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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)

INSIDE INFORMATION AND PROFIT WARNING

This announcement is made by Forgame Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, and information currently available to the Group, it is expected that the Group will record a consolidated net loss for the six months ended 30 June 2020 of approximately RMB28.4 million as compared to the consolidated net profit of approximately RMB9.9 million for the six months ended 30 June 2019.

Such expected consolidated net loss was primarily attributable to the significant drop in the revenue for the six months ended 30 June 2020 as compared to the same period in 2019 and the dividends received from the equity investments at fair value through other comprehensive income for the six months ended 30 June 2019 (for the six months ended 30 June 2020: Nil). The drop in the revenue was primarily attributable to the facts that (i) some of the Group’s key games, including “Liberators”, have entered into the mature stage of their lifecycles and generated less revenue than the same period of 2019; and (ii) the average balance of loans of the internet micro-credit business had decreased in the first half of 2020 as compared to the same period of 2019.

Reference is also made to the announcement of the Company dated 4 November 2019, 11 December 2019, 20 December 2019, 25 February 2020, 31 March 2020, and 7 May 2020 (the “**Announcements**”) in relation to the internet micro-credit business. Capitalised terms used herein shall have the same meanings as those defined in the Announcements. As disclosed in the Announcements, the Company established the Independent Investigation Committee on 20 December 2019 to investigate and report on various matters and events leading to and/or otherwise relating to the Affected Loans and the Investigation Report was issued in May 2020. In consideration of the past experience and lesson from the operation of

internet micro-credit business and the expected prolonged effect to the overall economic environment from the epidemic, in order to better respond to the external economic condition, the Company was even more prudent in our internet micro-credit business and made corresponding adjustment on its daily operation process. As a result, the operations of the internet micro-credit business were slowed down as compared to the same period of 2019.

The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available to the Group. The financial results of the Group for the six months ended 30 June 2020 will be set out in the interim results announcement of the Company to be published in late August 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Forgame Holdings Limited
ZHANG Qiang
Chairman

Hong Kong, 26 August 2020

As at the date of this announcement, the executive Director is Mr. Han Jun; the non-executive Directors are Mr. Zhang Qiang and Ms. Liang Na; the independent non-executive Directors are Mr. Wang Dong, Mr. Wong Chi Kin and Mr. Cui Yuzhi.