

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.



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)

VOLUNTARY ANNOUNCEMENT

This announcement is made by CMGE Technology Group Limited (the “**Company**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has been informed by Mr. XIAO Jian (“**Mr. Xiao**”), the Chairman, a co-founder, an Executive Director and the Chief Executive Officer of the Company, of certain dispute between Zhongshouyou Brothers Limited (“**Zhongshouyou Brothers BVI**”) and several independent third parties in relation to a total of 90,000,000 shares in the Company (the “**Collateral Shares**”), which represent approximately 3.25% of the total number of issued shares of the Company (the “**Shares**”) as at the date of this announcement, as summarised below. Zhongshouyou Brothers BVI is a company wholly-owned by Victory Aspire Group Limited for a discretionary trust set up by Mr. Xiao for the benefit of himself and his spouse (the “**Xiao Family Trust**”).

The dispute arose between Zhongshouyou Brothers BVI and a company incorporated in the Republic of Seychelles and named Bear Stearns Companies (“**BS**”) in relation to the Collateral Shares, which were beneficially owned by Zhongshouyou Brothers BVI and pledged by it in favour of BS in batches during the period from August to December 2020 as security for a loan advanced by BS to Zhongshouyou Brothers BVI (the “**Loan**”). In or around July 2021, Zhongshouyou Brothers BVI expressed its intention to repay the Loan prior to its maturity and shortly after that, it was alleged by BS that the Collateral Shares were forfeited by BS as a result of certain breaches of Zhongshouyou Brothers BVI under the relevant loan agreement. Zhongshouyou Brothers BVI vigorously disputed the alleged breaches and BS’s entitlement to forfeit the Collateral Shares. Zhongshouyou Brothers BVI commenced legal proceedings against BS, including the application for an injunction order restraining BS from disposing of or in any way dealing with the Collateral Shares,

which was granted by the High Court of Hong Kong in October 2021. The Board has been informed by Mr. Xiao that having reviewed and considered the documents and information subsequently disclosed to Zhongshouyou Brothers BVI in accordance with the order of the High Court of Hong Kong, he reaches a reasonable belief that the Collateral Shares had been sold or otherwise disposed of by BS without the consent of Mr. Xiao or Zhongshouyou Brother BVI in 2020 shortly after the Collateral Shares were deposited by Zhongshouyou Brothers BVI into a custodian account in the name of Zhongshouyou Brothers BVI as security for the Loan.

The dispute over the entitlement to the Collateral Shares could not be resolved through legal proceedings which had lasted for almost one and a half years and Zhongshouyou Brothers BVI has been advised by its legal advisers that it will be practically difficult to enforce any order of the High Court of Hong Kong against BS in the relevant foreign jurisdictions such as The Republic of Seychelles and The Republic of Panama and the outcome of such enforcement effort is highly uncertain. In view of the above and the expected legal costs, time and effort required for Zhongshouyou Brother BVI to continue with the legal proceedings, Zhongshouyou Brothers BVI has reluctantly reached a settlement with BS recently to the effect that upon completion of certain steps, among other things, the Collateral Shares shall belong to BS and Zhongshouyou Brothers BVI shall have no entitlement of any kind to the Collateral Shares; and Zhongshouyou Brothers BVI shall be released from its obligation to repay the Loan (the “**Settlement**”).

Immediately after the Settlement becoming effective, and assuming that there is no other change in the shareholding in the Company, the aggregate number of issued Shares directly and/or indirectly held by the Xiao Family Trust and Mr. SIN Hendrick *M.H.* (“**Mr. Sin**”), the Vice Chairman, a co-founder and an Executive Director of the Company, will be reduced from 979,986,305 Shares (representing approximately 35.40% of the total number of the issued Shares as at the date of this announcement) to 889,986,305 Shares (representing approximately 32.15% of the total number of the issued Shares as at the date of this announcement).

The Board has been informed by Mr. Xiao that he and/or his associates intend to acquire such number of issued shares of the Company with a total value of no less than HK\$30,000,000 on the market after the expiry of the current black out period pending the publication of the announcement of the final results of the Company for the year ended 31 December 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
CMGE TECHNOLOGY GROUP LIMITED
XIAO Jian
Chairman

Hong Kong, 15 February 2023

As at the date of this announcement, the Board comprises Mr. XIAO Jian, Mr. SIN Hendrick M.H. 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.