

**ZENGAME TECHNOLOGY HOLDING LTD:
AFTER TWO ABORTIVE ATTEMPTS TO LIST
ON EQUITY MARKETS IN THE PRC,
HONGKONG WAS SELECTED AS THE BEST LISTING CHOICE**

On a detailed examination of the Global Offering Prospectus of Zengame Technology Holding Ltd () (Code: 2660, Main Board, The Stock Exchange of Hongkong Ltd), one could not help but be impressed in respect of the financials of this ‘*established mobile game developer and operator in the PRC (People’s Republic of China)*’.

Of course, one might look askance at the fact that, in effect, it could be said, with ample justification, that Management had been, and appears to continue to be, reliant on sales with regard to just one ‘*signature card game*’ that has been responsible for the lion’s share of the Company’s Total Revenue for the three Financial Years, ended December 31, 2018.

But there was something, else, too...

At Pages 315 through to 317 of the Global Offering Prospectus, dated April 3, 2019, one was informed that Senior Management of Zengame Technology Holding Ltd, the Sole Sponsor, Guotai Junan Capital Ltd (), and the Sole Global Coordinator, Guotai Junan Securities (Hongkong) Ltd ([]), had ‘*entered into cornerstone investment agreements*’ with Messrs Li Wei Wei () and Yao Shuo Bin ().

Guotai Junan Capital Ltd and Guotai Junan Securities (Hongkong) Ltd are 64.99-percent subsidiaries of Guotai Junan Securities Company Ltd () (Code: 2611, Main Board, The Stock Exchange of Hongkong Ltd).

Prospective investors were told that these two Cornerstone Investors had ‘*agreed to subscribe for the Offer*

*Shares (rounded down to the nearest whole board lot of 2,000 Shares) that may be purchased for an aggregate amount of HK\$20.0 million (the “**Cornerstone Placing**”) at the Offer Price.’*

On scanning the pedigrees of the two Cornerstone Investors, it was discovered that Mr Li Wei Wei is the Chairman of a company, listed on The Shenzhen Stock Exchange, namely Wu Hu Shunrong 37 Interactive Entertainment Network Technology Company Ltd () (Stock Code: 002555).

Mr Li Wei Wei has agreed to purchase shares at the Global Offering of Zengame Technology Holding Ltd up to a maximum outlay of \$HK10 million.

Mr Li Wei Wei had been a Pre-IPO Investor who, on June 30, 2017, invested 18 million renminbi in Shenzhen Zen-Game Technology Company Ltd ().

That injection of cash was used in the operations of the Company and as Working Capital, it is stated in the Global Offering Prospectus at Page 141.

As at today’s date, that amount of money had been fully utilised.

As for Mr Yao Shuo Bin, one was told that he is the Chairman of Shanghai Yaoji Playing Card Company Ltd (), a company, also listed on The Shenzhen Stock Exchange (Stock Code: 002605).

Mr Yao Shuo Bin, also, has agreed to purchase shares at the Global Offering of Zengame Technology Holding Ltd up to a maximum outlay of \$HK10 million.

Considering that Management of Zengame Technology Holding Ltd had been banking on netting between \$HK161.30 million and \$HK196.30 million by the sales of its 180 million, one-cent Shares in an **Initial Public Offering (IPO)** on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the PRC, for what reason would the Company want to consider putting pen to paper in order to obtain the measly sum of \$HK20 million from two Cornerstone Investors.

But, the discussion in respect of the Cornerstone Investors does not stop, here, because with regard to Mr Yao Shuo Bin, it is stated at Page 317 of the Global Offering Prospectus that he did not have a sufficiency of cash even to pay the \$HK10 million in full, that amount of money, required to meet his financial commitment as a Cornerstone Investor.

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