

**BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY**

7th Floor, Building C, No. 1010 Anling Road,  
Huli District, Xiamen, China 361009

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

To be held on December 8, 2020 (Eastern Time)  
(or any adjournment or postponement thereof)

To the Shareholders of  
Blue Hat Interactive Entertainment Technology

Notice is hereby given that the Annual General Meeting of the Shareholders of Blue Hat Interactive Entertainment Technology (the “Company”) will be held on December 9, 2020 at 10:00 a.m. local time (i.e., 9:00 p.m. December 8, 2020 , E.T.) at 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009, and at any adjourned or postponement thereof. The Annual General Meeting is called for the following purposes:

1. To elect seven directors to serve until the next Annual General Meeting or until their successors are duly elected and qualified;
2. To ratify the appointment of JLKZ CPA LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2020;
3. To approve and adopt the Company’s 2020 Equity Incentive Plan; and
4. To consider and take action upon such other matters as may properly come before the Annual General Meeting or any adjournment or postponement thereof.

A proxy statement providing information, and a form of proxy to vote, with respect to the foregoing matters accompany this notice. The Board of Directors of the Company fixed the close of business on November 6, 2020 as the record date (the “Record Date”) for determining the shareholders entitled to receive notice of and to vote at the Annual General Meeting or any adjourned or postponement thereof. The register of members of the Company will not be closed. A list of the shareholders entitled to vote at the Annual General Meeting may be examined at the Company’s offices during the 10-day period preceding the Annual General Meeting.

Holders of the Company’s ordinary shares as of the Record Date are cordially invited to attend the Annual General Meeting in person. Your vote is important. Whether or not you expect to attend the Annual General Meeting in person, you are urged to complete, sign, date and return the accompanying proxy form as promptly as possible. We must receive the proxy form no later than noon on the day of the Annual General Meeting to ensure your representation at such meeting. Shareholders who execute proxies retain the right to revoke them at any time prior to the voting thereof, and may nevertheless vote in person at the Annual General Meeting. You may obtain directions to the meeting by calling our offices at + 86-592-228-0081. Shareholders may obtain a copy of these materials, free of charge, by contacting the Corporate Secretary at 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009.

By Order of the Board of Directors,

/s/ Xiaodong Chen

Xiaodong Chen  
Chairman of the Board  
Xiamen, November 16, 2020

**IMPORTANT**

**Whether or not you expect to attend the Annual General Meeting in person, you are urged to complete, sign, date and return the accompanying proxy form to ensure your representation at such meeting.**

**If your shares are held in street name, your broker, bank, custodian or other nominee holder cannot vote your shares, unless you direct the nominee holder how to vote, by marking your proxy card.**

**BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY  
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**BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY**

7th Floor, Building C, No. 1010 Anling Road  
Huli District, Xiamen, China 361009

**PROXY STATEMENT**

for

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

To be held on December 8, 2020 (Eastern Time)  
(or any adjournment or postponement thereof)

**PROXY SOLICITATION**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board” or the “Board of Directors”) of Blue Hat Interactive Entertainment Technology (the “Company,” “we,” “us,” or “our”) for the Annual General Meeting of Shareholders to be held at 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009 on December 9, 2020, at 10:00 a.m. local time (i.e., 9:00 p.m. December 8, 2020, E.T.) and for any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders. Any shareholder giving such a proxy has the power to revoke it at any time before it is voted. Written notice of such revocation should be forwarded directly to the Secretary of the Company, at the above stated address. Proxies may be solicited through the mails or direct communication with certain shareholders or their representatives by Company officers, directors, or employees, who will receive no additional compensation therefor. You may obtain directions to the meeting by calling our offices at + 86-592-228-0081.

If the enclosed proxy is properly executed and returned, the shares represented thereby will be voted in accordance with the directions thereon and otherwise in accordance with the judgment of the persons designated as proxies. Any proxy on which no direction is specified will be voted in favor of the actions described in this Proxy Statement.

The Company will bear the entire cost of preparing, assembling, printing and mailing notice and access card (the “N&A Card”) notifying the availability of this Proxy Statement accompanying proxy form, the annual report on Form 20-F for the fiscal year ended December 31, 2019 (the “Annual Report”), and any additional material that may be furnished to shareholders. The date on which the N&A Card and the accompanying Form of Proxy will first be mailed or given to the Company’s shareholders is on or about November 18, 2020.

We have elected to provide access to our proxy materials by sending you the N&A Card notifying you the availability of the Proxy Materials through a hosting link.

**Your vote is important.** Whether or not you expect to attend the Annual General Meeting in person, you are urged to complete, sign, date and return the accompanying proxy form as promptly as possible to ensure your representation at such meeting. Shareholders who execute proxies retain the right to revoke them at any time prior to the voting thereof, and may nevertheless vote in person at the Annual General Meeting. If you hold your shares in street name and wish to vote your shares at the Annual General Meeting, you should contact your broker, bank, custodian or other nominee holder about getting a proxy appointing you to vote your shares.

## QUESTIONS AND ANSWERS ABOUT THE ANNUAL GENERAL MEETING

The following is information regarding the proxy material, Annual General Meeting and voting is presented in a question and answer format.

***Q. What is the purpose of this document?***

- A. This document serves as the Company's proxy statement, which is being provided to Company shareholders of record at the close of business on November 6, 2020 (the "Record Date") because the Company's Board of Directors is soliciting their proxies to vote at the Annual General Meeting of Shareholders ("Annual General Meeting") on the item of business outlined in the Notice of Annual General Meeting of Shareholders (the "Meeting Notice").

***Q. Why am I receiving these materials?***

- A. We have sent you this proxy statement and the enclosed proxy card because the Board of Directors of the Company is soliciting your proxy to vote at the Annual General Meeting, including at any adjournments or postponements of the meeting. You are invited to attend the Annual General Meeting to vote on the proposal described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

When you sign the enclosed proxy card, you appoint the proxy holder as your representative at the meeting. The proxy holder will vote your shares as you have instructed in the proxy card, thereby ensuring that your shares will be voted whether or not you attend the meeting. Even if you plan to attend the meeting, you should complete, sign and return your proxy card in advance of the meeting just in case your plans change.

If you have signed and returned the proxy card and an issue comes up for a vote at the meeting that is not identified on the card, the proxy holder will vote your shares, pursuant to your proxy, in accordance with his or her judgment.

The Company intends to mail this proxy statement and accompanying proxy card on or about November 18, 2020 to all shareholders entitled to vote at the Annual General Meeting.

***Q. Who may vote and how many votes my I cast?***

A. Only shareholders on the Record Date, November 6, 2020, will be entitled to vote at the Annual General Meeting. On the Record Date, there were 36,517,183 ordinary shares outstanding and entitled to vote. Each ordinary share is entitled to one vote on each matter. There are no other classes of share capital outstanding.

***Q. What am I voting on?***

A. You are being asked to vote to on the following matters:

1. To elect seven directors to serve until the next Annual General Meeting or until their successors are duly elected and qualified;
2. To ratify the appointment of JLKZ CPA LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2020;
3. To approve and adopt the Company's 2020 Equity Incentive Plan; and
4. To consider and take action upon such other matters as may properly come before the Annual General Meeting or any adjournment or postponement thereof.

If an item properly comes up for vote at the Annual General Meeting, or at any adjournment or postponement thereof, that is not described in the Meeting Notice, your Proxy will vote the shares as recommended by the Board of Directors pursuant to the discretionary authority granted in the proxy. At the time this proxy statement was printed, we were not aware of any matters to be voted on which are not described in this proxy statement.

***Q. How do I vote?***

- A. You may vote “For” or “Against” the proposal to elect the seven directors to serve until the next Annual General Meeting or until their successors are duly elected and qualified;

You may vote “For” or “Against” the proposal to ratify the appointment of JLKZ CPA LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2020;

You may vote “For” or “Against” the proposal to approve and adopt the Company’s 2020 Equity Incentive Plan.

The procedures for voting are outlined below:

**Shareholder of Record: Shares Registered in Your Name**

If you are a shareholder of record, you may vote in person at the Annual General Meeting or vote by proxy using the enclosed proxy card.

- To vote in person, come to the Annual General Meeting and we will give you a ballot when you arrive; or
- To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us by 11:59 a.m. ET on the day of the Annual General Meeting, we will vote your shares as you direct.

**Beneficial Owner: Shares Registered in the Name of a Broker, Bank, Custodian or Other Nominee Holder**

If you received this proxy statement from your broker, bank, custodian or other nominee holder, your broker, bank, custodian or other nominee holder should have given you instructions for directing how that person or entity should vote your shares. It will then be your broker, bank, custodian or other nominee holder’s responsibility to vote your shares for you in the manner you direct. Please complete, execute and return the proxy card in the envelope provided by your broker, bank, custodian or other nominee holder promptly.

Under applicable regulations, if a broker holds shares on your behalf, and you do not instruct your broker how to vote those shares on a matter considered “routine”, the broker may generally vote your shares for you. A “broker non-vote” occurs when a broker has not received voting instructions from you on a “non-routine” matter, in which case the broker does not have authority to vote your shares with respect to such matter. Rules that govern how brokers vote your shares have recently changed. Unless you provide voting instructions to a broker holding shares on your behalf, your broker may no longer use discretionary authority to vote your shares on any of the matters to be considered at the Annual General Meeting other than the ratification of our independent registered public accounting firm. Please vote your proxy so your vote can be counted.

We therefore encourage you to provide directions to your broker, bank, custodian or other nominee holder as to how you want your shares voted on all matters to be brought before the Annual General Meeting. You should do this by carefully following the instructions your broker, bank, custodian or other nominee holder gives you concerning its procedures. This ensures that your shares will be voted at the Annual General Meeting.

You are also invited to attend the Annual General Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker, bank, custodian or other nominee holder.

***Q. How does the Board recommend I vote?***

A. Our Board of Directors recommends that you vote:

- **FOR** the election of each nominee for director named herein.
- **FOR** approval of the proposal to ratify the appointment of JLKZ CPA LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2020.
- **FOR** approval of the proposal to approve and adopt the Company's 2020 Equity Incentive Plan.

