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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)

**SHARE TRANSACTION
INVESTMENT OF 19.99% EQUITY INTEREST IN THE TARGET
AND THE ISSUE OF
CONSIDERATION SHARES UNDER GENERAL MANDATE**

THE INVESTMENT

On 16 January 2019 (after trading hours), the Investor entered into the Investment Agreement and the Shareholders' Agreement, pursuant to which the Investor agreed to acquire the Sale Interest representing approximately 19.99% of the equity interest in the Target at the aggregate Consideration of RMB22,598,870 through (a) subscription of increase in registered capital in the Target and (b) acquisition of equity interest in the Target from the Vendor.

The Consideration shall be settled (i) as to RMB13,000,000 in cash in relation to the Subscription; and (ii) as to RMB9,598,870 by the Company allotting and issuing Consideration Shares under the General Mandate in relation to the Acquisition.

1,851,568 new Shares will be allotted and issued to the Vendor or its nominee(s) at the Issue Price of HK\$6.02 as the Consideration Shares. The Consideration Shares represent approximately 1.35% of the issued share capital of the Company as at the date of this announcement and approximately 1.33% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios in respect of the Investment do not exceed 5% and part of the consideration for the Investment is to be satisfied by the allotment and issue of Consideration Shares, the Investment constitutes a share transaction under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

As completion of the Investment is subject to the satisfaction of certain conditions precedent set out in the Investment Agreement, the Investment may or may not proceed to completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

INTRODUCTION

On 16 January 2019 (after trading hours), the Investor entered into the Investment Agreement and the Shareholders' Agreement, pursuant to which the Investor agreed to acquire the Sale Interest representing approximately 19.99% of the equity interest in the Target at the aggregate Consideration of RMB22,598,870 through (a) subscription of increase in registered capital in the Target and (b) acquisition of equity interest in the Target from the Vendor.

PRINCIPAL TERMS OF THE INVESTMENT AGREEMENT

The principal terms of the Investment Agreement are set out as follows:

Date

16 January 2019

Parties

- (1) the Target;
- (2) the Vendor;
- (3) Beijing Chengxitong;
- (4) KongZhong China;
- (5) KongZhong Xintong;
- (6) KongZhong Corporation;
- (7) Mr. Wang;
- (8) the Company; and
- (9) the Investor.

As at the date of this announcement, KongZhong Corporation holds approximately 6.99% interest in the Company. Excluding the Investor, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the parties above and their ultimate beneficial owners is an Independent Third Party.

Subject matter

Subscription in the Target

Pursuant to the Investment Agreement, the Investor shall subscribe for RMB8,829,300 in new registered capital in the Target at the Subscription Consideration, such that the registered capital of the Target shall increase from RMB67,918,000 to RMB76,747,300. After completion of the Subscription, the Investor shall hold 11.50% of the equity interest of the Target.

Acquisition of Target's Equity Interest from the Vendor

Pursuant to the Investment Agreement, following the Subscription, the Investor shall acquire 8.49% of the equity interest in the Target (corresponding to RMB6,519,400 in paid-up registered capital of the Target) from the Vendor at the Acquisition Consideration. After completion of the Acquisition, the Investor shall hold approximately 19.99% of the equity interest of the Target.

Consideration

The Consideration shall be settled (i) as to RMB13,000,000 in cash in relation to the Subscription; and (ii) as to RMB9,598,870 by the Company allotting and issuing Consideration Shares under the General Mandate in relation to the Acquisition.

1,851,568 new Shares will be allotted and issued to the Vendor or its nominee(s) at the Issue Price of HK\$6.02 as the Consideration Shares. Based on the closing price of HK\$3.91 per Share as quoted on the Stock Exchange on the date of this announcement, the aggregate market value of the Consideration Shares is approximately HK\$7,239,631.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations among the parties to the Investment Agreement. In determining the Consideration, the Directors considered, among other things, (i) the financial conditions and business prospects of the Target, as well as (ii) a valuation of the 100% equity value of the Target, being RMB114,062,000 (excluding the capital injection to be made under the Subscription) and RMB127,062,000 (including the capital injection to be made under the Subscription) as of 31 October 2018, prepared on the basis of fair value by Avista Valuation Advisory Limited, an independent third party valuer, using the market approach on the enterprise value based on valuation multiples of comparable companies which primarily engage in similar business as the Target with publicly available financial information.

