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## **Zengame Technology Holding Limited**

### **禪遊科技控股有限公司**

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

**(Stock Code: 2660)**

#### **CONNECTED TRANSACTION GRANT OF RESTRICTED SHARES AND ISSUE OF NEW SHARES PURSUANT TO SHARE AWARD SCHEME**

##### **GRANT OF RESTRICTED SHARES**

On 20 September 2022, the Board (including all independent non-executive Directors), based on the recommendation of the Remuneration Committee and pursuant to the Share Award Scheme, resolved to grant a total of 27,561,000 Restricted Shares to 104 Selected Participants. Among the 27,561,000 Restricted Shares granted, 9,200,000 Restricted Shares were granted to Mr. Ye Sheng, Mr. Yang Min and Ms. Xiong Mi, who are executive Directors and are connected persons of the Company. The 27,561,000 Restricted Shares to be granted to the Selected Participants represent approximately 2.71% of the issued share capital of the Company as at the date of this announcement. 17,561,000 of the 27,561,000 Restricted Shares had been acquired from the market by the Trustee, and the Board further resolved to satisfy the grant of the remaining 10,000,000 Restricted Shares by the allotment and issue 10,000,000 new Shares to ZEBL, an indirect wholly-owned subsidiary of the Trustee, under the General Mandate to hold on trust for the Selected Participants in accordance with the terms of the Share Award Scheme, conditional upon the grant of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such new Shares.

##### **LISTING RULES IMPLICATION**

The grant of the Restricted Shares to Mr. Ye Sheng, Mr. Yang Min and Ms. Xiong Mi, who are executive Directors and connected persons of the Company, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the grant of the Restricted Shares to them is more than 0.1% but all of the percentage ratios are less than 5%, the grant of the Restricted Shares to them is therefore subject to the announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## GRANT OF RESTRICTED SHARES

On 20 September 2022, the Board (including all independent non-executive Directors), based on the recommendation of the Remuneration Committee and pursuant to the Share Award Scheme, resolved to grant a total of 27,561,000 Restricted Shares to 104 Selected Participants. The Board proposed the 27,561,000 Restricted Shares to a total of 104 Selected Participants, who are employees of the Group (and not connected persons of the Company) and Directors, grant at nil consideration, subject to these Selected Participants confirming his/her acceptance of the Restricted Shares.

Among the 27,561,000 Restricted Shares granted, 9,200,000 Restricted Shares were granted to Directors with details as follows:

<b>Name of Director</b>	<b>Position</b>	<b>Number of Restricted Shares granted</b>
Mr. Ye Sheng	Executive Director	4,500,000
Mr. Yang Min	Executive Director	4,500,000
Ms. Xiong Mi	Executive Director	200,000

The grant of the Restricted Shares to the Directors has been approved by the Company's Remuneration Committee for recommendation to the Board and approved by the Board (including but not limited to the independent non-executive Directors). The Selected Participant who is Director has abstained from voting so far as the resolution for the approval of the grant of the Restricted Shares to him/her was concerned. Save as disclosed in this announcement, none of the Selected Participants is a Director, chief executive or substantial shareholder of the Company, or their respective associates (as defined in the Listing Rules).

The 27,561,000 Restricted Shares to be granted to the Selected Participants represent approximately 2.71% of the issued share capital of the Company as at the date of this announcement. The 27,561,000 Restricted Shares represent the value of approximately HK\$43.0 million, taking into account of the closing price of HK\$1.56 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the date of the grant of the Restricted Shares. 17,561,000 of the 27,561,000 Restricted Shares had been acquired from the market by the Trustee, and the Board further resolved to satisfy the grant of the remaining 10,000,000 Restricted Shares by the allotment and issue 10,000,000 new Shares to ZEBL, an indirect wholly-owned subsidiary of the Trustee, under the General Mandate to hold on trust for the Selected Participants in accordance with the terms of the Share Award Scheme, conditional upon the grant of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such new Shares.

The said 10,000,000 new Shares shall be allotted and issued at par value to ZEBL on trust by the Company. The Company will bear the cost of such issue and no funds will be raised. All the 10,000,000 new Shares to be issued, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the allotment date. Applications will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares on the Stock Exchange.

The said 10,000,000 new Shares represent (a) approximately 4.9% of the maximum number of Shares that can be issued and allotted under the General Mandate; and (b) approximately 0.98% of the total issued Shares as at the date of this announcement. As the allotment and issue of these new Shares shall be funded by the Company's internal financial resources, the Company will not raise any funds for such issue. At the date of this announcement, (i) the Company has not issued any Shares under the General Mandate; (ii) the Company has not engaged in any capital fund raising activities in the preceding 12 months; (iii) the closing price of the Shares of the Company was HK\$1.56 per Share; and (iv) the average closing price of the Shares of the Company for the five preceding Business Days was HK\$1.55 per Share.

