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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)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION WITH 7ROAD HOLDINGS LIMITED

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**”) on a voluntary basis for keeping the shareholders of the Company and potential investors informed of the latest business development of the Group.

STRATEGIC COOPERATION AGREEMENT

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 27 December 2019 (after trading hours), the Company entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Agreement**”) with 7Road Holdings Limited (“**7Road**”), pursuant to which both parties agreed to undertake strategic cooperation with a view to promoting their mutual development in game industry. The Strategic Cooperation Agreement is for a term of five years.

Pursuant to the Strategic Cooperation Agreement, the Company and 7Road agree that they will leverage their respective resources to carry out cooperation in the areas as set out below (the “**Strategic Cooperation**”):

(1) Exclusive Right of First Refusal in Connection with Game Publishing and Operation

If 7Road and any entity which directly or indirectly, controls, or is controlled by, or is under common control with 7Road (together, the “**Group 7Road**”) decide not to publish and operate their proprietary games on their own but to license a third party to do so, the Company has the exclusive right of first refusal for such license in connection with the world-wide publishing and operation of such games under the same commercial terms (including rights to be granted, license fees, license period, payment and revenue sharing arrangements).

(2) Right of First Refusal in Connection with Game IPs

If the Group 7Road proposes to (i) dispose of or transfer any trademark and/or copyright of any of their proprietary games (the “**Games IPs**”) to a third party other than any member of the Group 7Road, or (ii) grant an exclusive license of any of the Games IPs to a third party other than any member of the Group 7Road permanently or for a period of more than five years, the Company has the right of first refusal to purchase such Games IPs or obtain such license under the same terms.

If the Group 7Road intends to license a third party to create or produce literature, animation, movies and games based on any of the Games IPs, the Company has the right of first refusal for such license under the same terms.

(3) Cooperation in Connection with the games based on the *World of Legend, Wartune and DDTank* IPs

The Company and 7Road have agreed to strengthen their cooperation to develop and publish more games based on the *World of Legend* (傳奇世界), *Wartune* (神曲) and *DDTank* (彈彈堂) IPs. For the games developed by the Group 7Road within such IPs, the Company shall have the exclusive right of first refusal as disclosed in paragraph (1) above.

(4) Cooperation in Connection with Overseas Games Publishing and Operation

7Road has agreed to leverage on its extensive experience and resources in overseas markets (such as its large user base and talents for game localisation) to promote the games published and operated by the Group in overseas markets.

(5) Cooperation in Connection with Game Cloud and Cloud Gaming

The Company and 7Road have agreed to share information and resources in relation to game cloud and cloud gaming from time to time to find any potential opportunity of cooperation. If the Group 7Road establishes and operates game cloud in the future, and offers data center and game cloud business to a third party other than any member of the Group 7Road, it has agreed to offer the most favorable treatment to the Company under the same commercial terms.

REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION

7Road is a leading online game developer and operator in China with a global reach, and the Company is a leading IP-based game operator and publisher, focusing primarily on IPs relating to well-known cultural products and art works. The Strategic Cooperation will allow the Company to leverage on 7Road’s resources and expertise in the game development and distribution to enrich the Company’s game offerings and IP reserves and to promote the Company’s market profile in the overseas markets. On the other hand, 7Road will also benefit from the Company’s position and resource in the gaming industry to promote its games and further enhance its market presence.

INFORMATION ABOUT THE PARTIES

The Company is a company incorporated under the laws of the Cayman Islands with limited liability. It is principally engaged in the mobile game publishing, game development and investment business.

7Road is a company incorporated under the laws of the Cayman Islands with limited liability and listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 0797). 7Road, through its subsidiaries, is principally engaged in online game development, publishing and operation in the People's Republic of China and overseas markets. To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, 7Road and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

GENERAL

The Board wishes to emphasise that the implementation of the Strategic Cooperation contemplated under the Strategic Cooperation Agreement is subject to the execution of definitive agreement(s). As at the date of this announcement, no definitive agreement in relation to any specific project under the Strategic Cooperation has been entered into by the parties and/or their affiliates. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares in the Company.

The Company and 7Road will promote the implementation of Strategic Cooperation in accordance with the Strategic Cooperation Agreement. In the event that any specific project under the Strategic Cooperation materialises, the Company will comply with the relevant requirements under the Listing Rules and make further disclosure in accordance with all the applicable requirements as and when appropriate.

By Order of the Board
CMGE Technology Group Limited
Xiao Jian
Chairman

Hong Kong
30 December 2019

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xiao Jian and Mr. Sin Hendrick as executive Directors; Mr. Ma Yuntao and Mr. Tang Yanwen as non-executive Directors; and Ms. Ng Yi Kum, Mr. Tang Liang and Mr. Ho Orlando Yaukai as independent non-executive Directors.