been allotted and issued in respect of the RSUs granted under the RSU Scheme since the Adoption Date and may be allotted and issued in respect of the RSUs granted / to be granted under the RSU Scheme which represents approximately 2.79% of the total issued shares of the Company as of the date of this announcement.

- (g) to require the approval by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) to make any change to the terms of RSUs granted to a Participant if the initial grant of the awards of RSUs was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the shareholders of the Company (as the case may be);
- (h) to require the trustee holding unvested shares to abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given;
- (i) to specify that initially and subject to otherwise determined by the Board/CEO (as the case may be) at its absolute discretion at the relevant time for each individual grant of RSUs, a Selected Person is not required to pay any grant or purchase price or make any other payment to the Company to accept the RSUs granted;
- (j) to adopt a minimum vesting period of 12 months save where the grant of RSUs to certain Participants are subject to a shorter vesting period under specific circumstances as provided under the RSU Scheme;
- (k) to specify that the Board/CEO of the Company (as the case may be) may establish performance targets with respect to RSUs granted and allow the Board/CEO of the Company (as the case may be) to make fair and reasonable adjustments to the prescribed performance targets during the vesting period;
- (l) to specify that the Board may forfeit any vested or unvested RSUs at its sole and absolute discretion in the case of termination of employment or engagement of the Grantee due to the Grantee being involved in a material misstatement in the Group's financial statements;
- (m) to include the requirement for Shareholders' approval for any alteration to the terms and conditions of the RSU Scheme which is of a material nature or relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of the Participants and for any change to the authority of the Directors or other administrators of the RSU Scheme to alter the terms herein; and
- (n) to include other house-keeping amendments for the purpose of making consequential amendments in line with the proposed amendments to the RSU Scheme, and to better align the wording with that of the Rule Amendments.

Further details of the Proposed Amendments to the RSU Scheme will be set out in a circular to be dispatched to the Shareholders in due course.

## PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

The key changes entailed by the Proposed Amendments to the Share Option Scheme are set out below:

- (a) to specify the Aggregate Scheme Limit, and a scheme mandate limit for the Share Option Scheme of not exceeding 23,293,595 Shares<sup>3</sup> (the “**Option Scheme Limit**”);
- (b) to specify the requirement of Shareholders’ approval of refreshment of the Aggregate Scheme Limit and the Option Scheme limit;
- (c) to specify that where the Company cancels Options granted to a Participant, and makes a new grant to the same Participant, such Options cancelled will be regarded as utilized for the purpose of calculating the Option Scheme Limit;
- (d) to require approval by the Shareholders for grant of Options where the maximum number of Shares which may be issued or to be issued in respect of all Options and RSUs granted under the Share Schemes to a Selected Person in the 12-month period up to and including the date of such grant will exceed 1% of the Shares in issue;
- (e) to require approval by the independent Shareholders for grant of Options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, if the maximum number of Shares which may be issued and to be issued in respect of all Options and RSUs granted to such person under the Share Schemes in the 12-month period up to and including the date of such grant will exceed 0.1% of the Shares in issue;
- (f) to require the approval by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) to make any change to the terms of Options granted to a Participant if the initial Grant of the Options approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be);
- (g) to specify that initially and subject to otherwise determined by the Board/CEO (as the case may be) at its absolute discretion at the relevant time for each individual grant of Options, a Selected Person is not required to pay any grant or purchase price or make any other payment to the Company to accept the Options granted;

*Note:*

<sup>3</sup> The total number of Shares which have been issued in respect of the Options granted under the Share Option Scheme since the Adoption Date and may be issued in respect of the Options granted / to be granted under the Share Option Scheme which represents approximately 2.04% of the total issued shares of the Company as of the date of this announcement.

