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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: 484)

INSIDE INFORMATION POSITIVE PROFIT ALERT

This announcement is made by Forgame Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) 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 2021 (the “**Reporting Period**”) and the latest information available to the Board, the Group is expected to record a profit for the period in the amount of approximately RMB13 million, as compared to the loss for the period of approximately RMB28 million in the same period of last year. Such expected turnaround of the Group’s results is mainly attributable to the following factors:

- (i) due to the disposal of Beijing Xigua Huyu Technology Co., Ltd. which was completed in December 2020, the Group is expected to record a substantial year-on-year decrease in loss from discontinued operation in the amount of approximately RMB22 million;
- (ii) a year-on-year reduction in administrative expenses of approximately RMB10 million, due to the Group’s active cost control measures to improve operating efficiency;
- (iii) a reversal of impairment of financial assets measured at amortised cost of HK\$10.4 million (equivalent to approximately RMB9 million) recognised during the Reporting Period, due to the recovery of previously impaired loans granted to six corporate borrowers located in Changchun;
- (iv) a year-on-year increase in other gains – net of approximately RMB10 million, which was mainly comprised of gains recognised from the Group’s fair value investments and dilution of investment in an associate; and

- (v) the above-mentioned factors were partially offset by a decrease in gross profit recognised from the Group's continuing operations during the Reporting Period. The Group is expected to recognise gross profit of approximately RMB10 million for the Reporting Period, representing a year-on-year decrease of approximately RMB6 million.

The Company is in the process of finalising the 2021 interim results of the Group. The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the Reporting Period and information currently available to the Board, which has not been reviewed or audited by the independent auditors and the audit and compliance committee of the Company, and may be subject to amendments and adjustments. Details of the 2021 interim results of the Group is expected to be announced by the end of August 2021.

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

By order of the Board
Forgame Holdings Limited
CUI Yuzhi
Chairman

Hong Kong, 30 July 2021

As at the date of this announcement, the executive directors are Mr. HAN Jun, Mr. DIAO Guoxin and Mr. ZHU Liang; the non-executive directors are Mr. ZHANG Qiang and Mr. CUI Yuzhi; the independent non-executive directors are Mr. WANG Dong, Mr. WONG Chi Kin and Mr. LU Xiaoma.