Conditions Precedent

Completion shall be subject to the satisfaction of certain Conditions Precedent, which are summarized below:

1. the representations and warranties given by the Target, existing shareholders of the Target and KongZhong Group being true and accurate;
2. no litigation proceedings in relation to members of the Target Group, Beijing Chengxitong, the Vendor and KongZhong Group;
3. no material adverse change in relation to members of the Target Group, Beijing Chengxitong, the Vendor and KongZhong Group;
4. each member of the Target Group has been legally incorporated and validly existing and in good standing;
5. each member of the Target Group conducts its business in compliance with regulatory requirements;
6. the Target, Beijing Chengxitong, the Vendor and KongZhong Group having materially performed pre-completion undertakings pursuant to the Investment Agreement;
7. the Investor being satisfied with the results of the due diligence review of the Target Group;
8. the existing shareholders of the Target having surrendered their pre-emptive rights and right of first refusal in relation to the Target;
9. the Target, existing shareholders of the Target, KongZhong Group and the Investor having obtained relevant consents and approvals in relation to the Investment, as the case may be;
10. transaction documents in relation to the Investment Agreement have been validly signed and become effective, and there being no breach of such documents;
11. the Target having settled payment for, or have entered into payment arrangements in relation to, certain outstanding accounts payables and accounts receivables;
12. the Target having obtained a license to use certain intellectual property rights or implemented such other measures as is satisfactory to the Investor;
13. the Target, existing shareholders of the Target, and KongZhong Group procuring certain key employees of the Target to enter into employment agreements with a term of not less than 3 years and into non-competition agreements;
14. the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares; and
15. the Target, existing shareholders of the Target and KongZhong Group providing written confirmation that the Conditions Precedent are satisfied.

In the event that the above Conditions Precedent are not fulfilled or waived by the Investor within 90 days of the signing of the Investment Agreement, the Investor has no obligation to fulfill its Investment obligations under the Investment Agreement.

Completion of the Investment

Upon satisfaction of the Conditions Precedent (or waived by the Investor), the Target and its existing shareholders shall issue to the Investor a written confirmation in relation to satisfaction of Conditions Precedent and a written request for payment in relation to the Subscription. The Investor shall pay the Subscription Consideration to the Target within 30 business days of such confirmation and request.

Upon satisfaction of the Conditions Precedent (or waived by the Investor), the Vendor shall issue to the Investor a written notification in relation to payment for the Acquisition. The Investor shall issue the Consideration Shares within 60 business days of such notification (or such other date as agreed by the parties).

Following the completion of the Investment, the Company will hold approximately 19.99% of the equity interest in the Target. The Target will not become a subsidiary of the Company and its financial statements will not be consolidated into those of the Group.

The shareholding structures of the Target before and after completion of the Investment are set out as below:

Before completion of the Investment:

Shareholders of the Target	Paid-up registered capital RMB	Approximate %
Beijing Chengxitong	57,416,000	84.54
The Vendor	<u>10,502,000</u>	<u>15.46</u>
Total	<u><u>67,918,000</u></u>	<u><u>100</u></u>

Upon completion of the Investment:

Shareholders of the Target	Paid-up registered capital RMB	Approximate %
Beijing Chengxitong	57,416,000	74.81
The Investor	15,348,700	19.99
The Vendor	<u>3,982,600</u>	<u>5.2</u>
Total	<u><u>76,747,300</u></u>	<u><u>100</u></u>

PRINCIPAL TERMS OF THE SHAREHOLDERS' AGREEMENT

The principal terms of the Shareholders' Agreement are set out as follows:

Date

16 January 2019

Parties

- (1) the Target;
- (2) the Vendor;
- (3) Beijing Chengxitong;
- (4) KongZhong China;
- (5) KongZhong Xintong;
- (6) KongZhong Corporation;
- (7) Mr. Wang; and
- (8) the Investor.

