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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)

**SUPPLEMENTAL ANNOUNCEMENT
UPDATE ON THE ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

References are made to the announcement of Forgame Holdings Limited (the “**Company**”, together with its subsidiaries the “**Group**”) dated 31 March 2020 (the “**2019 Results Announcement**”) in relation to the unaudited consolidated annual results of the Group for the year ended 31 December 2019 (the “**2019 Unaudited Annual Results**”) and the announcements of the Company dated 15 May 2020, 15 June 2020 and 18 June 2020 in relation to the delay in publication of the audited consolidated annual results of the Group for the year ended 31 December 2019 and despatch of the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”).

AUDITOR’S AGREEMENT ON THE 2019 ANNUAL RESULTS

The Company hereby announces that on 28 August 2020, it has obtained the agreement from its auditor, ZHONGHUI ANDA CPA Limited (“**ZHONGHUI ANDA**”), on the 2019 Results Announcement (including the financial information in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto). Save as disclosed below, the information for the year 2019 contained in the 2019 Results Announcement remain unchanged.

DIFFERENCES BETWEEN AUDITED AND UNAUDITED ANNUAL RESULTS

Subsequent adjustments have been made to certain line items disclosed in the 2019 Unaudited Annual Results of the Group upon the completion of audit of the audited annual results.

Shareholders and potential investors of the Company are advised to pay attention to certain differences between the audited annual results of the Group and the 2019 Unaudited Annual Results of the Group in this announcement.

Set forth below are the principal details and reasons for the differences in such financial information.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year Ended 31 December		Differences RMB'000	Notes
	2019 RMB'000 (Unaudited)	2019 RMB'000 (Audited)		
Continuing operations				
Revenue	123,989	124,279	290	(i)
Cost of revenue	<u>(93,862)</u>	<u>(93,862)</u>	–	
Gross profit	30,127	30,417	290	(i)
Selling and marketing expenses	(15,828)	(15,828)	–	
Administrative expenses	(60,929)	(64,374)	(3,445)	(ii) & (iii)
Research and development expenses	(29,443)	(29,443)	–	
Other income	25,811	25,811	–	
Other (losses)/gains — net	(16,955)	(533)	16,422	(iv), (v), (vii) & (x)
Finance income — net	1	1	–	
(Loss)/gain on dilution of investment in an associate	(17)	(17)	–	
Gain on disposal of investment in a subsidiary	3,259	–	(3,259)	(vi)
Loss on deregistration of subsidiaries	–	(355)	(355)	(iii)
Net loss from changes in the value of investments at fair value through profit or loss	–	(4,715)	(4,715)	(v)
Loss on transfer of investment in an associate to equity investments at fair value through other comprehensive income	–	(158)	(158)	(vii)
Gain on fair value change of derivative financial instrument	–	65,131	65,131	(viii)
Share of profits of associates	16,918	16,918	–	
Impairment of property and equipment	(26,263)	–	26,263	(ix)
Impairment of intangible assets	(109,816)	–	109,816	(ix)
Impairment of right-of-use assets	(3,251)	–	3,251	(ix)
Impairment of assets in connection with a newly acquired business	–	(142,507)	(142,507)	(x)
Impairment of financial assets measured at amortised cost	<u>(121,636)</u>	<u>(137,936)</u>	(16,300)	(xi)
Loss before income tax	(308,022)	(257,588)	50,434	
Income tax credit/(expense)	<u>8,834</u>	<u>13,143</u>	4,309	(i) & (xii)
Loss from continuing operations	<u>(299,188)</u>	<u>(244,445)</u>	54,743	