- (h) to adopt a minimum vesting period of 12 months save where the grant of Options to certain Eligible Participants are subject to a shorter vesting period under specific circumstances as provided under the Option Scheme;
- (i) to specify that the Board/CEO of the Company (as the case may be) may establish performance targets with respect to Options granted and allow the Board/CEO of the Company (as the case may be) to make fair and reasonable adjustments to the prescribed performance targets during the vesting period;
- (j) to specify that, the Board may forfeit any vested or unvested Options at its sole and absolute discretion in the case of termination of employment or engagement of the Grantee due to the Grantee being involved in a material misstatement in the Group's financial statements; and
- (k) to include the requirement for Shareholders' approval for any alteration to the terms and conditions of the Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of the Participants;
- (l) to include other house-keeping amendments for the purpose of making consequential amendments in line with the proposed amendments to the Share Option Scheme, and to better align the wording with that of the Rule Amendments.

Further details of the Proposed Amendments to the Share Option Scheme will be set out in a circular to be dispatched to the Shareholders in due course.

## **SHAREHOLDERS' APPROVAL**

The adoption of the Proposed Amendments to the Share Schemes is conditional upon passing of ordinary resolutions by the Shareholders at the AGM approving the Proposed Amendments to the Share Schemes.

In relation to the condition set out above, the Proposed Amendments to the Share Schemes will be tabled at the AGM for Shareholders' approval. No Shareholder is required to abstain from voting on the relevant resolution to approve the Proposed Amendments to the RSU Scheme at the AGM.

**As of the date of this announcement, the Proposed Amendments to the Share Schemes remains subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Adoption Date”	the date on which the RSU Scheme and the Share Option Scheme were adopted by shareholders of the Company
“AGM”	the 2023 annual general meeting of the Company
“Amendment Date”	means the date on which the amendments to the RSU Scheme and the Share Option Scheme are approved by the Shareholders
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Maoyan Entertainment, an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code:1896)
“Consultation Conclusions”	consultation conclusions on the proposed amendments to the Listing Rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)” or “Participant(s)”	means an individual or entity who may be eligible to participate in the Share Schemes, which includes the directors, senior management and employees (whether full time or part time) of the Group (including persons who are granted Options or RSUs under the Share Schemes as an inducement to enter into employment contracts with the Group), provided that such participant shall have satisfied the relevant conditions, or any other conditions as agreed by the Board
“Grantee”	means any Participant who accepts a grant in accordance with the terms of the Share Schemes, or (where the context so permits) any person who is entitled to any awards in consequence of the death of the original grantee

“Group”	the Company and its subsidiaries and the consolidated affiliated entities, from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
“Prospectus”	the prospectus of the Company dated January 23, 2019
“Remuneration Committee”	the remuneration committee of the Company
“RSU(s)”	a restricted shares unit conferring the grantee a conditional right upon vesting of the RSU Award to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting
“RSU Award(s)”	an award of RSUs granted pursuant to the RSU Scheme
“RSU Scheme”	the restricted share unit scheme adopted by the Company on July 23, 2018 as disclosed in the Prospectus in its present form or as amended from time to time
“Selected Person”	a specified Participant who may be granted Options or RSUs
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00002 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option(s)” or “Option(s)”	means the right to subscribe for a specified number of Shares in issue according to the Share Option Scheme of the Company
“Share Option Scheme”	means the post-IPO share option plan of the Company, which was adopted by the Company on July 23, 2018 as disclosed in the Prospectus, in its present form or as amended from time to time

“Share Scheme(s)”	the RSU Scheme and the Share Option Scheme
“Stock Exchange” or “SEHK”	the Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“%”	per cent

By order of the Board  
**Maoyan Entertainment**  
**Zheng Zhihao**  
*Executive Director*

Hong Kong, March 23, 2023

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zheng Zhihao as Executive Director, Mr. Wang Changtian, Ms. Li Xiaoping, Ms. Wang Jian, Mr. Sun Zhonghuai, Mr. Chen Shaohui and Mr. Tang Lichun, Troy as Non-executive Directors, and Mr. Wang Hua, Mr. Chan Charles Sheung Wai, Mr. Yin Hong and Ms. Liu Lin as Independent Non-executive Directors.*