Subject matter

Pursuant to the Shareholders' Agreement:

Corporate Governance

The Target shall have one executive director and one supervisor, to be nominated by the shareholders of the Target, and appointed by a vote of the shareholders.

Liquidation and sale of assets

Upon a liquidation, dissolution or other wind-up event of the Target, the Investor shall have priority to receive from remaining Target assets an amount being (i) the Consideration amount as well as any accrued or declared but unpaid dividends that the Investor is entitled to arising from the Sale Interest and (ii) remaining Target assets proportional to the Sale Interest. Upon the Target conducting a sale or transfer in relation to material assets, business and intellectual property or resulting in a change of control, the proceeds of such a sale or transfer shall be distributed to the shareholders in proportion to their shareholdings.

Exit right

If the Target, its existing shareholders or KongZhong Group is in substantial violation of rules and regulations or transaction documents to the Investment, the Investor may request them to repurchase all or part of the Investor's equity interest in the Target, at a price proportional to the Consideration and accrued and undistributed dividends at the time.

Anti-dilution and other rights in relation to transfers

The Investor shall enjoy anti-dilution rights, rights to subscribe for new issuances of capital by the Target, as well as rights of first refusal and tag-along rights in relation to a proposed sale of the Target's shares.

The Investor shall not transfer its shares in the Target to a competitor of the Target without the consent of the existing shareholders and KongZhong Group.

Dividend rights

Shareholders of the Target shall receive dividends based on their respective shareholding proportions.

Information rights

The Investor has rights to obtain the financial information of the Target Group and inspection rights over the Target.

ISSUE OF CONSIDERATION SHARES UNDER THE GENERAL MANDATE

As stated above, 1,851,568 new Shares will be allotted and issued to the Vendor or its nominee(s) at the Issue Price of HK\$6.02 as the Consideration Shares.

The Consideration Shares represent approximately 1.35% of the issued share capital of the Company as at the date of this announcement and approximately 1.33% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Consideration Shares will rank pari passu in all respects with each other and with the Shares in issue at the time of issue of the Consideration Shares. There are no restrictions which apply to the subsequent sale of the Consideration Shares.

The Issue Price of HK\$6.02 represents:

1. a premium of approximately 53.96% to the closing price of HK\$3.91 per Share as quoted on the Stock Exchange on 16 January 2019, being the date of the Investment Agreement;
2. a premium of approximately 51.26% to the average closing price of HK\$3.98 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Investment Agreement; and
3. a premium of approximately 26.39% to the average closing price of HK\$4.76 per Share as quoted on the Stock Exchange for the 20 trading days immediately prior to the date of the Investment Agreement.

The Issue Price was determined between the Group and the Vendor based on the following considerations: (1) the current market price is below the Company's net asset value per Share; (2) the Vendor's confidence in the Group's future development and performance.

The Consideration Shares shall be issued by the Company under the General Mandate. At the annual general meeting of the Company held on 25 May 2018, the General Mandate was granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with up to 27,649,807 new Shares, being 20% of the number of issued Shares as at the date of passing of the resolution by the Shareholders in relation to the General Mandate.

No Shares have been issued under the General Mandate as at the date of this announcement.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

INFORMATION OF THE PARTIES

The Group

The Company is an investment holding company. The Group is principally engaged in developing and publishing domestic and overseas webgames and mobile games as well as providing financial information service and internet micro-credit service in the PRC. The Investor is a company established under the laws of the PRC and is principally engaged in the development and operation of webgames and mobile games. The Investor's financial results are consolidated and accounted for as a subsidiary of the Company by virtue of the Feidong Contractual Arrangements (for details, please refer to the 2018 interim report of the Company).

Beijing Chengxitong

Beijing Chengxitong is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in providing computer system services and organizing cultural exchange activities.