***Q. What if I change my mind after I vote via proxy?***

A. If you hold your shares in your own name, you may revoke your proxy at any time before your shares are voted by:

- mailing a later dated proxy prior to the Annual General Meeting;
- delivering a written request in person to return the executed proxy;
- voting in person at the Annual General Meeting; or
- providing written notice of revocation to the Corporate Secretary of the Company at: 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009.

If you hold your shares in the name of your broker, bank, or other fiduciary, you will need to contact that person or entity to revoke your proxy.

***Q. What does it mean if I receive more than one proxy card or voting instruction form?***

A. It means that you have multiple accounts at our transfer agent or with brokers, banks, or other fiduciaries. Please complete and return all proxy cards and voting instruction forms to ensure that all of your shares are voted.

***Q. How many shares must be present to hold a valid meeting?***

A. For us to hold a valid Annual General Meeting, we must have a quorum, which means that not less than one-third of our outstanding ordinary shares that are entitled to cast a vote are present in person or by proxy at the Annual General Meeting. Proxies received but marked as abstentions and Broker Non-Votes will be treated as shares that are present and entitled to vote for purposes of determining a quorum. Your shares will be counted as present at the Annual General Meeting if you:

- properly submit a proxy card (even if you do not provide voting instructions); or
- attend the Meeting and vote in person.

On November 6, 2020, the record date, there were 36,517,183 ordinary shares outstanding. Therefore, at least 12,172,395 shares need to be present in person or by proxy at the Annual General Meeting in order to hold the meeting and conduct business.

***Q. How many votes are required to approve an item of business?***

- A. *Election of Directors.* Under the Company's Amended and Restated Memorandum of Association, the election of directors needs to be authorized by an Ordinary Resolution, which refers to a simple majority of the votes cast by the shareholders at the Annual General Meeting.

*Approval of the Appointment of the Independent Auditor.* Under the Company's Amended and Restated Memorandum of Association, the required vote to ratify the appointment of JLKZ CPA LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2020, is by an Ordinary Resolution, meaning the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual General Meeting.

*Approval of the Adoption of the Company's 2020 Equity Incentive Plan.* Under the Company's Amended and Restated Memorandum of Association, the required vote to approve and adopt the Company's 2020 Equity Incentive Plan is the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual General Meeting.

***Q. Who pays the cost for soliciting proxies?***

- A. We will pay the cost for the solicitation of proxies by the Board of Directors. Our solicitation of proxies will be made primarily by mail. Proxies may also be solicited personally, by telephone, fax or e-mail by our officers, directors, and regular supervisory and executive employees, none of whom will receive any additional compensation for their services. We will also reimburse brokers, banks, custodians, other nominees and fiduciaries for forwarding these materials to beneficial holders to obtain the authorization for the execution of proxies.

***Q. Where can I find additional information about the Company?***

- A. Our reports on Forms 20-F and 6-K, and other publicly available information, should be consulted for other important information about the Company. You can also find additional information about us on our web site at <http://www.bluehatgroup.com/>. The principal executive office of the Company is located at 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009. The mailing address of the principal executive office is 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009. The telephone number for the Company is + 86-592-228-0081.

## **PROPOSAL NO. 1**

### **ELECTION OF DIRECTORS**

#### **General**

The Board of Directors of the Company shall consist of such number of directors as a majority of the directors then in office may determine from time to time. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy shall serve until the next Annual General Meeting.

The directors of the Company do not have a definite term of office, and each director will serve until the next Annual General Meeting and until the director's successor is elected and qualified. The Nomination and Governance Committee of the Board, comprising of three independent directors, will consider director candidates recommended by shareholders. The Nomination and Governance Committee does not intend to alter the manner in which it evaluates candidates based on whether or not the candidate was recommended by a shareholder, except that the Nomination and Governance Committee may consider the size and duration of the shareholdings of the recommending shareholder in relation to the total outstanding shares of the Company, and the extent to which the recommending shareholder intends to continue holding its interest in the Company.

Currently, the Board has fixed the number of directors at seven persons. Seven directors are to be elected to the Board at the Annual General Meeting. The Board has nominated Xiaodong Chen, Caifan He, Jianyong Cai, Qinyi Fu, Jun Ouyang, Huibin Shen and Can Su for re-election at the Annual General Meeting. All seven nominees currently serve on the Board.

The election of each director needs to be authorized by Ordinary Resolution, which refers to a simple majority of the votes cast by the shareholders at the Annual General Meeting. If any nominee becomes unavailable for election as a result of unexpected occurrence, shares voted "For" represented by executed proxy will be voted "For" the election of a substitute nominee designated by our Board. Each nominee has agreed to serve as a director if elected, and we have no reason to believe that any nominee will be unable to serve.

**The Board of Directors recommends a vote "FOR" each nominee.**

## INFORMATION ABOUT THE NOMINEES

Name	Age	Position
Xiaodong Chen	52	Chief Executive Officer and Director
Caifan He	47	Chief Financial Officer and Director
Jianyong Cai	58	Chief Technology Officer and Director
Qinyi Fu(1)	34	Independent Director
Jun Ouyang(1)(2)(3)	37	Independent Director
Huibin Shen(3)	47	Independent Director
Can Su(1)(2)	31	Independent Director

- (1) Member of audit committee.
- (2) Member of remuneration committee.
- (3) Member of nomination and governance committee.

**Xiaodong Chen** has served as our Chief Executive Officer since December 2018, as a member of the board of directors of Blue Hat since its incorporation in June 2018 and as the chairman of the Board of Directors and general manager of Blue Hat Fujian since August 2015. Mr. Chen is a director of Victory Hat Limited, a shareholder of Blue Hat. From July 1987 to November 1989, Mr. Chen served as an office worker of the Inspection Department of Fuzhou Second People's Hospital. From December 1989 to June 1995, Mr. Chen served as the manager of Fuzhou Liming Footwear Co., Ltd. From December 1996 to January 2002, Mr. Chen served as a manager of Fuzhou Changdong Trading Co. Ltd. From February 2002 to January 2008, Mr. Chen served as general manager of Huanyu International Co. Ltd. From March 2008 to March 2015, Mr. Chen served as the general manager of Guangzhou Taihao Trading Co., Ltd. From January 2010 to March 2013, Mr. Chen served as the chairman and general manager of Xiamen Blue Hat Culture Communication Ltd. Mr. Chen received his EMBA from Renmin University of China.

**Caifan He** has served as Chief Financial Officer and a member of the Board of Directors of Blue Hat since December 2018. Mr. He has served as a director, deputy general manager and financial controller of Blue Hat Fujian since August 2015. Mr. He is a director of Celebrate Hat Limited, a shareholder of Blue Hat. Mr. He served as a middle school teacher in Cangchang Village from July 1994 to December 1996 in Anhua County. From January 1997 to January 2000, Mr. He served as the accountant, accounting supervisor and account manager of Guangzhou Changdong Industrial Co., Ltd. From February 2000 to March 2008, Mr. He served as the finance manager and financial director of Guangzhou Tiandixing Telecommunications Co., Ltd. From March 2008 to January 2012, Mr. He served as the finance manager of Guangzhou Taihao Trading Co., Ltd. From March 2013 to August 2015, Mr. He served as a director and financial controller of Blue Hat (Xiamen) Culture Communication Co., Ltd. Mr. He received a College Diploma in Finance from Hunan University of Finance and Economics.

**Jianyong Cai** has served as chief technology officer and a member of the Board of Directors of Blue Hat since December 2018. Mr. Cai has served as a director, deputy general manager and chief engineer of Blue Hat Fujian since January 2010. Mr. Cai taught in the School of Optoelectronics and Information Engineering of Fujian Normal University from August 1983 to June 2002. Since July 2002, Mr. Cai has served as an associate professor at the School of Optoelectronics and Information Engineering at Fujian Normal University, where he mainly works on Data Communication Principles, Communication Network Foundation, Software Engineering and other undergraduate courses as well as Communication Network Theory and Technology, Computer Network Architecture and other postgraduate courses. Mr. Cai received a Bachelor's Degree in Data Communication Principles, Communication Network Foundation and Software Engineering from University of Science and Technology of China.

**Qinyi Fu** has served as a member of the Board of Directors of Blue Hat since December 2018. Mr. Fu served as an auditor of Ernst & Young China Certified Public Accountants from October 2010 to January 2012. Mr. Fu served as a senior auditor of Deloitte China Certified Public Accountants from January 2012 to December 2015. Mr. Fu served as a partner of Ruihua Certified Public Accountants from December 2015 to May 2018. Mr. Fu has served as

a partner of Dahua Certified Public Accountants since June 2018. Mr. Fu received a Bachelor's Degree in International Economics and Trade and a Master's Degree in International Economics from Xiamen University.

**Jun Ouyang** has served as a member of the Board of Directors of Blue Hat since December 2018. Mrs. Ouyang served as a professional teacher in the Department of Economic Management of Zhangzhou City College from August 2009 to August 2016. Mrs. Ouyang has been studying for a Ph.D. in Marketing from Xiamen University since September 2016. Mrs. Ouyang received a Bachelor's Degree in Computer Science and Engineering from Xi'an University of Finance and Economics and a Master's Degree in Management Science and Engineering from Fuzhou University.

**Huibin Shen** has served as a member of the Board of Directors of Blue Hat since December 2018. Mr. Shen has served as the director of the capital market department of Beijing Jingshi Law Firm (Xiamen) since November 2017. Mr. Shen served as vice director of the capital market department of Beijing Dentons Law Offices, LLP (Xiamen) from March 2009 to November 2017. Mr. Shen is also an arbitrator of the Xiamen Arbitration Commission. Mr. Shen received a Bachelor's Degree in Law from East China University of Political Science and Law and a Master's Degree in Civic and Commercial Law from China University of Political Science and Law.

