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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 SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE
BY BILIBILI AND OTHER SUBSCRIBERS
AND
APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

**COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL
MANDATE**

The Company is pleased to announce that completion of the Subscription took place on 10 May 2021. Upon Completion, the Company allotted and issued a total of 257,900,000 Subscription Shares to the Subscribers (among which 198,000,000 Subscription Shares were allotted and issued to Bilibili, 56,400,000 Subscription Shares were allotted and issued to Wide Fortune and 3,500,000 Subscription Shares were allotted and issued to Century Network).

The Company received a total net proceeds of approximately HK\$849,150,000 upon Completion. 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 (i) leading game developers with good research and development capabilities and (ii) 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.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The Company announces that Mr. ZHANG Shengyan (“**Mr Zhang**”) was appointed as a non-executive Director pursuant to the terms of Bilibili Subscription Agreement with effect from 10 May 2021 for an initial term of three years or until the third annual general meeting of the Company since 10 May 2021 (whichever is earlier), subject always to re-election as and when required under the articles of association of the Company (the “**Articles**”).

Reference is made to the announcement of the Company dated 29 April 2021 (the “**Subscription Announcement**”) in relation to, among other things, the Subscription. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Subscription Announcement.

COMPLETION OF THE SUBSCRIPTION

The conditions precedent under the Subscription Agreements have been fulfilled. The Company is pleased to announce that completion of the Subscription took place on 10 May 2021, and the Company allotted and issued a total of 257,900,000 Subscription Shares to the Subscribers (among which 198,000,000 Subscription Shares were allotted and issued to Bilibili, 56,400,000 Subscription Shares were allotted and issued to Wide Fortune and 3,500,000 Subscription Shares were allotted and issued to Century Network) at the net price per Subscription Share (after deduction of the expenses of the Subscription) of HK\$3.29. The Subscription Shares represent approximately 9.32% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Company received a total net proceeds of approximately HK\$849,150,000 upon Completion. 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 (i) leading game developers with good research and development capabilities and (ii) 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.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after Completion is summarised as follows:

Name of Shareholder	Immediately before Completion		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Fairview Ridge Investment Limited ⁽¹⁾	693,309,425	27.62	693,309,425	25.05
Zhongshouyou Brothers Limited ⁽²⁾	160,598,642	6.40	160,598,642	5.80
Silver Joyce International Limited ⁽³⁾	123,750,238	4.93	123,750,238	4.47
SIN Hendrick ⁽³⁾	2,328,000	0.09	2,328,000	0.08
Pegasus Network HK Limited ⁽⁴⁾	293,327,517	11.69	293,327,517	10.60
Yichong Technology HK Limited ⁽⁵⁾	76,133,590	3.03	76,133,590	2.75
Bilibili	—	—	198,000,000	7.15
Wide Fortune	—	—	56,400,000	2.04
Century Network	—	—	3,500,000	0.13
Other Public Shareholders	1,160,702,588	46.24	1,160,702,588	41.93
Total	<u>2,510,150,000</u>	<u>100.00</u>	<u>2,768,050,000</u>	<u>100.00</u>

Notes:

1. Fairview Ridge Investment Limited 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 Investment Centre, L.P. (“**Changpei Cayman**”). The general partner of Changpei Cayman is Ambitious Profit Investment Limited, which is indirectly owned as to 64% by Mr. XIAO Jian through Zhongshouyou Brothers Limited and 36% by Mr. SIN Hendrick through Silver Joyce International Limited.
2. Mr. XIAO Jian, 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 Jian), was deemed to be interested in 160,598,642 Shares directly held by his wholly-owned company, Zhongshouyou Brothers Limited.
3. Mr. SIN Hendrick, through Silver Joyce International Limited, was deemed to be interested in 123,750,238 Shares directly held by his wholly-owned company, Silver Joyce International Limited. Mr. SIN Hendrick is also the beneficial owner of 2,328,000 Shares.
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..

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The Company announces that Mr. Zhang has been appointed as a non-executive Director as nominated by Bilibili pursuant to the terms of Bilibili Subscription Agreement with effect from 10 May 2021.

Set out below is the biographical details of Mr. Zhang and other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules:

Mr. Zhang, aged 31, is the Vice President of Bilibili, in charge of the Copyright Cooperation Centre and Investments and Acquisitions Department. He is also the Vice-Chairman of the Beijing Documentary Development Association.

Mr. Zhang has been responsible for Bilibili's investments and acquisitions businesses, purchases of Chinese and foreign copyrighted contents, and IP commercialization operations. Being engaged in the development of the Chinese originality brand name of "Made by Bilibili", Mr. Zhang has also participated in the investment, production and distribution of a number of premium contents. He has played a leading role in the setting of Bilibili's original ecology in the areas of Chinese original animated cartoons and documentaries, and has successfully produced and run a number of highly popular and reputable projects including "The Story of Chuaner" and "Incarnation".

Mr. Zhang holds a bachelor's degree in Economics from Shanghai University of Finance and Economics in 2011 and a master's degree of Science in Economic, Finance and Management from University of Bristol in 2012. He is an intermediate economist, holding a practicing license in securities issued by the Securities Association of China and a professional qualification of Chartered Financial Analyst (CFA) from CFA Institute.

Mr. Zhang entered into an appointment letter with the Company on 10 May 2021 for an initial term of three years with effect from 10 May 2021 or until the third annual general meeting of the Company since 10 May 2021 (whichever is earlier), subject always to re-election as and when required under the Articles. Pursuant to the appointment letter, he is entitled to a monthly director's fee of HK\$15,000 which is reviewed by the Board and the remuneration committee of the Company and determined by the Board with reference to market rates, his performance, qualifications and experience.

Furthermore, according to article 16.2 of the Articles, any Director appointed as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, in accordance with the Articles, Mr. Zhang shall be subject to retirement by rotation and re-election at the upcoming annual general meeting of the Company to be held on 25 May 2021.

Save as disclosed above, to the best knowledge of the Board, Mr. Zhang (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; (ii) does not currently hold any other position with the Company or any of its subsidiaries; (iii) has not held any directorship in other Hong Kong or overseas listed public companies in the last three years; (iv) does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (v) there is no other matter relating to the appointment of Mr. Zhang that should be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to welcome Mr. Zhang for joining the Board as a non-executive Director.

By order of the Board
CMGE Technology Group Limited
XIAO Jian
Chairman

Hong Kong, 10 May 2021

As at the date of this announcement, the Board comprises Mr. XIAO Jian, Mr. SIN Hendrick and Mr. FAN Yingjie as executive directors; Mr. ZHANG Shengyan as non-executive director; and Ms. NG Yi Kum, Mr. TANG Liang and Mr. HO Orlando Yaukai as independent non-executive directors.