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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)

POSITIVE PROFIT ALERT

This announcement is made by Forgame Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, 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 of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the information currently available to the Board and a preliminary assessment of the Group’s unaudited consolidated management accounts for the four months ended 30 April 2018 (the “**Management Accounts**”), the Group is expected to improve its financial performance and to achieve a net profit ranging from approximately RMB25.0 million to RMB35.0 million for the six months ending 30 June 2018, as compared to a net loss of approximately RMB17.7 million for the corresponding period in 2017. In particular:

1. The Group is expected to achieve an operational profit ranging from approximately RMB15.0 million to RMB22.0 million for the six months ending 30 June 2018, compared to an operational loss of the Group of approximately RMB15.8 million for the same period in 2017. This is attributable to:
 - a. the continuous development and enhancement of our capabilities in big data analytics, enabling a stable development of the Group’s fintech business; and
 - b. the continuous improvement in expense management and the optimisation of allocation of internal resources, increasing the Group’s overall operational efficiency.

2. The Group also expects an investment gain ranging from approximately RMB10.0 million to RMB13.0 million for the six months ending 30 June 2018, compared to an investment loss of approximately RMB1.9 million for the same period in 2017. The improvement in investment performance is mainly attributable to the gain arising from the organic growth of the businesses of the investees as they are being recognised in the market, as well as a gain on dilution of investment accounted for using the equity method due to the increase in valuation of investment as a result of a fund raising activity carried out by the investee.

As disclosed in the 2017 annual report, the Group had successfully regained profitability in 2017. The expected improvements in the operational profits and investment gains of the Group for the six months ending 30 June 2018 compared with the same period in 2017 and the development of the fintech business and game business being in line with the Group's plans have further supported the continuous effectiveness of the Group's strategy. The Board expects that the Group will continue to develop and enhance its strategic plans on big data analytics and to explore opportunities in artificial intelligence, in order to optimise its core competencies and continue to create value for its shareholders.

It should be noted that the first half of 2018 has not yet passed, and also the Company has yet to finalise the interim results of the Group for the six months ending 30 June 2018. The information contained in this announcement is only based on the information currently available to the Board and the Board's preliminary assessment of the Management Accounts and is subject to the Group's performance in May and June 2018, all of which require further review by and discussions with the Company's auditors and the audit and compliance committee of the Board. As such, the actual interim results of the Group for the six months ending 30 June 2018 may differ from what is disclosed in this announcement. Shareholders and potential investors of the Company are therefore advised to read carefully the interim results announcement of the Company for the six months ending 30 June 2018, which is expected to be published in late August 2018.

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

By order of the Board
Forgame Holdings Limited
WANG Dongfeng
Chairman

Hong Kong, 19 May 2018

As at the date of this announcement, the executive directors of the Company are Mr. WANG Dongfeng, Ms. LIANG Na and Mr. ZHANG Yang; the non-executive director of the Company is Mr. ZHANG Qiang; the independent non-executive directors of the Company are Mr. HOW Sze Ming, Ms. POON Philana Wai Yin and Mr. ZHAO Cong Richard.