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Forgame Holdings Limited **雲遊控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00484)

FURTHER UPDATE IN RELATION TO DISCLOSEABLE TRANSACTION

Reference is made to the announcement (the “**Announcement**”) of Forgame Holdings Limited (the “**Company**”) dated 3 March 2014 in relation to a discloseable transaction of the Company relating to, inter alia, the proposed acquisition of 21% of the issued share capital of Magic Feature Inc. (the “**Acquisition**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, completion of the Acquisition is subject to the satisfaction and/or waiver of a number of conditions precedent, including but not limited to, (i) all actions by or in respect of or filings with any governmental or regulatory authority or any other third parties required to permit the consummation of the transactions contemplated by the Sale and Purchase Agreement and the other transaction documents shall have been taken, made or obtained, (ii) the Company having completed to its reasonable satisfaction due diligence investigation in respect of the Target Group and (iii) the Sellers shall have delivered to the Company legal opinion on the laws of Taiwan in form and substance satisfactory to the Company.

The Company has been informed by one of the Sellers that pursuant to an interview invitation from the Taiwan Industrial Development Bureau, Ministry of Economic Affairs (the “**Industry Bureau**”) to Mad Head Limited in relation to the Acquisition, one of the Sellers attended an interview with the Industry Bureau and recently received preliminary information from the Industry Bureau outlining certain laws and regulations in Taiwan relating to operating online and mobile game publishing companies in Taiwan, which was communicated to such Seller by way of summary meeting minutes and emails. In particular, such minutes and emails referred to prohibitions on PRC investors from operating online and mobile game publishing business in Taiwan. The Company is in the process of verifying such information and seeking further clarification on the implications of such prohibitions on the Acquisition, if any.

As at the date of this announcement, the Company confirms that it has not received anything else in writing from the Industry Bureau in relation to the Acquisition, nor has the Company been advised by any of the Sellers that he has received anything else in writing from the Industry Bureau in relation to the Acquisition.

The purpose of this announcement is to keep Shareholders of and potential investors in the Company informed of the progress of the Acquisition. Whether or not the Acquisition will proceed to completion is subject to the satisfaction and/or waiver of a number of conditions precedent as described in the Announcement. Accordingly, there is no certainty as to whether the terms of the Acquisition may be revised or whether the Acquisition will proceed to completion at the moment. The Company will make further announcement(s) as and when appropriate in accordance with the applicable requirements of the Listing Rules. Shareholders of and potential investors in the Company are therefore reminded to exercise caution when dealing in the shares of the Company.

By order of the Board of
Forgame Holdings Limited
WANG Dongfeng
Chairman

Hong Kong, May 18, 2014

As at the date of this announcement, the Executive Directors are Mr. WANG Dongfeng, Mr. HUANG Weibing, Mr. LIAO Dong and Mr. ZHUANG Jieguang; the Non-executive Directors are Mr. TAN Hainan and Mr. TUNG Hans; the Independent Non-executive Directors are Mr. LEVIN Eric Joshua, Ms. POON Philana Wai Yin and Mr. ZHAO Cong Richard.