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## **HENG TEN NETWORKS GROUP LIMITED**

**恒騰網絡集團有限公司**

*(a company incorporated in Bermuda with limited liability)*

**(Stock Code: 136)**

### **(1) COMPLETION OF THE ACQUISITION AND (2) APPOINTMENT OF EXECUTIVE DIRECTOR**

#### **(1) COMPLETION OF THE ACQUISITION**

The Board is pleased to announce that all the Conditions under the Sale and Purchase Agreement as set out in the section headed “Conditions to the Completion” in the Circular have been fulfilled, and completion of the Acquisition took place on 20 January 2021.

#### **(2) APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board is pleased to announce that Mr. Chen has been appointed as an executive Director with effect from 20 January 2021.

The Board hereby extends its warmest welcome to Mr. Chen as an executive Director.

References are made to (i) the announcements of HengTen Networks Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 October 2020 and 27 October 2020 in relation to, among other things, the Acquisition; (ii) the announcement of the Company dated 29 December 2020 in relation to, among other things, the Share Consolidation; and (iii) the circular of the Company dated 31 December 2020 (the “**Circular**”), in relation to, among other things, the Acquisition, the Share Consolidation and the appointment of an executive Director. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Circular.

## (1) COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all the Conditions under the Sale and Purchase Agreement as set out in the section headed “Conditions to the Completion” in the Circular have been fulfilled, and completion of the Acquisition took place on 20 January 2021.

The Consideration Shares and the Warrants have been issued to the Seller.

As all the conditions of the Share Consolidation have been fulfilled, the Share Consolidation has become effective on 9:00 a.m. Wednesday, 20 January 2021. For illustration purpose, assuming there being no other changes in the issued share capital of the Company, set out below is the effect on the shareholding structure of the Company upon the Share Consolidation becoming effective and (i) immediately as a result of the completion of the Acquisition as at the date of this announcement; and (ii) immediately upon the exercise of the Warrants in full:

	<b>As at the date of this announcement</b>		<b>Immediately upon the exercise of the Warrants in full</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>China Evergrande Group<sup>(1)</sup></b>	4,206,800,199	45.55	4,206,800,199	38.00
<b>Tencent Holdings Limited<sup>(1)</sup></b>	1,560,857,236	16.90	1,560,857,236	14.10
<b>Director Mr. Ke<sup>(2)</sup></b>	3,580,000	0.04	3,580,000	0.03
<b>Sub-total</b>	<u>6,925,568,378</u>	<u>75.00</u>	<u>8,759,847,685</u>	<u>79.14</u>
<b>Public</b>	<u>2,309,079,166</u>	<u>25.00</u>	<u>2,309,079,167</u>	<u>20.86</u>
<b>Total</b>	<u>9,234,647,545</u>	<u>100.00</u>	<u>11,068,926,852</u>	<u>100.00</u>

*Notes:*

1. China Evergrande Group holds 4,206,800,199 Shares indirectly through Solution Key Holdings Limited, and Tencent Holdings Limited holds 1,560,857,236 Shares indirectly through Water Lily Investment Limited.
2. Mr. Ke indirectly wholly-owns Pumpkin Films Limited through Virtual Cinema Holding Limited.

## (2) APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Chen Cong (陳聰) (“**Mr. Chen**”) has been appointed by the Board as an executive Director of the Company with effect from 20 January 2021.

Mr. Chen, aged 31, is the PRC Registered Shareholder, director, legal representative and general manager of Jingxiu; the director and legal representative of Beijing Xiaoming; and the supervisor of Shanghai Ruyi. He is also the director of the Target Company and Virtual Cinema HK. Prior to joining the Target Group, Mr. Chen worked as an office manager and chairman of the supervisory committee of Beijing Ruyi Xinxin Movie Investment Company Limited\* (北京儒意欣欣影業投資有限公司) from 2009 to 2013. Mr. Chen graduated in July 2010 from Xinxiang University\* (新鄉學院) in logistics management and thereafter in July 2016 from Beijing Foreign Studies University\* (北京外國語大學) in accounting in the form of an online course. His representative productions consist of movies and television series, such as “A Spoon 《一個勺子》”, “Xia You Qiao Mu Ya Wang Tian Tang 《夏有喬木 雅望天堂》”, “All Quiet in Peking 《北平無戰事》”, “Battle in Kunlun 《戰崑崙》”, at which he was an executive producer. Mr. Chen has more than 10 years of experience in the movie production and online streaming sectors.

Mr. Chen has entered into a service contract with the Company for a term of three (3) years and is subject to retirement by rotation (at least once every three years) and re-election at annual general meetings of the Company in accordance with the memorandum of association and bye-laws of the Company and the Listing Rules. According to the bye-laws of the Company, Mr. Chen shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Mr. Chen is entitled to receive a remuneration of RMB15,000 per month (excluding any additional service compensation and discretionary bonus), which has been determined by the Board with reference to Mr. Chen’s duties and responsibilities as an executive Director, his qualification and experience, as well as the prevailing market conditions.

To the knowledge of the Company, as at the date of this announcement, save as disclosed above, Mr. Chen:

- (a) does not have any other major appointments and professional qualifications;
- (b) has not held any other directorships in any other public listed companies in the past three years and does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company;
- (c) does not have any interests in the Shares or any of the associated corporation(s) of the Company within the meaning of Part XV of the SFO;
- (d) does not hold any other positions in the Company or any of its subsidiaries; and

(e) has no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor is there any matter that needs to be brought to the attention of the holders of the securities of the Company in relation to his appointment as an executive Director.

The Board hereby extends its warm welcome to Mr. Chen.

By order of the Board  
**HengTen Networks Group Limited**  
**Xu Wen**  
*Chairman*

Hong Kong, 20 January 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Xu Wen, Mr. Huang Xiangui, Mr. Wan Chao and Mr. Chen Cong; and the independent non-executive directors of the Company are Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin.*

\* *The English translation is for identification purpose only.*