	Year Ended 31 December		Differences RMB'000	Notes
	2019 RMB'000 (Unaudited)	2019 RMB'000 (Audited)		
Discontinued operation				
Loss from discontinued operation	<u>(19,074)</u>	<u>(15,815)</u>	3,259	(vi)
Loss for the year	<u>(318,262)</u>	<u>(260,260)</u>	58,002	
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	5,425	(12,744)	(18,169)	(xiii)
Currency translation differences	<u>197</u>	<u>197</u>	–	
Other comprehensive income for the year, net of tax	<u>5,622</u>	<u>(12,547)</u>	(18,169)	
Total comprehensive loss for the year	<u>(312,640)</u>	<u>(272,807)</u>	39,833	
Total comprehensive loss for the year attributable to:				
Owners of the Company	(270,379)	(228,428)	41,951	
Non-controlling interests	<u>(42,261)</u>	<u>(44,379)</u>	(2,118)	
	<u>(312,640)</u>	<u>(272,807)</u>	39,833	
Basic and diluted loss per share (RMB)				
— Continuing and discontinued operations	(1.90)	(1.48)	0.42	
— Continuing operations	(1.78)	(1.38)	0.40	
— Discontinued operation	<u>(0.12)</u>	<u>(0.10)</u>	0.02	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December		Differences RMB'000	Notes
	2019 RMB'000 (Unaudited)	2019 RMB'000 (Audited)		
ASSETS				
Non-current assets				
Property and equipment	2,347	3,182	835	(xiv)
Intangible assets	5,123	5,123	–	
Right-of-use assets	50,031	40,891	(9,140)	(iv) & (x)
Investments in associates	56,571	56,571	–	
Investments at fair value through profit or loss	473	–	(473)	(xv)
Equity investments at fair value through other comprehensive income	79,963	38,895	(41,068)	(xv)
Prepayments and other receivables	2,271	745	(1,526)	(xvi)
Deferred tax asset	–	4,381	4,381	(xii)
	<u>196,779</u>	<u>149,788</u>	(46,991)	
Current assets				
Trade receivables	4,945	4,945	–	
Loan receivables	171,388	155,394	(15,994)	(i) & (xi)
Prepayments and other receivables	12,634	14,160	1,526	(xvi)
Investments at fair value through profit or loss	–	797	797	(xv)
Equity investments at fair value through other comprehensive income	–	20,300	20,300	(xv)
Derivative financial instrument	–	80,200	80,200	(xvii)
Restricted cash	953	953	–	
Short-term deposits	68,862	68,862	–	
Cash and cash equivalents	317,959	317,959	–	
	<u>576,741</u>	<u>663,570</u>	86,829	
Total assets	<u><u>773,520</u></u>	<u><u>813,358</u></u>	39,838	

	As at 31 December		Differences RMB'000	Notes
	2019 RMB'000 (Unaudited)	2019 RMB'000 (Audited)		
EQUITY AND LIABILITIES				
Equity				
Share capital	102	102	–	
Reserves	645,306	687,257	(41,951)	
	<u>645,408</u>	<u>687,359</u>	(41,951)	
Non-controlling interests	(21,278)	(23,396)	(2,118)	
	<u>624,130</u>	<u>663,963</u>	39,833	
Liabilities				
Non-current liabilities				
Deferred tax liabilities	2,715	116	(2,599)	(xv)
Contract liabilities	–	–	–	
Lease liabilities	23,396	22,498	(898)	(iv)
	<u>26,111</u>	<u>22,614</u>	(3,497)	
Current liabilities				
Trade payables	7,576	7,576	–	
Other payables and accruals	72,312	76,128	3,816	(i) & (ii)
Contract liabilities	9,275	9,275	–	
Income tax liabilities	5,573	5,646	73	(i)
Lease liabilities	28,543	28,156	(387)	(iv)
	<u>123,279</u>	<u>126,781</u>	3,502	
Total liabilities	<u>149,390</u>	<u>149,395</u>	5	
Total equity and liabilities	<u>773,520</u>	<u>813,358</u>	39,838	
Net current assets	<u>453,462</u>	<u>536,789</u>	83,327	
Total assets less current liabilities	<u>650,241</u>	<u>686,577</u>	36,336	

Notes:

- (i) Additional interest revenue recognition of a corporate loan according to the recoverability resulting in: a) revenue and gross profit increased by RMB0.3 million; b) loan receivables increased by RMB0.3 million; c) other payables and accruals increased by RMB16 thousand; d) income tax expense increased by RMB73 thousand and e) income taxes liabilities increased by RMB73 thousand;
- (ii) Additional audit fee for the Group's new auditor resulting in: a) administrative expenses increased by RMB3.8 million; and b) other payables and accruals increased by RMB3.8 million;
- (iii) The difference was from reclassified RMB0.4 million from administrative expenses to loss on deregistration of subsidiaries;
- (iv) The latest business reduction plan of Xigua business resulting in: a) right-of-use assets decreased by RMB1.4 million; b) current lease liabilities decreased by RMB0.4 million; c) non-current lease liabilities decreased by RMB0.9 million; and d) other losses increased by RMB0.1 million;
- (v) Net loss from changes in the value of investments at fair value through profit or loss of RMB4.7 million was the fair value change of investment at fair value through profit or loss after reclassification from other losses;
- (vi) Item reclassified from gain on disposal of investment in a subsidiary to loss from discontinued operation;
- (vii) The difference was from reclassified RMB0.1 million from other loss to loss on transfer of investment in an associate to equity investments at fair value through other comprehensive income;
- (viii) Gain on fair value change of derivative financial instrument of RMB65.1 million was recognized due to the non-fulfillment of profit guarantee from one of the Group's investments;
- (ix) Items reclassified to impairment of assets in connection with a newly acquired business;
- (x) The difference was from: a) impairment of store rental deposit of RMB11.3 million reclassified from other losses; b) decrease in original value of goodwill arising from the Xigua Acquisition of RMB15.1 million (fully impaired) after revaluation; and c) increase in impairment of right-of use-assets of RMB7.8 million;
- (xi) Increase was mainly due to the additional allowance for impairment for outstanding loan receivables of corporate loans;
- (xii) The difference was from recognition RMB4.3 million deferred tax asset for the tax loss expected to utilize in future;
- (xiii) The difference was from investments revaluation and related tax effect;
- (xiv) The difference was from reversal of impairment on Xigua's property and equipment RMB0.8 million;
- (xv) The difference was from investments revaluation, reclassified current and non-current and the related changes in deferred tax liabilities;
- (xvi) Reclassification of current assets and non-current assets; and
- (xvii) Derivative financial instrument of RMB80.2 million was recognized due to the non-fulfillment of profit guarantee from one of the Group's investments.

