

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)

CONNECTED TRANSACTION GRANT OF RESTRICTED SHARES PURSUANT TO SHARE AWARD SCHEME

GRANT OF RESTRICTED SHARES

On 4 December 2023, 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 7,050,000 Restricted Shares to 125 Selected Participants. Among the 7,050,000 Restricted Shares granted, 2,353,000 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 7,050,000 Restricted Shares to be granted to the Selected Participants represent approximately 0.68% of the issued share capital of the Company as at the date of this announcement. All of the 7,050,000 Restricted Shares had been acquired from the market by the Trustee in accordance with the terms of the Share Award Scheme.

LISTING RULES IMPLICATION

The Share Award Scheme was adopted before the effective date (being 1 January 2023) of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 in accordance with the transitional arrangement provided for the existing share schemes.

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 PURSUANT TO THE SHARE AWARD SCHEME

On 4 December 2023, 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 7,050,000 Restricted Shares to 125 Selected Participants, among which, 4,697,000 Restricted Shares were granted to a total of 122 Selected Participants who are employees of the Group (and not connected persons of the Company) and 2,353,000 Restricted Shares were granted to three Directors, at nil consideration, subject to these Selected Participants confirming his/her acceptance of the Restricted Shares.

The 7,050,000 Restricted Shares to be granted to the Selected Participants represent approximately 0.68% of the issued share capital of the Company as at the date of this announcement. The 7,050,000 Restricted Shares represent the value of approximately HK\$27,424,500, taking into account of the closing price of HK\$3.89 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the date of the grant of the Restricted Shares. All of the 7,050,000 Restricted Shares had been acquired from the market by the Trustee in accordance with the terms of the Share Award Scheme.

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 a 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).

Details of the Grant of Restricted Shares

1. Date of grant: 4 December 2023
2. Aggregate number of Restricted Shares granted: 7,050,000
3. Out of the 7,050,000 Restricted Shares granted, 2,353,000 Restricted Shares were granted to the following Directors, details of which are as follows:

Name of grantees	Number of Restricted Shares granted	Approximate percentage among the total Restricted Shares (%) (Note 1)	Approximate percentage of the total number of issued Shares as at the date of this announcement (%) (Note 2)
Directors of the Group			
Ye Sheng	1,150,000	16.31	0.11
Yang Min	1,150,000	16.31	0.11
Xiong Mi	53,000	0.75	0.01
Sub-total	2,353,000	33.38	0.23
Employees of the Group			
122 employees of the Group	4,697,000	66.62	0.46
Total	7,050,000	100.00	0.68

4. Closing price of the Restricted Shares on the date of grant: HK\$3.89 per Share
5. Market value of the Restricted Shares on the date of grant: HK\$27,424,500
6. Performance targets of the Restricted Shares granted: There is no performance target attached to the Restricted Shares granted (Note 3)

7. Clawback mechanism:

In the event of (i) conviction of any criminal offence due to violation of any national laws and regulations by the Selected Participant; (ii) serious misconduct of the Selected Participant damaging the Group's interest or reputation; and (iii) any other circumstances determined by the Group, the Company shall have the right to require such Selected Participant to return all of the Restricted Shares granted (including any and all benefits which such Selected Participant has received in connection with the Restricted Shares); and

In the event of (i) layoffs, severance, dismissal for reasons other than those mentioned above, or resignation by the Selected Participant; (ii) the subsidiary by which the Selected Participant is employed or contracted with ceases to be a subsidiary of the Group; and (iii) any other circumstances determined by the Group, all Restricted Shares not already vested shall automatically lapse forthwith unless otherwise determined by the Group.

Notes:

1. The percentage figures are rounded to two decimal places.
2. The percentage figures are rounded to two decimal places and calculated on the basis that there are 1,030,604,937 Shares in issue as at the date of this announcement.
3. Considering their positions, long period of services with the Group, performance and future long-term contribution to the Group, the Remuneration Committee believes the grant of restricted Shares to the Directors without performance targets are align with the purpose of the Share Award Scheme.

Assuming all the vesting criteria and conditions have been fulfilled, the Restricted Shares granted shall vest in the Selected Participants in accordance with the schedule below:

Vesting Date	Percentage of Restricted Shares to vest
30 September 2024	50% of the total number of Restricted Shares granted
30 September 2025	50% 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 the Trustee.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

As of the date of this announcement, all of the 7,050,000 Restricted Shares had been acquired from the market by the Trustee by utilizing the Company's internal resources provided to the Trustee in accordance with the terms of the Share Award Scheme, and therefore the grant of Restricted Shares will not result in any issue of new Shares or any dilution effect on the shareholdings of existing Shareholders of the Company.

Immediately after the first grant of Restricted Shares under the Share Award Scheme according to the Company's announcement dated 20 September 2022, the number of Shares available for grant under the Share Award Scheme was 23,311,200 Shares. As a result of the grant of a total of 7,050,000 Restricted Shares to 125 Selected Participants according to this announcement, the number of Share available for future grant under the Share Award Scheme is 16,261,200 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 125 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 125 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 7,050,000 Restricted Shares to the 125 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 Share Award Scheme was adopted before the effective date (being 1 January 2023) of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 in accordance with the transitional arrangement provided for the existing share schemes.

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;
“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 7,050,000 Shares which had been purchased from the market, which will be held 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;

“%” per cent.

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

Hong Kong, 4 December 2023

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.