

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Board hereby announces that on 12 January 2023, Tiantianlaiwan, an indirect wholly-owned subsidiary of the Company, had subscribed for the Wealth Management Product in a principal amount of RMB200 million offered by CCB.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable ratio in relation to the Subscription exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is hence subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

SUBSCRIPTIONS OF THE WEALTH MANAGEMENT PRODUCT

The Board hereby announces that on 12 January 2023, Tiantianlaiwan had subscribed for the Wealth Management Product in a principal amount of RMB200 million offered by CCB.

Tiantianlaiwan entered into a subscription agreement with CCB Shenzhen Nanshan Branch on 12 January 2023 for the Subscription with the major terms as follows:

Date of subscription	12 January 2023
Name of product	China Construction Bank Shenzhen Branch Unit RMB Customized Structure Deposit, issue 15, 2023* (中國建設銀行深圳市分行單位人民幣定製型結構性存款2023年第15期)

Parties	(1) Tiantianlaiwan; and (2) CCB Shenzhen Nanshan Branch
Principal subscription amount	RMB200,000,000
Term of product	60 days, being from 12 January 2023 to 13 March 2023
Type of product and risk rating	The product is principal-guaranteed with floating return. CCB had provided guarantee on principal and minimum return in respect of the Subscription, but there is no guarantee that the product will achieve the highest return
Expected annual return rate and distribution	1.50%–3.50% and is payable in one lump sum

BASIS OF DETERMINATION OF CONSIDERATION

The consideration of the Wealth Management Product was determined on the basis of commercial terms after the arm's length negotiation between the Company and CCB.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCT

The Directors are of the view that (i) the Subscription provided the Group with better return than fixed deposits generally offered by commercial banks in the PRC; (ii) the Subscription was funded by the Group's surplus cash reserves, and thus would not affect the Group's working capital position or operation; and (iii) appropriate wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds. The subscription was funded by internally generated fund. Accordingly, the Directors consider that the Subscription is on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Prior to making an investment, the Group would ensure that there remains sufficient working capital for the Group's business needs, operating activities and capital expenditures even after investing in the Wealth Management Product. Taking into consideration the nature of the Wealth Management Product and the relatively high credit rating of their underlying assets, the Company considers that the risk level of the Subscription is in line with the internal investment policies of the Group. The Group had, in the past, fully recovered the principal and received the expected returns upon the redemption or maturity of similar financial products. The Company will monitor and manage the subscription closely and effectively. In accordance with the relevant accounting standards, the Wealth Management Product is accounted for as financial assets at fair value through profit and loss.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable ratio in relation to the Subscription exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is hence subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION OF THE GROUP AND TIANIANLAIWAN

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.

Tiantianlaiwan is a limited liability company established in the PRC. It is principally engaged in the provision of consultation and technical services to Zen-Game Shenzhen.

INFORMATION OF CCB

CCB is a joint stock company established in the PRC with limited liability, principally engaged in banking, asset management, cross border investment, and other relevant financial services, whose shares are listed on the stock exchange of Shanghai (stock code: 601939) and the Stock Exchange (stock code: 939). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry and based on the public information available to the Company, CCB and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Board”	the board of Directors
“CCB”	China Construction Bank (中國建設銀行), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the stock exchange of Shanghai (stock code: 601939) and the Stock Exchange (stock code: 939)

“Company”	Zengame Technology Holding Limited (禪遊科技控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 2660)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	collectively, the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Wealth Management Product of RMB200 million issued by CCB
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tiantianlaiwan”	Shenzhen Tiantianlaiwan Technology Co. Ltd.* (深圳市天天來玩科技有限公司), a limited liability company established under the laws of PRC on 29 September 2018 and an indirect wholly-owned subsidiary of the Company
“Wealth Management Product”	China Construction Bank Shenzhen Branch Unit RMB Customized Structure Deposit, issue 15, 2023* (中國建設銀行深圳市分行單位人民幣定製型結構性存款2023年第15期) offered by CCB, details of which are set out in this announcement

“Zen-Game Shenzhen”

Shenzhen Zen-Game Technology Co. Ltd.* (深圳市禪遊科技股份有限公司), a company established in the PRC with limited liability on 20 July 2010 and converted into a joint stock company with limited liability in September 2015 and an indirect wholly-owned subsidiary of the Company

“%”

per cent

* *for identification purpose only*

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

Hong Kong, 12 January 2023

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