EXTRACT OF THE AUDITOR'S REPORT

The following is the extract of the independent auditor's report from ZHONGHUI ANDA on the Group's consolidated financial statements for the year ended 31 December 2019:

Qualified Opinion

We have audited the consolidated financial statements of Forgame Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 95 to 173, which comprise the consolidated statement of financial position as at 31 December 2019, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Basis for Qualified Opinion

1. *Limited accounting books and records of disposal subsidiaries*

As disclosed in note 12 and 38(b) to the consolidated financial statements, certain subsidiaries of the Company (the "Disposal Subsidiaries") have been disposed for the year ended 31 December 2019, of which we were unable to obtain the accounting books and records in respect of the Disposal Subsidiaries for the year ended 31 December 2019 and 2018. Due to the insufficient supporting documents and relevant explanations on the accounting books and records in respect of the Disposal Subsidiaries, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the disposal of subsidiaries and the following income and expenses and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements and the completeness of opening balances and comparative figures of the Disposal Subsidiaries:

	For the year ended 31 December	
	2019	2018
	RMB'000	RMB'000
(a) <i>Income and expenses:</i>		
Loss from discontinued operation	15,815	315,074

As at
31 December
2018
RMB'000

(b) *Assets and liabilities:*

Property and equipment	3,567
Intangible assets	2,605
Trade receivables	13,718
Prepayments and other receivables	7,597
Cash and cash equivalents	114,273
Trade payables	(18,755)
Other payables and accruals	(34,348)
Income tax liabilities	(1,655)
	(1,655)

(c) *The proceeds receivable from the buyers of disposal subsidiaries (the “**Proceeds Receivable**”)*

As disclosed in note 26 to the consolidated financial statements, the Proceeds Receivable of RMB33,203,000, against which full impairment loss of RMB33,203,000 had been made for the year ended 31 December 2019.

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the carrying amount of the Proceeds Receivable balance as at 31 December 2019 is fairly stated; and (ii) whether the impairment for the Proceeds Receivable of RMB33,203,000 for the year ended 31 December 2019 is properly recorded.

2. Limited accounting books and records of acquisition of Beijing Xigua

As disclosed in note 38(a) to the consolidated financial statements, the Group acquired a 69.84% equity interest in Beijing Xigua Huyu Technology Co., Ltd. (“**Beijing Xigua**”) on 26 June 2019. Ms. Li Luyi (“**Ms. Li**”), the former executive director and chief executive officer of the Company, was responsible for the management and operation of Beijing Xigua prior to her loss of contact from late October to early November 2019 and her resignation on 7 November 2019. Due to the insufficient supporting documents and relevant explanations on the accounting books and records in respect of Beijing Xigua and its operations, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the acquisition of Beijing Xigua and the following income and expenses for the year ended 31 December 2019 and the assets and liabilities as at 31 December 2019, and the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements:

(a) *The fair value of the identifiable assets and liabilities of Beijing Xigua acquired as at its date of acquisition:*

	<i>RMB'000</i>
Property and equipment	16,580
Intangible assets	64,827
Right-of-use assets	38,143
Trade receivables	6,398
Prepayments and other receivables	23,673
Other payables and accruals	(37,299)
Lease liabilities	(36,827)
Contract liabilities	(1,873)
Deferred tax liabilities	(8,887)
Goodwill	52,644
Derivative financial instrument	15,069
	<hr/> <hr/>
	For the year ended 31 December 2019 <i>RMB'000</i>