**Can Su** has served as a member of the Board of Directors of Blue Hat since December 2018. Mr. Su has served as account manager of Xiamen Rural Commercial Financing Guarantee Co., Ltd. since January 2018. Mr. Su served as account manager of Xiamen Rural Commercial Bank Asset Management Co., Ltd. from December 2015 to December 2017. Mr. Su received a Bachelor's Degree in Logistics Management from Xiamen University Tan Kah Kee College and an MBA from High Point University.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of November 6, 2020 for:

- each beneficial owner of 5% or more of our outstanding ordinary shares;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include ordinary shares issuable upon the exercise of options that are immediately exercisable or exercisable within 60 days of the date hereof. Percentage ownership calculations are based on 36,517,183 ordinary shares outstanding as of November 6, 2020.

Except as otherwise indicated, all of the shares reflected in the table are ordinary shares and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose.

Except as otherwise indicated in the table below, addresses of our directors, executive officers and named beneficial owners are in care of Blue Hat Interactive Entertainment Technology, 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009, and our telephone number is +86-592-228-0081.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
<i>5% or Greater Shareholders:</i>		
Victory Hat Limited(1)	13,089,153	37.25%
Prosper Hat Limited(2)	6,373,227	18.14%
Shaohong Holding Limited(3)	2,232,659	6.35%
<i>Directors and Executive Officers:</i>		
Xiaodong Chen(4)	14,034,684	39.94%
Caifan He(5)	1,004,950	2.86%
Jianyong Cai(6)	-	-
Qinyi Fu	-	-
Jun Ouyang	-	-
Huibin Shen	-	-
Can Su	-	-
All current directors and executive officers as a group (7 persons)	15,039,634	42.80%

\* Less than 1%

- (1) The registered address of Victory Hat Limited, a British Virgin Islands company, is Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Xiaodong Chen, our chief executive officer and director, is the owner of Victory Hat Limited and holds the voting and dispositive power over the ordinary shares held by Victory Hat Limited.
- (2) The registered address of Prosper Hat Limited, a British Virgin Islands company, is Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Shaohong Chen is the owner of Prosper Hat Limited and holds the voting and dispositive power over the ordinary shares held by Prosper Hat Limited. Shaohong Chen is a shareholder of Blue Hat Fujian and is the sister of Xiaodong Chen.
- (3) The registered address of Shaohong Holding Limited, a British Virgin Islands company, is Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Shaohong Chen is the owner of Shaohong Holding Limited and holds the voting and dispositive power over the ordinary shares held by Shaohong Holding Limited. Shaohong Chen is a shareholder of Blue Hat Fujian and is the sister of Xiaodong Chen.
- (4) Includes the 13,089,153 ordinary shares held by Victory Hat Limited and the 945,531 ordinary shares held by Beautiful Scenery Limited, a British Virgin Islands company, with a registered address at Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Juanjuan Cai, a director and shareholder of Blue Hat Fujian and the wife of Xiaodong Chen, is the owner of Beautiful Scenery Limited. Juanjuan Cai holds the voting and dispositive power over the ordinary shares held by Beautiful Scenery Limited.
- (5) Represents the 1,004,950 ordinary shares held by Celebrate Hat Limited, a British Virgin Islands company with a registered address at Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Caifan He is the owner of Celebrate Hat Limited and holds the voting and dispositive power over the ordinary shares held by Celebrate Hat Limited.
- (6) Jianyong Cai is the brother of Juanjuan Cai, the wife of Xiaodong Chen.

## PROPOSAL NO. 2

### RATIFICATION OF INDEPENDENT ACCOUNTANTS

The Audit Committee has selected JLKZ CPA LLP (“JLKZ”) as the Company’s independent registered public accountants for the fiscal year ending December 31, 2020, and has further directed that management submit the selection of independent auditors for ratification by the shareholders at the Annual General Meeting. The shareholders are being asked to ratify this appointment so that the Audit Committee will know the opinion of the shareholders. However, the Audit Committee has sole authority to appoint the independent registered public accounting firm.

The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual General Meeting will be required to ratify the selection of JLKZ.

**The Board of Directors recommends a vote “FOR” the ratification of the appointment of JLKZ as the Company’s independent registered public accounting firm.**

#### Principal Accounting Fees and Services

On January 22, 2020, we dismissed Friedman LLP and engaged JLKZ, as our independent registered public accounting firm in connection with the audit of our consolidated financial statements for the year ended December 31, 2019. The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our principal external auditor, for the periods indicated.

	For the year ended December 31,	
	2018	2019
Audit fees (1)	\$ 200,000	\$ 144,000
Audit-related fees (2)	-	18,000
Tax fees(3)	-	-

- (1) “Audit fees” represents the aggregate fees billed for each of the fiscal years listed for professional services rendered by our principal accounting firm for the audit of our annual financial statements or services that are normally provided by the auditors in connection with statutory and regulatory filings or engagements.
- (2) “Audit-related fees” represents the aggregate fees billed for professional services rendered by our principal accounting firm for the assurance and related services, which mainly included the audit and review of financial statements and are not reported under “Audit Fees” above.
- (3) “Tax fees” represents the aggregate fees billed for professional services rendered by our principal accounting firm for tax compliance, tax advice and tax planning.

The policy of our audit committee is to pre-approve all audit and non-audit services including audit services, audit-related services, tax services and other services as described above.

## **PROPOSAL NO. 3**

### **ADOPTION OF BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY 2020 EQUITY INCENTIVE PLAN**

On November 3, 2020, the Remuneration Committee recommended the Board to adopt and the Board adopted the Blue Hat Interactive Entertainment Technology 2020 Equity Incentive Plan (the “Plan”), subject to approval by the Company’s shareholders. The Board determined to submit the Plan to the Company’s shareholders. The Company’s shareholders are now requested to approve the adoption of the Plan.

A general description of the basic features of the Plan is set forth below. Such description is qualified in its entirety by reference to the full text of the Plan, which is set forth as Appendix A to this Proxy Statement.

#### **Purpose**

The purpose of the Plan is to further and promote the interests of the Company, its subsidiaries and its shareholders by enabling the Company and its subsidiaries to attract, retain and motivate employees, directors and consultants or those who will become employees, directors and of the Company and/or its subsidiaries, and to align the interests of those individuals and the Company’s shareholders. To do this, the Plan offers performance-based incentive awards and equity-based opportunities providing employees, directors and consultants with a proprietary interest in maximizing the growth, profitability and overall success of the Company and/or its subsidiaries.

#### **Number of Shares**

The maximum number of shares of Company’s ordinary shares, par value \$0.001 per share (“Ordinary Shares”), as to which awards may be granted under the Plan may not exceed 6,000,000 shares. The limit on the number of shares described in this paragraph and the number of shares subject to any award under the Plan are subject to proportional adjustment as determined by the Board, to reflect certain stock changes, such as stock dividends and stock splits (see “Recapitalization Adjustments” below).

If any awards under the Plan expire or terminate unexercised, the shares of Ordinary Shares allocable to the unexercised or terminated portion of such award shall again be available for award under the Plan.

#### **Administration**

The administration, interpretation and operation of the Plan will be vested in the Remuneration Committee of the Board (the “Committee”). The Committee may designate persons other than members of the Committee to carry out the day-to-day administration of the Plan. In addition, the Committee may, in its sole discretion, delegate day-to-day ministerial administration to persons other than members of the Committee, except that the Committee shall not delegate its authority with regard to selection for participation in the Plan and/or the granting of any Awards to Participants.

#### **Eligibility**

Employees, directors and consultants, or those who will become employees, directors and consultants of the Company and/or its subsidiaries are eligible to receive awards under the Plan. At November 3, 2020, approximately 78 individuals were eligible to receive Awards under the Plan. Awards under the Plan will be made by the Committee. No determination has been made as to future awards which may be granted under the Plan, although it is anticipated that recipients of awards will include the current executive officers of the Company.

#### **Awards Under the Plan**

Introduction. Awards under the Plan may consist of stock options, stock appreciation rights (“SARs”), restricted shares or performance unit awards, each of which is described below. All awards will be evidenced by an award agreement between the Company and the individual participant and approved by the Committee. In the discretion of the Committee, an eligible employee, director or consultant may receive awards from one or more of the categories described below, and more than one award may be granted to an eligible employee, director or consultant.

*Stock Options and Stock Appreciation Rights.* A stock option is an award that entitles a participant to purchase shares of Ordinary Shares at a price fixed at the time the option is granted. Stock options granted under the Plan may be in the form of incentive stock options (which qualify for special tax treatment) or non-qualified stock options, and may be granted alone or in addition to other awards under the Plan. Non-qualified stock options may be granted alone or in tandem with SARs.

An SAR entitles a participant to receive, upon exercise, an amount equal to (a) the excess of (i) the fair market value on the exercise date of a share of Ordinary Shares, over (ii) the fair market value of a share of Ordinary Shares on the date the SAR was granted, multiplied by (b) the number of shares of Ordinary Shares for which the SAR has been exercised.

The exercise price and other terms and conditions of stock options and the terms and conditions of SARs will be determined by the Committee at the time of grant, provided, however, that the exercise price per share may not be less than 100 percent of the fair market value of a share of Ordinary Shares on the date of the grant. In addition, the term of any incentive stock options granted under the Plan may not exceed ten years. An option or SAR grant under the Plan does not provide an optionee any rights as a shareholder and such rights will accrue only as to shares actually purchased through the exercise of an option or the settlement of an SAR.

If stock options and SARs are granted together in tandem, the exercise of such stock option or the related SAR will result in the cancellation of the related stock option or SAR to the extent of the number of shares in respect of which such option or SAR has been exercised.

Stock options and SARs granted under the Plan shall become exercisable at such time as designated by the Committee at the time of grant.

Payment for shares issuable pursuant to the exercise of a stock option may be made either in cash, by certified check, bank draft, or money order, or, by delivery of shares satisfying such requirements as the Committee shall establish, or through such other mechanism as the Committee shall permit in its sole discretion.

In addition, the Committee, in its sole discretion, may provide in any stock option or SAR award agreement that the recipient of the stock option or SAR will be entitled to dividend equivalents with respect to such award. In such instance, in respect of any such award which is outstanding on a dividend record date for Ordinary Shares, the participant would be entitled to an amount equal to the amount of cash or stock dividends that would have paid on the shares of Ordinary Shares covered by such stock option or SAR award had such shares of Ordinary Shares been outstanding on the dividend record date.

