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CMGE Technology Group Limited

中手游科技集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0302)

**COMPLETION OF PLACING OF EXISTING SHARES
AND TOP-UP SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent



BNP PARIBAS

The Company is pleased to announce that completion of the Placing and the Subscription took place on 26 November 2020 and 4 December 2020, respectively. Upon completion of the Placing and the Subscription, the number of Shares held by the Vendor remains unchanged as compared to immediately prior to the Placing, and the Vendor does not receive any proceeds after the Subscription as all proceeds were transferred to the Company.

The Company received a total net proceeds of approximately HK\$536.78 million upon completion of the Subscription. The Company intends to apply the net proceeds from the Subscription to further enhance its IP-based game publishing and development business through acquisitions and/or investments in (1) leading game developers with good research and development capabilities and (2) strong IP rights relating to popular and promising animations, literature, game and motion pictures, in Greater China. As at the date of this announcement, the Company has not yet entered into any definitive agreements with any specific acquisition or investment targets identified by the Company in respect of the application of the net proceeds.

Reference is made to the announcement of the Company dated 24 November 2020 (the “**Announcement**”) in relation to, among other things, the Placing and the Subscription. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Company is pleased to announce that completion of the Placing and the Subscription took place on 26 November 2020 and 4 December 2020, respectively.

A total of 180,000,000 Placing Shares have been successfully placed at the Placing Price of HK\$ 3.02 per Share to no fewer than six independent placees selected and/or procured by or on behalf of the Placing Agent. The Placing Agent, the placees and their respective ultimate beneficial owners are independent of, and not connected with, and not acting in concert with, the Vendor and the Company and their respective associates and connected persons. None of the placees and their ultimate beneficial owners has become a substantial shareholder (as defined under the Listing Rules) of the Company upon taking up the Placing Shares.

Further, all the conditions of the Subscription have been fulfilled and completion of the Subscription took place on 4 December 2020. A total of 180,000,000 Subscription Shares (equal to the number of the Placing Shares successfully placed under the Placing) were subscribed by the Vendor at the net Subscription Price (after deduction of the expenses incurred by the Vendor in relation to the Placing and the Subscription) of HK\$2.98 for each Subscription Share. The Subscription Shares represent approximately 7.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Upon completion of the Placing and the Subscription, the number of Shares held by the Vendor remains unchanged as compared to immediately prior to the Placing, and the Vendor does not receive any proceeds after the Subscription as all proceeds were transferred to the Company.

The Company received a total net proceeds of approximately HK\$536.78 million upon completion of the Subscription. The Company intends to apply the net proceeds from the Subscription to further enhance its IP-based game publishing and development business through acquisitions and/or investments in (1) leading game developers with good research and development capabilities and (2) strong IP rights relating to popular and promising animations, literature, game and motion pictures, in Greater China. As at the date of this announcement, the Company has not yet entered into any definitive agreements with any specific acquisition or investment targets identified by the Company in respect of the application of the net proceeds.

EFFECT ON THE SHAREHOLDING STRUCTURE

The shareholding structure of the Company before and after completion of the Placing and the Subscription is summarised as follows:

	Before completion of Placing and Subscription		After completion of Placing but before completion of Subscription		After completion of Placing and Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Vendor ⁽¹⁾	693,309,425	29.75%	513,309,425	22.03%	693,309,425	27.62%
Zhongshouyou Brothers Limited ⁽²⁾	144,998,766	6.22%	144,998,766	6.22%	144,998,766	5.78%
Silver Joyce International Limited ⁽³⁾	108,630,238	4.66%	108,630,238	4.66%	108,630,238	4.33%
Pegasus Network HK Limited ⁽⁴⁾	293,327,517	12.59%	293,327,517	12.59%	293,327,517	11.69%
Yichong Technology HK Limited ⁽⁵⁾	76,133,590	3.27%	76,133,590	3.26%	76,133,590	3.03%
Placees	—	—	180,000,000	7.72%	180,000,000	7.17%
Other Public Shareholders	1,013,750,464	43.51%	1,013,750,464	43.51%	1,013,750,464	40.39%
Total issued share capital	2,330,150,000	100%	2,330,150,000	100%	2,510,150,000	100%

Notes:

- (1) The Vendor is wholly-owned by Motion Game Company Limited, which is in turn wholly-owned by Profound Power Investment Limited and is in turn wholly-owned by Changpei Cayman. The general partner of Changpei Cayman is Ambitious Profit Investment Limited, which is indirectly owned as to 64% by Mr. Xiao through Zhongshouyou Brothers Limited and 36% by Mr. Sin through Silver Joyce International Limited.
- (2) Mr. Xiao, through Victory Aspire Group Limited, a company wholly-owned by Antopex Limited, which is nominated by CMB Wing Lung (Trustee) Limited (the trustee of the ZSY Trust, a discretionary trust set up by Mr. Xiao), was deemed to be interested in 144,998,766 Shares directly held by his wholly-owned company, Zhongshouyou Brothers Limited.
- (3) Mr. Sin, through Silver Joyce International Limited, was deemed to be interested in 108,630,238 Shares directly held by his wholly-owned company, Silver Joyce International Limited.
- (4) Pegasus Network HK Limited is wholly-owned by Pegasus Technology Limited, which is in turn wholly-owned by Shanghai Pegasus Technology Development Limited, and is in turn owned as to 99.6% by Shanghai Pegasus Investment Centre (Limited Partnership), the general partner of which is Dazi Dingcheng Capital Investment Co., Ltd., which is wholly-owned by Beijing Zhongrong Dingxin Investment Management Co., Ltd., and is in turn wholly-owned by Zhongrong International Trust Co., Ltd..
- (5) Yichong Technology HK Limited is wholly-owned by Yichong Technology Limited, which is in turn wholly-owned by Shanghai Yichong Technology Development Limited, and is in turn owned as to 99.6% by Shanghai Yichong Investment Centre (Limited Partnership), the general partner of which is Dazi Dingcheng Capital Investment Co., Ltd., which is wholly-owned by Beijing Zhongrong Dingxin Investment Management Co., Ltd., and is in turn wholly-owned by Zhongrong International Trust Co., Ltd..

By Order of the Board
CMGE Technology Group Limited
Xiao Jian
Chairman

Hong Kong, 4 December 2020

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xiao Jian and Mr. Sin Hendrick as executive Directors; Mr. Tang Yanwen as non-executive Director; and Ms. Ng Yi Kum, Mr. Tang Liang and Mr. Ho Orlando Yaukai as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.