(b) *Income and expenses:*

Revenue	25,996
Cost of revenue	(70,024)
	<hr/>
Gross profit	(44,028)
Selling and marketing expenses	(5,029)
Administrative expenses	(2,991)
Research and development expenses	(7,860)
Other income	271
Other losses	(784)
Finance cost	(824)
Gain on fair value change of derivative financial instrument	65,131
Impairment of assets in connection with a newly acquired business	(142,507)
Impairment of financial assets measured at amortised cost	(5)
	<hr/>
Loss before income tax	(138,626)
Income tax credit	8,887
	<hr/>
Loss for the year	(129,739)
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**As at
31 December
2019
RMB'000**

(c) Assets and liabilities:

Property and equipment	835
Right-of-use assets	36,950
Trade receivables	1,126
Prepayments and other receivables	2,802
Derivative financial instrument	80,200
Trade payables	(95)
Other payables and accruals	(33,853)
Contract liabilities	(5,295)
Lease liabilities	(46,696)
	(46,696)

(d) Commitments and contingent liabilities in relation to Beijing Xigua and its operations

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities in relation to Beijing Xigua and its operations as at 31 December 2019.

(e) Related party transactions and disclosures in relation to Beijing Xigua and its operations

No sufficient evidence has been provided to satisfy ourselves as to the existence, accuracy and completeness of the disclosures of the related party transactions for the year ended 31 December 2019 and balances as at 31 December 2019 in relation to Beijing Xigua and its operations as required by International Accounting Standard 24 (Revised) “Related Party Disclosures”.

3. Certain corporate loan receivables

Corporate loan receivables of RMB99,700,000 in aggregate were granted in 2019 to certain corporate borrowers established in the PRC, against which full impairment loss of RMB99,700,000 had been made for the year ended 31 December 2019.

We were unable to obtain sufficient appropriate audit evidence and reasonable explanation to substantiate the commercial substance and nature of the relevant transactions and the relationship between the Group and these corporate borrowers.

Any adjustments to the figures as described from points 1 to 3 above might have a consequential effect on the Group’s result and cashflows for the years ended 31 December 2019 and 2018, and the financial positions of the Group as at 31 December 2019 and 2018, and the related disclosures thereof in the consolidated financial statements.

EXTRACT OF THE ANNUAL REPORT

Continuing Connected Transactions

A. *Decoration Services Agreement*

On 20 May 2019, Beijing Xigua entered into the Decoration Services Agreement with Beijing Zhongding, pursuant to which Beijing Zhongding agreed to provide decoration services to Beijing Xigua and its subsidiaries and branch companies for a fixed term which commenced on 20 May 2019 and ending on 19 May 2020 (both days inclusive). The decoration services to be provided by Beijing Zhongding to Beijing Xigua and its subsidiaries and branch companies include, but are not limited to, the provision of renovation, decoration and other related services for the VR Stores (the “**Decoration Services**”).

The actual transaction amount paid by Beijing Xigua to Beijing Zhongding pursuant to the Decoration Services Agreement for the period from 26 June 2019 to 31 December 2019 amounted to RMB4.9 million. Based on the terms of the Decoration Services Agreement and the expected level of Decoration Services prior to the expiry of the Decoration Services Agreement, it is expected that the total amount of service fee paid/payable to Beijing Zhongding pursuant to the Decoration Services Agreement will not be more than RMB5.0 million.

As at the date of the Decoration Services Agreement, Beijing Zhongding was owned as to 99.01% by Mr. Yu Shemo, a nephew of Ms. Li Luyi, a former executive director and the former chief executive officer of the Company, whom the Group was unable to contact from late-October to early-November prior her resignation on 7 November 2019. As such, Mr. Yu Shemo is deemed as a connected person of the Company under Rule 14A.21 of the Listing Rules.

For details of this transaction, please refer to the announcement of the Company dated 16 April 2020.

B. *Strategic Cooperation Framework Agreement*

On 5 September 2019, the Group entered into the Strategic Cooperation Framework Agreement with KongZhong Corporation, pursuant to which the Group has agreed to offer and KongZhong Group has agreed to procure the VR Experience Services, in consideration of the fees payable by KongZhong Group to the Group. The Strategic Cooperation Framework Agreement is for a term commencing from 5 September 2019 and ending on 31 December 2021.

For the year ended 31 December 2019, the aggregate amount of revenue recognized by the Group under the Strategic Cooperation Framework Agreement amounted to RMB197,000. It was estimated that the aggregate amount of fees to be received by the Group under the Strategic Cooperation Framework Agreement for the year ending 31 December 2020 and 2021 will not exceed RMB15,000,000 and RMB15,000,000 respectively. By entering into the Strategic Cooperation Framework Agreement, the Group would be able to formulate a stable partnership with KongZhong Group for the purpose of creating synergies that are beneficial for all the parties involved.