KongZhong China, KongZhong Xintong, KongZhong Corporation

KongZhong China is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in developing computer software and providing integrated technical advisory services of computer systems.

KongZhong Xintong is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in developing and producing computer software and developing information systems and computer network products.

KongZhong Corporation is a company incorporated under the laws of the Cayman Islands with limited liability. It is an investment holding company.

The Vendor

The Vendor is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in publication of internet games.

The Target

The Target is a company established in 2015 under the laws of the PRC with limited liability. The Target and its subsidiaries are principally engaged in hosting and organizing e-sports competitions, including through establishment of e-sports competition stadiums, and production and distribution of televised and online shows and programs of e-sports competitions.

The Target is owned as to approximately 84.54% and 15.46% respectively by Beijing Chengxitong and the Vendor. According to certain contractual arrangements, Beijing Chengxitong and the Vendor are wholly controlled by KongZhong Xintong and KongZhong China respectively. Both KongZhong Xintong and KongZhong China are owned as to 100% by KongZhong Corporation.

Based on the unaudited consolidated financial statements of the Target for the financial years ended 31 December 2016 and 2017 and ten months ended 31 October 2018, prepared in accordance with PRC GAAP, the unaudited profit before taxation and profit after taxation of the Target are set out below:

	For the years ended 31 December		For the ten
	(unaudited)		months ended
	2016	2017	31 October
	<i>RMB</i>	<i>RMB</i>	(unaudited)
			2018
			<i>RMB</i>
Profit/(Loss) before taxation	(11,301,913)	(19,610,102)	(22,930,261)
Profit/(Loss) after taxation	(11,301,913)	(19,775,778)	(22,930,261)

Based on the unaudited consolidated financial statements of the Target prepared in accordance with PRC GAAP, the net assets of the Target as at 31 October 2018 is approximately RMB46.8 million.

Mr. Wang

Mr. Wang Leilei, a resident of the PRC, is the de facto controller of KongZhong Corporation.

REASONS FOR AND BENEFITS OF THE INVESTMENT

In the view of the Target's business, in entering into the Investment, the following points have been taken into consideration by the Directors:

- (1) The Target is operating a newly established business. The cash burn rate for a new business is usually higher in the early years when the business is seeking to grow and expand, and the return is usually enjoyed in the mature stage of the business;
- (2) The Target has completed construction of 3 e-sports competition stadiums in Tianjin, Gui'an, and Hangzhou with partners during 2018, which accounted for a portion of the Target's stadium costs and expenses. The related costs and expenses will be reduced since construction has completed and the new stadiums will be able to generate revenue for the Target;
- (3) With newly built e-sports stadiums, the Target is able to host more competitions in the near term, which should improve its ability to generate revenue;
- (4) According to independent public research, the e-sports market is growing fast in the PRC and worldwide. The e-sports industry generated global revenues of USD493 million in 2016, and this figure increased to USD906 million in 2018. In China, the industry's revenue was RMB41 billion in 2016 and this figure increased to over RMB80 billion in 2018.

The Group believes that the Investment presents an excellent opportunity for the Group to expand and enlarge its existing operations in the online gaming industry. E-sports has become a new type of well recognized sport in the PRC, and its participants are highly overlapping with the target customers of the Group's online gaming business. The Group considers that the Investment is a great opportunity for the Group to expand its online gaming business into the area of e-sports competition. The Group expects to utilize its experience in the operation of online games to help the Target increase its operation efficiency, and also leverage upon synergies between online gaming and e-sports, ultimately creating a self-strengthening business ecosystem, such as by introducing and targeted-marketing new games to e-sports participants or introducing e-sports shows to online gaming players.

Although the Target is currently recording a loss, the Target owns or manages with other parties, 5 e-sports competition stadiums in the PRC, located in Beijing, Tianjin, Gui'an, Hangzhou, and Shenzhen. These stadiums provide the infrastructure for e-sports competitions and the Target has hosted a great number of competitions in the past three years. These competitions will accumulate youth and young adult e-sports consumers and eventually build value for the Target's brand. Meanwhile, the Target has also led the composition of the "National Standards of E-Sports Stadiums", which highlights the Target's excellent reputation and ample experience in the industry.

