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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)

GRANT OF SHARE OPTIONS

This announcement is made by CMGE Technology Group Limited (the “**Company**”, together with its subsidiaries and consolidated operating entities in the People’s Republic of China, the “**Group**”) pursuant to rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that, on 24 April 2024, the Company granted a total of 80,000,000 share options (the “**Share Option(s)**”) to eligible grantees (the “**Grantees**”) to subscribe for a total of 80,000,000 ordinary shares of US\$0.0001 each of the Company (the “**Share(s)**”) pursuant to the Company’s post-IPO share option scheme adopted on 20 September 2019 (the “**Share Option Scheme**”), subject to the acceptance of the Grantees and the payment of RMB1.00 by each of the Grantees upon acceptance of the Share Options.

The following table sets forth the grant of Share Options to the Directors, chief executives or substantial shareholders of the Company, or any of their respective associates (as defined under the Listing Rules), representing 9.1% of the Share Options, which has been approved by the independent non-executive Directors of the Company (except that the independent non-executive Directors abstained from the approval of their respective Share Options granted to them) in accordance with Rule 17.04(1) of the Listing Rules.

Name of Grantees	Position in the Company	Number of Share Options granted
XIAO Jian*	Executive Director, Chairman and Chief Executive Officer	2,750,000
SIN Hendrick*	Executive Director and Vice Chairman	2,750,000
FAN Yingjie	Executive Director	800,000
ZHANG Shengyan	Non-executive Director	200,000
JIANG Yukai	Non-executive Director	200,000
NG Yi Kum	Independent Non-executive Director	200,000
TANG Liang	Independent Non-executive Director	200,000
HO Orlando Yaukai	Independent Non-executive Director	200,000
Total		<u>7,300,000</u>

* *Note: Mr. XIAO Jian and Mr. SIN Hendrick are also substantial shareholders of the Company.*

Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries: (i) none of the Grantees of the Share Options is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined under the Listing Rules); (ii) no financial assistance has been provided by the Group to the Grantees for the purchase of Share Options under the Share Option Scheme; (iii) none of the Grantees of the Share Options is a participant with options granted and to be granted exceeding the 1% individual limit under the Listing Rules; and (iv) none of the Grantees of the Share Options is a related entity participant or service provider (as defined under the Listing Rules) with options granted and to be granted in any 12-month period exceeding 0.1% of the total issued share capital of the Company as at the date of this announcement.

The Shares to be issued upon the full exercise of the Share Options granted represent approximately 2.9% of the total issued share capital of the Company as at the date of this announcement, and approximately 2.8% of the enlarged issued share capital of the Company immediately upon the full exercise of the Share Options.

Details of the grant of the Share Options are set out below:

Date of grant	:	24 April 2024 (the “ Date of Grant ”)
Number of Share Options granted	:	80,000,000 Share Options (each Share Option shall entitle the Grantees to subscribe for one Share at the relevant exercise price mentioned above)
Exercise price of the Share Options granted	:	HK\$1.50 per Share
Closing price of the Shares on the Date of Grant	:	HK\$1.22 per Share
Exercise period of the Share Options	:	From the Date of Grant to 24 April 2027 (both dates inclusive)
Vesting period of the Share Options	:	The Share Options granted to each of the Grantees will be exercisable from Date of Grant to 24 April 2027 (both dates inclusive).

Vesting Period

The Share Option Scheme provides that the Board may specify the vesting period of the Share Options and does not provide for any minimum vesting period. The Board and the remuneration committee of the Company (the “**Remuneration Committee**”) consider that, taking into account that: (i) the remuneration of the Grantees (including that of the Directors) include the grant of share options as part of their package to incentivise their performance and to make continuous contributions to the growth and development of the Group, as well as maintaining the competitiveness of the package offered by the Company as compared with those offered by the industry peers; (ii) in respect of the Directors, their respective remuneration packages have been reviewed by the Remuneration Committee to be in line with the industry practice and in recognition of their leading roles and responsibilities towards the management and strategic development of the Company; and (iii) in respect of other Grantees, their respective remuneration packages are provided according to the internal policy of the Company with reference to their industry experience, tenure and roles with the Group, and contribution to the development and growth of the business of the Group, the grant of immediately vested Share Options to the Grantees is appropriate.

Performance Target

There is no performance target attached to the Share Options granted above. The Remuneration Committee is of the view that, taking into account (i) the ability of the Directors and other Grantees to contribute to the overall operations, development and long-term growth of the Group with reference to their tenure with the Company and industry experience; and (ii) the practice of the gaming industry of granting share options without performance target, and the grant of Share Options to the Grantees aligns the interests of the Grantees with that of the Company and the shareholders of the Company and reinforces the Grantees' commitment to the Group, and thus aligns with the purpose of the Share Option Scheme.

Clawback Mechanism

Any Share Options shall lapse and not exercisable with immediate effect on the date:

- (a) on which the Grantee ceases to be an eligible participant (including any employees, executives or officers and directors of any members of the Group) in accordance with the Share Option Scheme; or
- (b) on the date on which the Board exercises the Company's right to cancel or forfeit the Share Options if the Grantee commits any breach of the non-transferrable provision of the Share Options and confidentiality clause of the Share Option Scheme.

Reasons for and Benefits of the Grant of Share Options

The purpose of the grant of Share Options is to provide incentives and rewards to Grantees for their contributions to and continuing efforts to promote the interests of the Company, and the grant of Share Options aligns the interests of the Grantees with that of the Company and the shareholders of the Company and reinforces the Grantees' commitment to the Group. The Remuneration Committee is of the view that the grant of Share Options will encourage and retain the Grantees to make continuous contributions to the growth and development of the Group and is in the interests of the Company and the shareholders of the Company.

Miscellaneous

Subsequent to the grant of Share Options, the number of Shares available for future grant pursuant to the Share Option Scheme is 98,251,000.

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

Hong Kong, 24 April 2024

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 and Mr. JIANG Yukai as non-executive Directors; and Ms. NG Yi Kum, Mr. TANG Liang and Mr. HO Orlando Yaukai as independent non-executive Directors.