*Restricted Share Awards.* Restricted share awards are grants of Ordinary Shares made to a participant subject to conditions established by the Committee in the relevant award agreement on the date of grant. The restricted shares only become unrestricted in accordance with the conditions and vesting schedule, if any, provided in the relevant award agreement. A participant may not sell or otherwise dispose of restricted shares until the conditions imposed by the Committee with respect to such shares have been satisfied. Restricted share awards under the Plan may be granted alone or in addition to any other awards under the Plan. Restricted shares which vest will be reissued as unrestricted shares of Ordinary Shares.

Each participant who receives a grant of restricted shares will have the right to receive all dividends and vote or execute proxies for such shares. Any stock dividends granted with respect to such restricted shares will be treated as additional restricted shares.

*Performance Units.* Performance units (with each unit representing a monetary amount designated in advance by the Committee) are awards which may be granted to participants alone or in addition to any other awards under the Plan. Participants receiving performance unit grants will only earn such units if the Company and/or the participant achieve certain performance goals during a designated performance period. The Committee will establish such performance goals and may use measures such as total shareholder return, return on equity, net earnings growth,

sales or revenue growth, comparison to peer companies, individual or aggregate participant performance or such other measures the Committee deems appropriate. The participant may forfeit such units in the event the performance goals are not met. If all or a portion of a performance unit is earned, payment of the designated value thereof will be made in cash, in unrestricted Ordinary Shares or in restricted shares or in any combination thereof, as provided in the relevant award agreement.

*Recapitalization Adjustments.* In the event that the Board determines that any dividend or other distribution (whether in the form of cash, Ordinary Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Ordinary Shares or other securities of the Company, or other corporate transaction or event affects the Ordinary Shares such that an adjustment is determined by the Board, in its sole discretion, to be necessary or appropriate in order to prevent dilution or enlargement of benefits or potential benefits intended to be made available under the Plan, the Board may, in any manner that it in good faith deems equitable, adjust any or all of (i) the number of shares of Ordinary Shares or other securities of the Company (or number and kind of other securities or property) with respect to which awards may be granted, (ii) the number of shares of Ordinary Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding awards, and (iii) the exercise price with respect to any stock option, or make provision for an immediate cash payment to the holder of an outstanding award in consideration for the cancellation of such award.

*Mergers.* If the Company enters into or is involved in any merger, reorganization, recapitalization, sale of all or substantially all of the Company's assets, liquidation, or business combination with any person or entity (a "Merger Event"), the Board may, prior to such Merger Event and effective upon such Merger Event, take any action that it deems appropriate, including, replacing such stock options with substitute stock options and/or SARs in respect of the shares, other securities or other property of the surviving corporation or any affiliate of the surviving corporation on such terms and conditions, as to the number of shares, pricing and otherwise, which shall substantially preserve the value, rights and benefits of any affected stock options or SARs granted hereunder as of the date of the consummation of the Merger Event. If any Merger Event occurs, the Company has the right, but not the obligation, to cancel each participant's stock options and/or SARs and to pay to each affected participant in connection with the cancellation of such stock options and/or SARs, an amount equal to the excess of the fair market value, as determined by the Board, of the Ordinary Shares underlying any unexercised stock options or SARs (whether then exercisable or not) over the aggregate exercise price of such unexercised stock options and/or SARs. Upon receipt by any affected participant of any such substitute stock options, SARs (or payment) as a result of any such Merger Event, such participant's affected stock options and/or SARs for which such substitute options and/or SARs (or payment) were received shall be thereupon cancelled without the need for obtaining the consent of any such affected participant.

#### **Amendment, Suspension or Termination of the Plan**

Unless earlier terminated by the Board, the Plan shall terminate on December 31, 2030. The Board may amend, suspend or terminate the Plan (or any portion thereof) at any time. However, no amendment shall (a) materially adversely affect the rights of any participant under any outstanding award, without the consent of such participant, or (b) increase the number of shares available for awards under the Plan without shareholder approval; provided, however, that the Board and/or Committee may amend the Plan, without the consent of any participants, in any way it deems appropriate to satisfy Code Section 409A and any regulations or other authority promulgated thereunder, including any amendment to the Plan to cause certain Awards not to be subject to Code Section 409A.

#### **Effective Date**

The Plan is effective on November 3, 2020, the date of its adoption by the Board of Directors, subject to shareholder approval. The Plan will terminate on December 31, 2030, except with respect to awards then outstanding. After such date no further awards will be granted under the Plan unless the Plan is extended by the Board.

The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual General Meeting will be required to approve the adoption of the Company's 2020 Equity Incentive Plan.

**The Board of Directors recommends a vote "FOR" the adoption of the Company's 2020 Equity Incentive Plan.**

## **OTHER MATTERS**

### **General**

Management does not know of any matters other than those stated in this Proxy Statement that are to be presented for action at the Annual General Meeting. If any other matters should properly come before the Annual General Meeting, it is intended that proxies in the accompanying form will be voted on any such other matters in accordance with the judgment of the persons voting such proxies. Discretionary authority to vote on such matters is conferred by such proxies upon the persons voting them.

We will bear the cost of preparing, printing, assembling and mailing the proxy, Proxy Statement and other material which may be sent to shareholders in connection with this solicitation. It is contemplated that brokerage houses will forward the proxy materials to beneficial owners at our request. In addition to the solicitation of proxies by use of the mails, our officers and regular employees may solicit proxies without additional compensation, by telephone, facsimile or other electronic communications. We may reimburse brokers or other persons holding ordinary shares in their names or the names of their nominees for the expenses of forwarding soliciting material to their principals and obtaining their proxies.

Requests for copies of Proxy materials should be directed to Corporate Secretary at 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009.

### **Communications with the Board of Directors**

Shareholders wishing to communicate with the Board or any individual director may write to the Board of Directors or the individual director to the Board of Directors; Blue Hat Interactive Entertainment Technology, 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009. Any such communication must state the number of shares beneficially owned by the shareholder making the communication. All such communications will be forwarded to the full Board or to any individual director or directors to whom the communication is directed unless the communication is clearly of a marketing nature or is unduly hostile, threatening, illegal, or similarly inappropriate, in which case the Company has the authority to discard the communication or take appropriate legal action regarding the communication.

### **Code of Ethics**

We have adopted a Code of Business Conduct and Ethics applicable to all of our directors and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The full text of the Code of Business Conduct and Ethics is posted on our website at [www.irbluehatgroup.com](http://www.irbluehatgroup.com). Information contained on, or that can be accessed through, our website does not constitute a part of this Proxy Statement and is not incorporated by reference herein. We will provide a copy of the Code of Business Conduct and Ethics without charge upon request by mail or by telephone. If we make any amendment to the Code of Business Conduct and Ethics or grant any waivers, including any implicit waiver, from a provision of the Code of Business Conduct and Ethics, we will disclose the nature of such amendment or waiver on our website to the extent required by the rules and regulations of the SEC.

**Transfer Agent and Registrar**

The transfer agent and registrar for our ordinary shares is VStock Transfer, LLC. Its address is 18 Lafayette Pl, Woodmere, NY 11598, and its telephone number is (212) 828-8436.

**Where You Can Find More Information**

We file annual report and other documents with the SEC under the Exchange Act. Our SEC filings made electronically through the SEC's EDGAR system are available to the public at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's public reference room located at 100 F Street, NE, Room 1580, Washington, DC 20549. Please call the SEC at (800) SEC-0330 for further information on the operation of the public reference room.

By Order of the Board of Directors,

/s/ Xiaodong Chen  
Chairman of the Board

November 16, 2020

**BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY**

**2020 EQUITY INCENTIVE PLAN**

**1. Purpose.** The purpose of Blue Hat Interactive Entertainment Technology 2020 Equity Incentive Plan (the “Plan”) is to further and promote the interests of Blue Hat Interactive Entertainment Technology (the “Company”), its Subsidiaries and its shareholders by enabling the Company and its Subsidiaries to attract, retain and motivate employees (including officers), directors and consultants, or those who will become employees, directors and consultants, and to align the interests of those individuals and the Company’s shareholders. To do this, the Plan offers performance-based incentive awards and equity-based opportunities providing such employees, directors and consultants with a proprietary interest in maximizing the growth, profitability and overall success of the Company and its Subsidiaries. The Plan is intended to be construed as an employee benefit plan that satisfies the requirements for exemption from the restrictions of Section 16(b) of the Exchange Act.

**2. Definitions.** For purposes of the Plan, the following terms shall have the meanings set forth below:

**2.1 “Award”** means an award or grant made to a Participant under Sections 6, 7, 8 and/or 9 of the Plan.

**2.2 “Award Agreement”** means the agreement executed by a Participant pursuant to Sections 3.2 and 15.7 of the Plan in connection with the granting of an Award.

**2.3 “Board”** means the Board of Directors of the Company, as constituted from time to time.

**2.4 “Code”** means the Internal Revenue Code of 1986, as in effect and as amended from time to time, or any successor statute thereto, together with any rules, regulations and interpretations promulgated thereunder or with respect thereto.

**2.5 “Committee”** means the committee of the Board established to administer the Plan, as described in Section 3 of the Plan.

**2.6 “Ordinary Shares”** means the ordinary shares, par value \$0.001 per share, of the Company or any security of the Company issued by the Company in substitution or exchange therefor.

**2.7 “Company”** means Blue Hat Interactive Entertainment Technology, a Cayman Islands exempted company, or any successor thereto.

**2.8 “Exchange Act”** means the Securities Exchange Act of 1934, as in effect and as amended from time to time, or any successor statute thereto, together with any rules, regulations and interpretations promulgated thereunder or with respect thereto.

**2.9 “Fair Market Value”** with respect to a share of Company Stock on any relevant date shall be determined in accordance with the following provisions:

(1) If the Ordinary Shares are publicly traded, “Fair Market Value” shall be determined as of the last business day for which the prices or quotes discussed in this sentence are available prior to such date and shall mean (i) the closing price quoted on the national securities exchange or national securities association that is the principal market for the Ordinary Shares, or (ii) if the Ordinary Shares are not so listed, the last or closing price on the relevant date quoted on the OTC Bulletin Board Service or by Pink Sheets LLC or a comparable service as determined in the Committee’s sole discretion; or (iii) if the Ordinary Shares are not listed or quoted by any of the above, the average of the closing bid and asked prices on the relevant date furnished by a professional market maker for the Ordinary Shares selected by the Committee in its sole discretion.