As KongZhong Corporation was a substantial Shareholder and therefore a connected person of the Company, the entering into of the Strategic Cooperation Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For details of this transaction, please refer to the announcements of the Company dated 5 September 2019 and 18 September 2019 respectively.

Save as disclosed above and in the section headed “Report Directors — Contractual Arrangement — H. Chapter 14A Implications” in this report, during the year ended 31 December 2019, no related party transactions disclosed in note 44 to the Financial Statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.55 of the Listing Rules, the Independent Non-executive Directors must review the continuing connected transactions every year and to give relevant confirmations in the annual report in respect of the continuing connected transactions.

As stated in the announcement of the Company dated 16 April 2020, the Company was not aware that the Decoration Services Agreement would constitute as connected transaction for the Company under the Listing Rules as the agreement was entered into prior to the completion of the acquisition of Beijing Xigua by the Group on 26 June 2019, and Mr. Yu Shemo was not listed on the connected persons list as reported by Ms. Li Luyi at the time when Ms. Li Luyi became the Group’s connected person. Further, no attention was drawn to the Company by Mr. Yu Shemo in relation to his relationship with Ms. Li Luyi. on 13 April 2020, the Board was notified of the relationship between Mr. Yu Shemo and Ms. Li Luyi by the management of the Company during the process of an internal review on the operation of Beijing Xigua. Accordingly, the Former Independent Non-executive Directors did not conduct an annual review on the Decoration Services Agreement and the transactions contemplated thereunder pursuant to 14A.55 of the Listing Rules.

Nevertheless, the Company will implement the following measures to pro-actively prevent any similar incidence from occurrence in the future, including:

- (a) conducting a detailed review of the existing list of connected persons as currently maintained by the Company and to ensure that the list will be reviewed and confirmed periodically, and all newly joined directors and/or senior management shall be briefed clearly as to the definition and requirement relating to the entering of connected transactions with the Company and proactively assist the Company to compile and update the list of connected persons from time to time;
- (b) enhancing training on the Listing Rules and other relevant laws and regulations to the managerial staff of the Group who may be involved in handling transactions of the Group; and
- (c) establishing a committee, comprising primarily the senior legal counsel and officers in compliance, legal and finance departments of the Group, to review all proposed transactions, as contemplated under Chapters 14 and 14A of the Listing Rules, of the Group and ensure a cross check procedure is in place and strictly observed, and to closely liaise with the company secretary department of the Company as to any actions required to be taken in order to ensure compliance.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditors were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules:

Basis for Disclaimer of Conclusion

Ms. Li Luyi, the former executive director and chief executive officer of the Company, was responsible for the management and operation of Beijing Xigua prior to her loss of contact from late October to early November 2019 and her resignation on 7 November 2019. Accordingly, the auditors were unable to obtain sufficient appropriate evidence to satisfy themselves as to believe that whether the above disclosed continuing connected transactions have been approved by the Company's board of directors, complied with the pricing policies of the Group, entered into in accordance with the relevant agreements governing such transactions, and exceeded the annual cap as set by the Company. There are no other satisfactory procedures that the auditors could adopt to provide a conclusion on the above disclosed continuing connected transactions.

Disclaimer of Conclusion

Because of the significance of the matter described in the Basis for Disclaimer of Conclusion section, the auditors have not been able to obtain sufficient appropriate evidence to form a conclusion on the above disclosed continuing connected transactions.

A copy of the auditor's letter on the continuing connected transactions of the Group for the year ended 31 December 2019 has been provided by the Company to the Stock Exchange.

OTHER INFORMATION

Closure of Register of Members

The register of members of the Company will be closed from Friday, 25 September 2020 to Wednesday, 30 September 2020, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 30 September 2020. All transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 24 September 2020.

Audit and Compliance Committee

The audit and compliance committee of the Company has reviewed together with the Board and the external auditor the accounting standards and practices adopted by the Group and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

Publication of the 2019 Annual Report

The 2019 Annual Report containing all the information required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") will be despatched to the Company's shareholders and published on the websites of the Stock Exchange and the Company on 28 August 2020.

By order of the Board
Forgame Holdings Limited
ZHANG Qiang
Chairman

Hong Kong, 28 August 2020

As at the date of this announcement, the executive director of the Company is Mr. HAN Jun; the non-executive directors of the Company are Mr. ZHANG Qiang and Ms. LIANG Na; the independent non-executive directors of the Company are Mr. WANG Dong, Mr. WONG Chi Kin and Mr. CUI Yuzhi.