Assuming all the vesting criteria and conditions (including the relevant performance targets of the Company and the Selected Participants) have been fulfilled, the Restricted Shares granted shall vest in the Selected Participants in accordance with the schedule below:

<b>Vesting Date</b>	<b>Percentage of Restricted Shares to vest</b>
8 October 2022	25% of the total number of Restricted Shares granted
18 August 2023	25% of the total number of Restricted Shares granted
18 August 2024	25% of the total number of Restricted Shares granted
18 August 2025	25% of the total number of Restricted Shares granted

Once vested, at the request of the relevant Selected Participants, the Restricted Shares shall be transferred to the relevant Selected Participants from ZEBL and/or the Trustee.

## **SCHEME LIMIT**

No Shares shall be purchased pursuant to the Share Award Scheme, nor any amounts paid to the Trustee for the purpose of making such a purchase, if as a result of such purchase, the number of Shares administered under the Share Award Scheme shall exceed in total 5% of the Company's issued share capital as at 24 June 2021, being the date on which the Share Award Scheme is adopted by the Board, which is equivalent to a total of 50,872,200 Shares. As a result of the grant of a total of 27,561,000 Restricted Shares to 104 Selected Participants, the number of Shares available for future grant under the Share Award Scheme is 23,311,200 Shares.

## **GENERAL MANDATE**

The said 10,000,000 new Shares will be allotted and issued pursuant to the General Mandate and is not subject to Shareholders' approval. The maximum number of Shares that can be issued under the General Mandate is 203,390,087 new Shares, being 20% of the total number of issued Shares as at the date of the annual general meeting of the Company on 27 May 2022. As of the date of this announcement, no Shares have been allotted and issued under the General Mandate. As such, the issue of the allotment and issue of the said 10,000,000 new Shares is not subject to the approval by the Shareholders. The General Mandate will be utilized as to approximately 4.9% upon allotment and issue of all 10,000,000 new Shares.

## **REASONS FOR AND BENEFITS OF THE GRANT OF THE RESTRICTED SHARES**

The purpose of the Share Award Scheme is to recognize and reward the contribution of certain selected participants and retain such individuals to work with the Company, provide additional incentive for them to achieve their performance goals, attract suitable personnel for further development of the Group and motivate them to maximize the value of the Company for the benefit of both the selected participants and the Company. In assessing the fairness and reasonableness of the grant of Restricted Shares to the 104 Selected Participants, the Directors (including the independent non-executive Directors) have taken into consideration the roles, past performance and the period of service of the Selected Participants in the Group. The grant of the Restricted Shares to the 104 Selected Participants recognize their past contributions to the Group's business performance and aims to secure their long-term continuous support and commitments to the Group which are crucial to the future development and business expansions of the Group.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the grant of a total of 27,561,000 Restricted Shares to the 104 Selected Participants, including but not limited to Mr. Ye Sheng, Mr. Yang Min and Ms. Xiong Mi, is on normal commercial terms and in the ordinary and usual course of business of the Group; is fair and reasonable; and is in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Group is an established mobile game developer and operator in the PRC with special focus on card and board and other casual mobile games.

## LISTING RULES IMPLICATION

The grant of the Restricted Shares to Mr. Ye Sheng, Mr. Yang Min and Ms. Xiong Mi, who are executive Directors and connected persons of the Company, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the grant of the Restricted Shares to them is more than 0.1% but all of the percentage ratios are less than 5%, the grant of the Restricted Shares to them is therefore subject to the announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of the Directors;
“Business Day(s)”	a day other than a Saturday, Sunday on which banks generally are open in Hong Kong for the transaction of general banking business;
“Company”	Zengame Technology Holding Limited (stock code: 2660), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate of the Company in force from time to time;
“Grant(s)”	a grant of Restricted Shares pursuant to the terms of the Share Award Scheme;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Remuneration Committee”	the remuneration committee of the Board;
“Restricted Shares”	the 17,561,000 Shares which had been purchased from the market and the 10,000,000 new Shares to be allotted and issued at par value to the ZEBL, all of which will be held, directly or indirectly, on trust by the Trustee for the Selected Participants in accordance with the Share Award Scheme;
“Selected Participant(s)”	participant(s) selected and entitled to receive a Grant pursuant to the terms of the Share Award Scheme;
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company, or, if there has been a sub-division, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company;
“Share Award Scheme”	Zengame Technology Holding Limited restricted share award scheme as constituted by the scheme rules in its present form or any amended form as adopted by the Company on 24 June 2021;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trust”	the Zengame Technology Holding Limited Restricted Share Award Scheme Trust from which Restricted Shares may be granted to a Selected Participant pursuant to the Share Award Scheme;
“Trustee”	THE CORE TRUST COMPANY LIMITED 匯聚信託有限公司, being the trustee appointed by the Company for the administration of the Share Award Scheme;

“ZEBL”

Zen Employee Benefit Limited, a company incorporated in the British Virgin Islands with limited liability and was indirectly wholly owned by the Trustee; and

“%”

per cent.

By Order of the Board  
**Zengame Technology Holding Limited**  
**Ye Sheng**  
*Chairman*

Hong Kong, 20 September 2022

*As at the date of this announcement, the executive directors are Mr. Ye Sheng, Mr. Yang Min and Ms. Xiong Mi, and the independent non-executive directors are Mr. Jin Shuhui, Mr. Mao Zhonghua and Mr. Yang Yi.*