(2) If Company Stock is not publicly traded, “Fair Market Value” shall be determined by the Board in its good faith best judgment or by an independent appraisal that meets the requirements of Section 401(a)(28)(C) of the Code and the regulations thereunder as of a date that is no more than twelve months before such date.

**2.10 “Incentive Stock Option”** means any stock option granted pursuant to the provisions of Section 6 of the Plan (and the relevant Award Agreement) that is intended to be (and is specifically designated as) an “incentive stock option” within the meaning of Section 422 of the Code.

**2.11 “Non-Qualified Stock Option”** means any stock option granted pursuant to the provisions of Section 6 of the Plan (and the relevant Award Agreement) that is not (and is specifically designated as not being) an Incentive Stock Option.

**2.12 “Participant”** means any individual who is selected from time to time under Section 5 to receive an Award under the Plan.

**2.13 “Performance Units”** means the monetary units granted under Section 9 of the Plan and the relevant Award Agreement.

**2.14 “Plan”** means the Blue Hat Interactive Entertainment Technology 2020 Equity Incentive Plan, as set forth herein and as in effect and as amended from time to time (together with any rules and regulations promulgated by the Committee with respect thereto).

**2.15 “PRC”** means The People’s Republic of China.

**2.16 “Restricted Shares”** means the restricted shares of Ordinary Shares granted pursuant to the provisions of Section 8 of the Plan and the relevant Award Agreement.

**2.17 “Stock Appreciation Right”** means an Award described in Section 7.2 of the Plan and granted pursuant to the provisions of Section 7 of the Plan.

**2.18 “Subsidiary(ies)”** means any corporation (other than the Company) in an unbroken chain of corporations, including and beginning with the Company, if each of such corporations, other than the last corporation in the unbroken chain, owns, directly or indirectly, more than fifty percent (50%) of the voting stock in or controls through contractual agreements of, among others, the profits and losses, and the voting power of one of the other corporations in such chain, such as a variable interest entity.

### **3. Administration.**

**3.1 The Committee.** The Plan shall be administered by the Committee. The Committee shall be appointed from time to time by the Board and shall be comprised of not less than two (2) of the then members of the Board who are Non-Employee Directors (within the meaning of SEC Rule 16b-3(b)(3)) of the Company. Consistent with the Bylaws of the Company, members of the Committee shall serve at the pleasure of the Board and the Board, subject to the immediately preceding sentence, may at any time and from time to time remove members from, or add members to, the Committee. If no such Committee is appointed, the Plan shall be administered by the Board.

**3.2 Plan Administration and Plan Rules.** The Committee is authorized to construe and interpret the Plan and to promulgate, amend and rescind rules and regulations relating to the implementation, administration and maintenance of the Plan. Subject to the terms and conditions of the Plan, the Committee shall make all determinations necessary or advisable for the implementation, administration and maintenance of the Plan, including, without limitation, (a) selecting the Plan’s Participants, (b) making Awards in such amounts and form as the Committee shall determine, (c) imposing such restrictions, terms and conditions upon such Awards as the Committee shall deem appropriate, (d) determining the denomination of any Award, including U.S. Dollars, Chinese Renminbi or other local currency, and (e) correcting any technical defect(s) or technical omission(s), or reconciling any technical inconsistency(ies), in the Plan and/or any Award Agreement. The Committee may designate persons other than members of the Committee to carry out the day-to-day ministerial administration of the Plan under such conditions and limitations as it may prescribe, except that the Committee shall not delegate its authority with regard to the selection for participation in the Plan and/or the granting of any Awards to Participants. The Committee’s determinations under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. Any determination, decision or action of the Committee in connection with the construction, interpretation, administration, implementation or maintenance of the Plan shall be final, conclusive and binding upon all Participants and any person(s) claiming under or through any Participants. The Company shall effect the granting of Awards under the Plan, in accordance with the determinations made by the Committee, by execution of written agreements and/or other instruments in such form as is approved by the Committee. The Committee may, in its sole discretion, delegate its authority to one or more senior executive officers for the purpose of making Awards to Participants who are not subject to Section 16 of the Exchange Act.

**3.3 Liability Limitation.** Neither the Board nor the Committee, nor any member of either, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan (or any Award Agreement), and the members of the Board and the Committee shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under any directors and officers liability insurance coverage which may be in effect from time to time.

**3.4 Jurisdictional Considerations.** In order to assure the viability of Awards granted to Participants employed in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; provided, however, that no such supplements, amendments, restatements or alternatives versions shall increase the share limitations contained within Section 4.2 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate applicable laws, including, without limitation, the laws of the United States and the PRC.

#### **4. Term of Plan/Ordinary Shares Subject to Plan.**

**4.1 Term.** The Plan shall terminate on December 31, 2030, except with respect to Awards then outstanding. After such date no further Awards shall be granted under the Plan.

**4.2 Ordinary Shares.** The maximum number of shares of Ordinary Shares in respect of which Awards (including but not limited to Incentive Stock Options) may be granted or paid out under the Plan, subject to adjustment as provided in Section 13.2 of the Plan, shall not exceed **6,000,000** shares. In the event of a change in the Ordinary Shares of the Company that is limited to a change in the designation thereof to "Capital Stock" or other similar designation, or to a change in the par value thereof, or from par value to no par value, without increase or decrease in the number of issued shares, the shares resulting from any such change shall be deemed to be the Ordinary Shares for purposes of the Plan. Ordinary Shares which may be issued under the Plan may be either authorized and unissued shares or issued shares which have been reacquired by the Company (in the open-market or in private transactions) and which are being held as treasury shares. No fractional shares of Ordinary Shares shall be issued under the Plan.

**4.3 Computation of Available Shares.** For the purpose of computing the total number of shares of Ordinary Shares available for Awards under the Plan, there shall be counted against the limitations set forth in Section 4.2 of the Plan the maximum number of shares of Ordinary Shares potentially subject to issuance upon exercise or settlement of Awards granted under Sections 6 and 7 of the Plan, the number of shares of Ordinary Shares issued under grants of Restricted Shares pursuant to Section 8 of the Plan and the maximum number of shares of Ordinary Shares potentially issuable under grants or payments of Performance Units pursuant to Section 9 of the Plan, in each case determined as of the date on which such Awards are granted. If any Awards expire unexercised or are forfeited, surrendered, cancelled, terminated or settled in cash in lieu of Ordinary Shares, the shares of Ordinary Shares which were theretofore subject (or potentially subject) to such Awards shall again be available for Awards under the Plan to the extent of such expiration, forfeiture, surrender, cancellation, termination or settlement of such Awards.

**5. Eligibility.** Individuals eligible for Awards under the Plan shall consist of employees (including officers), directors and consultants, or those who will become employees (including officers), directors and consultants, of the Company and/or its Subsidiaries whose performance or contribution, in the sole discretion of the Committee, benefits or will benefit the Company or any Subsidiary.

**6. Stock Options.**

**6.1 Terms and Conditions.** Stock options granted under the Plan shall be in respect of Ordinary Shares and may be in the form of Incentive Stock Options or Non-Qualified Stock Options (sometimes referred to collectively herein as the “Stock Option(s)”). Such Stock Options shall be subject to the terms and conditions set forth in this Section 6 and any additional terms and conditions, not inconsistent with the express terms and provisions of the Plan, as the Committee shall set forth in the relevant Award Agreement.

**6.2 Grant.** Stock Options may be granted under the Plan in such form as the Committee may from time to time approve. Stock Options may be granted alone or in addition to other Awards under the Plan or in tandem with Stock Appreciation Rights. Special provisions shall apply to Incentive Stock Options granted to any employee who owns (within the meaning of Section 422(b)(6) of the Code) more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or its parent corporation or any subsidiary of the Company, within the meaning of Sections 424(e) and (f) of the Code (a “10% Shareholder”).

**6.3 Exercise Price.** The exercise price per share of Ordinary Shares subject to a Stock Option shall be determined by the Committee; provided, however, that the exercise price of a Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Ordinary Shares on the date of the grant of such Stock Option; provided, further, however, that, in the case of a 10% Shareholder, the exercise price of an Incentive Stock Option shall not be less than one hundred ten percent (110%) of the Fair Market Value of the Ordinary Shares on the date of grant.

**6.4 Term.** The term of each Stock Option shall be such period of time as is fixed by the Committee; provided, however, that the term of any Incentive Stock Option shall not exceed ten (10) years (five (5) years, in the case of a 10% Shareholder) after the date immediately preceding the date on which the Incentive Stock Option is granted.

**6.5 Method of Exercise.** A Stock Option may be exercised, in whole or in part, by giving written notice of exercise to the Secretary of the Company, or the Secretary's designee, specifying the number of shares to be purchased. Such notice shall be accompanied by payment in full of the exercise price in cash, by certified check, bank draft, or money order payable to the order of the Company, if permitted by the Committee in its sole discretion, by delivery of shares of Ordinary Shares satisfying such requirements as the Committee shall establish, or through such other mechanism as the Committee shall permit, in its sole discretion. Payment instruments shall be received by the Company subject to collection. The proceeds received by the Company upon exercise of any Stock Option may be used by the Company for general corporate purposes. Any portion of a Stock Option that is exercised may not be exercised again.

**6.6 Tandem Grants.** If Non-Qualified Stock Options and Stock Appreciation Rights are granted in tandem, as designated in the relevant Award Agreements, the right of a Participant to exercise any such tandem Stock Option shall terminate to the extent that the shares of Ordinary Shares subject to such Stock Option are used to calculate amounts or shares receivable upon the exercise of the related tandem Stock Appreciation Right.

## **7. Stock Appreciation Rights.**

**7.1 Terms and Conditions.** The grant of Stock Appreciation Rights under the Plan shall be subject to the terms and conditions set forth in this Section 7 and any additional terms and conditions, not inconsistent with the express terms and provisions of the Plan, as the Committee shall set forth in the relevant Award Agreement.

**7.2 Stock Appreciation Rights.** A Stock Appreciation Right is an Award granted with respect to a specified number of shares of Ordinary Shares entitling a Participant to receive an amount equal to the excess of the Fair Market Value of a share of Ordinary Shares on the date of exercise over the Fair Market Value of a share of Ordinary Shares on the date of grant of the Stock Appreciation Right, multiplied by the number of shares of Ordinary Shares with respect to which the Stock Appreciation Right shall have been exercised.

**7.3 Grant.** A Stock Appreciation Right may be granted in addition to any other Award under the Plan or in tandem with or independent of a Non-Qualified Stock Option.

**7.4 Date of Exercisability.** In respect of any Stock Appreciation Right granted under the Plan, unless otherwise (a) determined by the Committee (in its sole discretion) at any time and from time to time in respect of any such Stock Appreciation Right, or (b) provided in the Award Agreement, a Stock Appreciation Right may be exercised by a Participant, in accordance with and subject to all of the procedures established by the Committee, in whole or in part at any time and from time to time during its specified term. The Committee may also provide, as set forth in the relevant Award Agreement and without limitation, that some Stock Appreciation Rights shall be automatically exercised and settled on one or more fixed dates specified therein by the Committee.

**7.5 Form of Payment.** Upon exercise of a Stock Appreciation Right, payment may be made in cash, in Restricted Shares or in shares of unrestricted Ordinary Shares, or in any combination thereof, as the Committee, in its sole discretion, shall determine and provide in the relevant Award Agreement.

**7.6 Tandem Grant.** The right of a Participant to exercise a tandem Stock Appreciation Right shall terminate to the extent such Participant exercises the Non-Qualified Stock Option to which such Stock Appreciation Right is related.

## **8. Restricted Shares.**

**8.1 Terms and Conditions.** Grants of Restricted Shares shall be subject to the terms and conditions set forth in this Section 8 and any additional terms and conditions, not inconsistent with the express terms and provisions of the Plan, as the Committee shall set forth in the relevant Award Agreement. Restricted Shares may be granted alone or in addition to any other Awards under the Plan. Subject to the terms of the Plan, the Committee shall determine the number of Restricted Shares to be granted to a Participant and the Committee may provide or impose different terms and conditions on any particular Restricted Share grant made to any Participant. With respect to each Participant receiving an Award of Restricted Shares, there shall be issued a stock certificate (or certificates) in respect of such Restricted Shares. Such stock certificate(s) shall be registered in the name of such Participant, shall be accompanied by a stock power duly executed by such Participant, and shall bear, among other required legends, the following legend:

“THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING, WITHOUT LIMITATION, FORFEITURE EVENTS) CONTAINED IN THE BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY 2020 **EQUITY INCENTIVE PLAN** AND AN AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER HEREOF AND BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY (THE “COMPANY”). COPIES OF SUCH PLAN AND AWARD AGREEMENT ARE ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF THE COMPANY. THE COMPANY WILL FURNISH TO THE RECORDHOLDER OF THIS CERTIFICATE, WITHOUT CHARGE AND UPON WRITTEN REQUEST AT ITS PRINCIPAL EXECUTIVE OFFICES, A COPY OF SUCH PLAN AND AWARD AGREEMENT. THE COMPANY RESERVES THE RIGHT TO REFUSE TO RECORD THE TRANSFER OF THIS CERTIFICATE UNTIL ALL SUCH RESTRICTIONS ARE SATISFIED, ALL SUCH TERMS ARE COMPLIED WITH AND ALL SUCH CONDITIONS ARE SATISFIED.”

Such stock certificate evidencing such shares shall, in the sole discretion of the Committee, be deposited with and held in custody by the Company until the restrictions thereon shall have lapsed and all of the terms and conditions applicable to such grant shall have been satisfied.

**8.2 Restricted Share Grants.** A grant of Restricted Shares is an Award of shares of Ordinary Shares granted to a Participant, subject to such restrictions, terms and conditions as the Committee deems appropriate, including, without limitation, (a) restrictions on the sale, assignment, transfer, hypothecation or other disposition of such shares, (b) the requirement that the Participant deposit such shares with the Company while such shares are subject to such restrictions, and (c) the requirement that such shares be forfeited upon termination of employment for specified reasons within a specified period of time or for other reasons (including, without limitation, the failure to achieve designated performance goals).

**8.3 Restriction Period.** In accordance with Sections 8.1 and 8.2 of the Plan and unless otherwise determined by the Committee (in its sole discretion) at any time and from time to time, Restricted Shares shall only become unrestricted and vested in the Participant in accordance with such vesting schedule relating to such Restricted Shares, if any, as the Committee may establish in the relevant Award Agreement (the “Restriction Period”). During the Restriction Period, such stock shall be and remain unvested and a Participant may not sell, assign, transfer, pledge, encumber or otherwise dispose of or hypothecate such Award. Upon satisfaction of the vesting schedule and any other applicable restrictions, terms and conditions, the Participant shall be entitled to receive payment of the Restricted Shares or a portion thereof, as the case may be, as provided in Section 8.4 of the Plan.

**8.4 Payment of Restricted Share Grants.** After the satisfaction and/or lapse of the restrictions, terms and conditions established by the Committee in respect of a grant of Restricted Shares, a new certificate, without the legend set forth in Section 8.1 of the Plan, for the number of shares of Ordinary Shares which are no longer subject to such restrictions, terms and conditions shall, as soon as practicable thereafter, be delivered to the Participant. In the event the shares are not registered with the U.S. Securities and Exchange Commission, the new certificate shall bear a standard legend pursuant to Securities Act of 1933 as in effect and as amended from time to time.

**8.5 Shareholder Rights.** A Participant shall have, with respect to the shares of Ordinary Shares underlying a grant of Restricted Shares, all of the rights of a shareholder of such stock, including the right to receive all dividends or other distributions made or paid in respect of such Restricted Shares and the right to vote Restricted Shares at regular or special meetings of the stockholders of the Corporation (except as such rights are limited or restricted under the Plan or in the relevant Award Agreement). Any stock dividends paid in respect of unvested Restricted Shares shall be treated as additional Restricted Shares and shall be subject to the same restrictions and other terms and conditions that apply to the unvested Restricted Shares in respect of which such stock dividends are issued.

## **9. Performance Units.**

**9.1 Terms and Conditions.** Performance Units shall be subject to the terms and conditions set forth in this Section 9 and any additional terms and conditions, not inconsistent with the express provisions of the Plan, as the Committee shall set forth in the relevant Award Agreement.

**9.2 Performance Unit Grants.** A Performance Unit is an Award of units (with each unit representing such monetary amount as is designated by the Committee in the Award Agreement) granted to a Participant, subject to such terms and conditions as the Committee deems appropriate, including, without limitation, the requirement that the Participant forfeit such units (or a portion thereof) in the event certain performance criteria or other conditions are not met within a designated period of time.

**9.3 Grants.** Performance Units may be granted alone or in addition to any other Awards under the Plan. Subject to the terms of the Plan, the Committee shall determine the number of Performance Units to be granted to a Participant and the Committee may impose different terms and conditions on any particular Performance Units granted to any Participant.

**9.4 Performance Goals and Performance Periods.** Participants receiving a grant of Performance Units shall only earn into and be entitled to payment in respect of such Awards if the Company and/or the Participant achieves certain performance goals (the "Performance Goals") during and in respect of a designated performance period (the "Performance Period"). The Performance Goals and the Performance Period shall be established by the Committee, in its sole discretion. The Committee shall establish Performance Goals for each Performance Period prior to, or as soon as practicable after, the commencement of such Performance Period. The Committee shall also establish a schedule or schedules for Performance Units setting forth the portion of the Award which will be earned or forfeited based on the degree of achievement, or lack thereof, of the Performance Goals at the end of the relevant Performance Period. In setting Performance Goals, the Committee may use, but shall not be limited to, such measures as total shareholder return, return on equity, net earnings growth, sales or revenue growth, cash flow, comparisons to peer companies, individual or aggregate Participant performance or such other measure or measures of performance as the Committee, in its sole discretion, may deem appropriate. Such performance measures shall be defined as to their respective components and meaning by the Committee (in its sole discretion). During any Performance Period, the Committee shall have the authority to adjust the Performance Goals and/or the Performance Period in such manner as the Committee, in its sole discretion, deems appropriate at any time and from time to time.

**9.5 Payment of Units.** With respect to each Performance Unit, the Participant shall, if the applicable Performance Goals have been achieved, or partially achieved, as determined by the Committee in its sole discretion, by the Company and/or the Participant during the relevant Performance Period, be entitled to receive payment in an amount equal to the designated value of each Performance Unit times the number of such units so earned. Payment in settlement of earned Performance Units shall be made as soon as practicable following the conclusion of the respective Performance Period in cash, in unrestricted Ordinary Shares, or in Restricted Shares, or in any combination thereof, as the Committee in its sole discretion, shall determine and provide in the relevant Award Agreement.

**10. Performance-Based Awards.** Performance Units, Restricted Shares, and other Awards subject to performance criteria shall be paid solely on account of the attainment of one or more preestablished, objective performance goals. Until otherwise determined by the Committee, the performance goals shall be the attainment of preestablished levels of any of net income, market price per share, earnings per share, return on equity, return on capital employed and/or cash flow, or EBITDA. The payout of any such Award to a Participant may be reduced, but not increased, based on the degree of attainment of other performance criteria or otherwise at the discretion of the Committee.

**11. Dividend Equivalents.** In addition to the provisions of Section 8.5 of the Plan, Awards of Stock Options, and/or Stock Appreciation Rights, may, in the sole discretion of the Committee and if provided for in the relevant Award Agreement, earn dividend equivalents. In respect of any such Award which is outstanding on a dividend record date for Ordinary Shares, the Participant shall be credited with an amount equal to the amount of cash or stock dividends that would have been paid on the shares of Ordinary Shares covered by such Award had such covered shares been issued and outstanding on such dividend record date. The Committee shall establish such rules and procedures governing the crediting of such dividend equivalents, including, without limitation, the amount, the timing, form of payment and payment contingencies and/or restrictions of such dividend equivalents, as it deems appropriate or necessary.

**12. Non-transferability of Awards.** Unless otherwise provided in the Award Agreement, no Award under the Plan or any Award Agreement, and no rights or interests herein or therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged, or otherwise hypothecated or disposed of by a Participant or any beneficiary(ies) of any Participant, except by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process, including, without limitation, seizure for the payment of the Participant's debts, judgments, alimony, or separate maintenance. Unless otherwise provided in the Award Agreement, during the lifetime of a Participant, Stock Options and Stock Appreciation Rights are exercisable only by the Participant.

**13. Changes in Capitalization and Other Matters.**

**13.1 No Corporate Action Restriction.** The existence of the Plan, any Award Agreement and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Company to make or authorize (a) any adjustment, recapitalization, reorganization or other change in the Company's or any Subsidiary's capital structure or its business, (b) any merger, consolidation or change in the ownership of the Company or any Subsidiary, (c) any issue of bonds, debentures, capital, preferred or prior preference stocks ahead of or affecting the Company's or any Subsidiary's capital stock or the rights thereof, (d) any dissolution or liquidation of the Company or any Subsidiary, (e) any sale or transfer of all or any part of the Company's or any Subsidiary's assets or business, or (f) any other corporate act or proceeding by the Company or any Subsidiary. No Participant, beneficiary or any other person shall have any claim against any member of the Board or the Committee, the Company or any Subsidiary, or any employees, officers, shareholders or agents of the Company or any subsidiary, as a result of any such action.

**13.2 Recapitalization Adjustments.** In the event that the Board determines that any dividend or other distribution (whether in the form of cash, Ordinary Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Ordinary Shares or other securities of the Company, or other corporate transaction or event affects the Ordinary Shares such that an adjustment is determined by the Board, in its sole discretion, to be necessary or appropriate in order to prevent dilution or enlargement of benefits or potential benefits intended to be made available under the Plan, the Board may, in such manner as it in good faith deems equitable, adjust any or all of (i) the number of shares of Ordinary Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted, (ii) the number of shares of Ordinary Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards, and (iii) the exercise price with respect to any Stock Option, or make provision for an immediate cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award.

**13.3 Mergers.** If the Company enters into or is involved in any merger, reorganization, recapitalization, sale of all or substantially all of the Company's assets, liquidation, or business combination with any person or entity (such merger, reorganization, recapitalization, sale of all or substantially all of the Company's assets, liquidation, or business combination to be referred to herein as a "Merger Event"), the Board may take such action as it deems appropriate, including, but not limited to, replacing such Stock Options and/or Stock Appreciation Rights with substitute stock options and/or stock appreciation rights in respect of the shares, other securities or other property of the surviving corporation or any affiliate of the surviving corporation on such terms and conditions, as to the number of shares, pricing and otherwise, which shall substantially preserve the value, rights and benefits of any affected Stock Options or Stock Appreciation Rights granted hereunder as of the date of the consummation of the Merger Event. Notwithstanding anything to the contrary in the Plan, if any Merger Event occurs, the Company shall have the right, but not the obligation, to cancel each Participant's Stock Options and/or Stock Appreciation Rights and to pay to each affected Participant in connection with the cancellation of such Participant's Stock Options and/or Stock Appreciation Rights, an amount equal to the excess, if any, of the Fair Market Value, as determined by the Board, of the Ordinary Shares underlying any unexercised Stock Options or Stock Appreciation Rights (whether then exercisable or not) over the aggregate exercise price of such unexercised Stock Options and/or Stock Appreciation Rights. In the case of any Stock Option or Stock Appreciation Right with an exercise price that equals or exceeds the Fair Market Value, as determined by the Board, of the Ordinary Shares underlying any unexercised Stock Options or Stock Appreciation Rights (whether then exercisable or not), the Company may cancel the Option or Stock Appreciation Right without the payment of consideration therefor.

Upon receipt by any affected Participant of any such substitute stock options, stock appreciation rights (or payment) as a result of any such Merger Event, such Participant's affected Stock Options and/or Stock Appreciation Rights for which such substitute options and/or stock appreciation rights (or payment) were received shall be thereupon cancelled without the need for obtaining the consent of any such affected Participant.

#### **14. Amendment, Suspension and Termination.**

**14.1 In General.** The Board may suspend or terminate the Plan (or any portion thereof) at any time and may amend the Plan at any time and from time to time in such respects as the Board may deem advisable to insure that any and all Awards conform to or otherwise reflect any change in applicable laws or regulations, or to permit the Company or the Participants to benefit from any change in applicable laws or regulations, or in any other respect the Board may deem to be in the best interests of the Company or any Subsidiary. No such amendment, suspension or termination shall (x) materially adversely effect the rights of any Participant under any outstanding Stock Options, Stock Appreciation Rights, Performance Units, or Restricted Share grants, without the consent of such Participant, or (y) increase the number of shares available for Awards pursuant to Section 4.2, without shareholder approval; provided, however, that the Board may amend the Plan, without the consent of any Participants, in any way it deems appropriate to satisfy Code Section 409A and any regulations or other authority promulgated thereunder, including any amendment to the Plan to cause certain Awards not to be subject to Code Section 409A.

**14.2 Award Agreement Modifications.** The Committee may (in its sole discretion) amend or modify at any time and from time to time the terms and provisions of any outstanding Stock Options, Stock Appreciation Rights, Performance Units, or Restricted Share grants, in any manner to the extent that the Committee under the Plan or any Award Agreement could have initially determined the restrictions, terms and provisions of such Stock Options, Stock Appreciation Rights, Performance Units, and/or Restricted Share grants, including, without limitation, changing or accelerating (a) the date or dates as of which such Stock Options or Stock Appreciation Rights shall become exercisable, (b) the date or dates as of which such Restricted Share grants shall become vested, or (c) the performance period or goals in respect of any Performance Units. No such amendment or modification shall, however, materially adversely affect the rights of any Participant under any such Award without the consent of such Participant; provided, however, that the Committee may amend an Award without the consent of the Participant, in any way it deems appropriate to satisfy Code Section 409A and any regulations or other authority promulgated thereunder, including any amendment to or modification of such Award to cause such Award not to be subject to Code Section 409A.

#### **15. Miscellaneous.**

**15.1 Tax Withholding.** The Company shall have the right to deduct from any payment or settlement under the Plan, including, without limitation, the exercise of any Stock Option or Stock Appreciation Right, or the delivery, transfer or vesting of any Ordinary Shares or Restricted Shares, any federal, state, local or other taxes of any kind, including without limitation, taxes required to be withheld under the tax laws, rules, regulations and governmental orders of the PRC, which the Committee, in its sole discretion, deems necessary to be withheld to comply with the Code and/or any other applicable law, rule or regulation. Shares of Ordinary Shares may be used to satisfy any such tax withholding. Such Ordinary Shares shall be valued based on the Fair Market Value of such stock as of the date the tax withholding is required to be made, such date to be determined by the Committee. In addition, the Company shall have the right to require payment from a Participant to cover any applicable withholding or other employment taxes due upon any payment or settlement under the Plan.

**15.2 No Right to Employment.** Neither the adoption of the Plan, the granting of any Award, nor the execution of any Award Agreement, shall confer upon any employee of the Company or any Subsidiary any right to continued employment with the Company or any Subsidiary, as the case may be, nor shall it interfere in any way with the right, if any, of the Company or any Subsidiary to terminate the employment of any employee at any time for any reason.

**15.3 Unfunded Plan.** The Plan shall be unfunded and the Company shall not be required to segregate any assets in connection with any Awards under the Plan. Any liability of the Company to any person with respect to any Award under the Plan or any Award Agreement shall be based solely upon the contractual obligations that may be created as a result of the Plan or any such award or agreement. No such obligation of the Company shall be deemed to be secured by any pledge of, encumbrance on, or other interest in, any property or asset of the Company or any Subsidiary. Nothing contained in the Plan or any Award Agreement shall be construed as creating in respect of any Participant (or beneficiary thereof or any other person) any equity or other interest of any kind in any assets of the Company or any Subsidiary or creating a trust of any kind or a fiduciary relationship of any kind between the Company, any Subsidiary and/or any such Participant, any beneficiary thereof or any other person.

**15.4 Payments to a Trust.** The Committee is authorized to cause to be established a trust agreement or several trust agreements or similar arrangements from which the Committee may make payments of amounts due or to become due to any Participants under the Plan.

**15.5 Other Company Benefit and Compensation Programs.** Payments and other benefits received by a Participant under an Award made pursuant to the Plan shall not be deemed a part of a Participant's compensation for purposes of the determination of benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company or any Subsidiary unless expressly provided in such other plans or arrangements, or except where the Board expressly determines in writing that inclusion of an Award or portion of an Award should be included to accurately reflect competitive compensation practices or to recognize that an Award has been made in lieu of a portion of competitive annual base salary or other cash compensation. Awards under the Plan may be made in addition to, in combination with, or as alternatives to, grants, awards or payments under any other plans or arrangements of the Company or its Subsidiaries. The existence of the Plan notwithstanding, the Company or any Subsidiary may adopt such other compensation plans or programs and additional compensation arrangements as it deems necessary to attract, retain and motivate employees.

**15.6 Listing, Registration and Other Legal Compliance.** No Awards or shares of the Ordinary Shares shall be required to be issued or granted under the Plan unless legal counsel for the Company shall be satisfied that such issuance or grant will be in compliance with all applicable federal, state or other securities laws and regulations and any other applicable laws or regulations. The Committee may require, as a condition of any payment or share issuance, that certain agreements, undertakings, representations, certificates, and/or information, as the Committee may deem necessary or advisable, be executed or provided to the Company to assure compliance with all such applicable laws or regulations. Certificates for shares of the Restricted Shares and/or Ordinary Shares delivered under the Plan may be subject to such stock-transfer orders and such other restrictions as the Committee may deem advisable under the rules, regulations, or other requirements of the Securities and Exchange Commission, any stock exchange upon which the Ordinary Shares, or any depositary receipt evidencing an interest in Ordinary Shares, is then listed, and any applicable federal, state or other securities law. In addition, if, at any time specified herein (or in any Award Agreement or otherwise) for (a) the making of any Award, or the making of any determination, (b) the issuance or other distribution of Restricted Shares and/or Ordinary Shares, or (c) the payment of amounts to or through a Participant with respect to any Award, any law, rule, regulation or other requirement of any governmental authority or agency shall require either the Company, any Subsidiary or any Participant (or any estate, designated beneficiary or other legal representative thereof) to take any action in connection with any such determination, any such shares to be issued or distributed, any such payment, or the making of any such determination, as the case may be, shall be deferred until such required action is taken. With respect to persons subject to Section 16 of the Exchange Act, transactions under the Plan are intended to comply with all applicable conditions of SEC Rule 16b-3.

**15.7 Award Agreements.** Each Participant receiving an Award under the Plan shall enter into an Award Agreement with the Company in a form specified by the Committee. Each such Participant shall agree to the restrictions, terms and conditions of the Award set forth therein and in the Plan.

**15.8 Designation of Beneficiary.** Each Participant to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any option or to receive any payment which under the terms of the Plan and the relevant Award Agreement may become exercisable or payable on or after the Participant's death. At any time, and from time to time, any such designation may be changed or cancelled by the Participant without the consent of any such beneficiary. Any such designation, change or cancellation must be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been designated by a deceased Participant, or if the designated beneficiaries have predeceased the Participant, the beneficiary shall be the Participant's estate. If the Participant designates more than one beneficiary, any payments under the Plan to such beneficiaries shall be made in equal shares unless the Participant has expressly designated otherwise, in which case the payments shall be made in the shares designated by the Participant.

**15.9 Leaves of Absence/Transfers.** The Committee shall have the power to promulgate rules and regulations and to make determinations, as it deems appropriate, under the Plan in respect of any leave of absence from the Company or any Subsidiary granted to a Participant. Without limiting the generality of the foregoing, the Committee may determine whether any such leave of absence shall be treated as if the Participant has terminated employment with the Company or any such Subsidiary. If a Participant transfers within the Company, or to or from any Subsidiary, such Participant shall not be deemed to have terminated employment as a result of such transfers.

## **15.10 Designated Participants.**

**15.10.1 Designation of Participant, Appointment of Trustee.** If the Committee determines in its sole discretion that an appointment is necessary or desirable to comply with the regulatory requirements in the PRC, it may appoint the Company, a Subsidiary, or any other institution or organization registered outside of the PRC (a “Trustee”) to hold the interest and exercise the rights granted under the Plan of any Participant (a “Designated Participant”) who either is a national of and ordinarily resident in the PRC or is otherwise designated by the Committee as a Designated Participant. In relation to any such appointment, the Trustee will undertake to do the following for and on behalf of the Designated Participant, subject at all times to the Committee’s supervision:

- (i) execute the relevant Award Agreement with the Company;
- (ii) hold the Award (a “Designated Award”) for the benefit of the Designated Participant;
- (iii) take such actions as the Designated Participant may instruct from time to time in connection with the Designated Award or otherwise in relation to the Designated Participant’s beneficial interest under the Plan or under the Award Agreement, including taking such actions as may be necessary to exercise the Designated Award under the terms of the Plan; and
- (iv) after deducting its costs, fees and expenses as contemplated under subsection 15.10.4, hold, or at the Designated Participant’s direction remit to the Designated Participant, the net proceeds of sales or other transactions involving the Designated Award or, as applicable, shares of Ordinary Shares underlying such Award.

**15.10.2 Restrictions on Method of Exercise.** Without limiting the scope of its authorities under the Plan, the Committee may at any time impose restrictions on the method of exercise of Designated Award, such that upon exercise of the Designated Award, the Designated Participant (or the Trustee action on the Designated Participant’s behalf) does not receive shares of Ordinary Shares and receives only cash, in the amount and denomination determined by the Committee.

**15.10.3 Termination of Appointment of Trustee.** An appointment of a Trustee pursuant to the terms of the Plan to hold the interest and exercise the rights for the benefit of the Designated Participant shall terminate at such time as the Committee determines in its sole discretion that such appointment is no longer necessary or desirable in order to comply with regulatory requirements in the PRC.

**15.10.4 Trustee Expenses.** The Trustee may deduct from the proceeds of sales or other transactions involving the Designated Award or, as applicable, shares of Ordinary Shares underlying such Award, any costs, fees and expenses of the Trustee in relation to its appointment under this Section. The Trustee will, under no circumstances, otherwise require the Designated Participant to compensate it for any of its costs, fees, expenses or losses.

**15.11 Code Section 409A.** This Plan and all Awards hereunder are intended to comply with the requirements of Code Section 409A and any regulations or other authority promulgated thereunder. Notwithstanding any provision of the Plan or any Award Agreement to the contrary, the Board and the Committee reserve the right (without the consent of any Participant and without any obligation to do so or to indemnify any Participant or the beneficiaries of any Participant for any failure to do so) to amend this Plan and/or any Award Agreement as and when necessary or desirable to conform to or otherwise properly reflect any guidance issued under Code Section 409A after the date hereof without violating Code Section 409A. In the event that any payment or benefit made hereunder would constitute payments or benefits pursuant to a non-qualified deferred compensation plan within the meaning of Code Section 409A and, at the time of a Participant's "separation from service", such Participant is a "specified employee" within the meaning of Code Section 409A, then any such payments or benefits shall be delayed until the six-month anniversary of the date of such Participant's "separation from service". Each payment made under this Plan shall be designated as a "separate payment" within the meaning of Code Section 409A.

**15.12 Governing Law.** The Plan and all actions taken thereunder shall be governed by and construed in accordance with the laws of the State of New York, without reference to the principles of conflict of laws thereof. Any titles and headings herein are for reference purposes only, and shall in no way limit, define or otherwise affect the meaning, construction or interpretation of any provisions of the Plan.

**15.13 Effective Date.** The Plan shall be effective upon its approval by the Board and adoption by the Company, subject to the approval of the Plan by the Company's shareholders in accordance with Section 422 of the Code.

IN WITNESS WHEREOF, this Plan is adopted by the Company on this 3<sup>rd</sup> day of November 2020.

BLUE HAT INTERACTIVE ENTERTAINMENT  
TECHNOLOGY

By: /s/ Xiaodong Chen

Name: Xiaodong Chen

Title: Chairman of the Board

**VOTE ON INTERNET**

Go to [www.vstocktransfer.com/proxy](http://www.vstocktransfer.com/proxy)  
Click on Proxy Voter Login, and log-on using the below control number.

\* SPECIMEN \*  
1 MAIN STREET  
ANYWHERE PA 99999-9999

**CONTROL #**

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the envelope we have provided.

**VOTE BY EMAIL**

Mark, sign and date your proxy card and send it to [vote@vstocktransfer.com](mailto:vote@vstocktransfer.com).

**Please Vote, Sign, Date and Return Promptly in the Enclosed Envelope, or by Email.**

**Annual General Meeting Proxy Card - BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY**

▼ DETACH PROXY CARD HERE TO VOTE BY MAIL ▼

**(1) Election of Directors:**

- FOR ALL NOMINEES LISTED BELOW**  
(except as marked to the contrary below)
- WITHHOLD AUTHORITY TO VOTE FOR ALL NOMINEES LISTED BELOW**

**INSTRUCTION:** TO WITHHOLD AUTHORITY TO VOTE FOR ONE OR MORE INDIVIDUAL NOMINEES STRIKE A LINE THROUGH THE NOMINEES' NAMES BELOW:

01 Xiaodong Chen	02 Caifan He	03 Jianyong Cai	04 Qinyi Fu
05 Jun Ouyang	06 Huibin Shen	07 Can Su	

**(2) To ratify the appointment of JLKZ CPA LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2020;**

- VOTE FOR
- VOTE AGAINST
- VOTE ABSTAIN

**(3) To approve and adopt the Company's 2020 Equity Incentive Plan.**

- VOTE FOR
- VOTE AGAINST
- VOTE ABSTAIN

Date

Signature, if held jointly

Signature

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Note: This proxy must be signed exactly as the name appears hereon. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by a duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by an authorized person.

To change the address on your account,  
please check the box at right and indicate  
your new address.

**\* SPECIMEN \***

**AC:ACCT9999**

**90.00**

# BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY

Annual General Meeting of Shareholders

December 9, 2020

(10:00 a.m. Local Time, Xiamen, China / 9:00 p.m. EST, December 8, 2020)

## BLUE HAT INTERACTIVE ENTERTAINMENT TECHNOLOGY

### THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned shareholder of Blue Hat Interactive Entertainment Technology (the “Company”), revoking all prior proxies, hereby appoints Mr. Xiaodong Chen, with full power to act and with power of substitution, as proxy and attorney-in-fact and hereby authorizes him to represent and vote all ordinary shares of the Company, which the undersigned will be entitled to vote if personally present at the Annual General Meeting of Shareholders of the Company to be held 7th Floor, Building C, No. 1010 Anling Road, Huli District, Xiamen, China 361009 on December 9, 2020, at 10:00 a.m. local time (i.e., 9:00 p.m. December 8, 2020, E.T.), and at any adjournment or postponement thereof. Each ordinary share is entitled to one vote. The proxy are further authorized to vote, in his discretion, upon such other business as may properly come before the meeting.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS MADE, THE PROXY SHALL BE VOTED **FOR** THE DIRECTOR NOMINEES, **FOR** THE RATIFICATION OF THE APPOINTMENT OF JLKZ CPA LLC, **FOR** THE APPROVAL AND ADOPTION OF THE COMPANY’S 2020 EQUITY INCENTIVE PLAN, AND, IN THE CASE OF OTHER MATTERS THAT LEGALLY COME BEFORE THE MEETING, AS SAID PROXY(S) MAY DEEM ADVISABLE.

Please check here if you plan to attend the Annual General Meeting of Shareholders on December 9, 2020 at 10:00 a.m. local time

Please provide your email address if you wish to receive proxy materials via e-delivery for the shareholders meeting of the Company in the future: \_\_\_\_\_.

**PLEASE INDICATE YOUR VOTE ON THE REVERSE SIDE**

**(Continued and to be signed on Reverse Side)**