The Directors (including the independent non-executive Directors) are of the view that the Investment is on normal commercial terms, and such terms are fair and reasonable and that the Investment is in the interests of the Company and its Shareholders as a whole.

EFFECT OF THE ISSUE OF CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company had 137,034,937 Shares in issue. For reference and illustration purposes only, assuming there is no other change in the shareholding structure of the Company, the following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the 1,851,568 Consideration Shares.

Name of Shareholder	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares	
	<i>Number of Shares held</i>	<i>Approximate %</i>	<i>Number of Shares held</i>	<i>Approximate %</i>
Foga Group Ltd. ⁽¹⁾	21,673,338	15.82%	21,673,338	15.61%
GU Wei	11,790,830	8.60%	11,790,830	8.49%
Foga Holdings Ltd. ⁽²⁾	7,763,997	5.67%	7,763,997	5.59%
KongZhong Corporation	9,581,900	6.99%	9,581,900	6.90%
Foga Internet Development Ltd. ⁽³⁾	7,785,700	5.68%	7,785,700	5.61%
YANG Tao ⁽³⁾⁽⁴⁾	1,340,000	0.98%	1,340,000	0.96%
China Create Capital Limited	9,584,000	6.99%	9,584,000	6.90%
The Vendor (or its nominee(s))	0	0%	1,851,568	1.33%
Other Shareholders	<u>67,515,172</u>	<u>49.27%</u>	<u>67,515,172</u>	<u>48.61%</u>
Total	<u>137,034,937</u>	<u>100%</u>	<u>138,886,505</u>	<u>100%</u>

Notes:

- (1) Foga Group Ltd. is wholly owned by Managecorp Limited as the trustee of Wang Trust. Wang Trust is a discretionary trust set up by Mr. WANG Dongfeng, who is its settlor and protector, with Managecorp Limited as trustee on 15 March 2013. The beneficiary objects of Wang Trust include Mr. WANG Dongfeng and certain of his family members. Mr. WANG Dongfeng and Managecorp Limited are taken to be interested in 21,673,338 Shares held by Foga Group Ltd..
- (2) Foga Holdings Ltd. is wholly owned by Managecorp Limited as the trustee of Hao Dong Trust. Hao Dong Trust is a discretionary trust set up by Mr. LIAO Dong, who is its settlor and protector, with Managecorp Limited as trustee on 15 March 2013. The beneficiary object of Hao Dong Trust is Mr. LIAO Dong himself. Mr. LIAO Dong and Managecorp Limited are taken to be interested in 7,763,997 Shares held by Foga Holdings Ltd..
- (3) Foga Internet Development Ltd. is wholly owned by Mr. YANG Tao. Mr. YANG Tao is taken to be interested in the 7,785,700 Shares held by Foga Internet Development Ltd..
- (4) Mr. YANG Tao was granted 1,340,000 restricted share units under the restricted share unit scheme in 2016, 335,000 of which vested on 1 December 2016, 335,000 vested on 1 June 2017, 335,000 vested on 1 December 2017 and 335,000 vested on 1 June 2018.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios in respect of the Investment do not exceed 5% and part of the consideration for the Investment is to be satisfied by the allotment and issue of Consideration Shares, the Investment constitutes a share transaction under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

As completion of the Investment is subject to the satisfaction of certain conditions precedent set out in the Investment Agreement, the Investment may or may not proceed to completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“%”	per cent;
“Acquisition”	the acquisition of equity interest in the Target by the Investor from the Vendor pursuant to the Investment Agreement as set out in the section “Principal Terms of the Investment Agreement — Subject matter”;
“Acquisition Consideration”	RMB9,598,870;
“Beijing Chengxitong”	北京成熙通信息技術有限責任公司 (Beijing Chengxitong Information Technology Co., Ltd.*), a company incorporated with limited liability under the laws of the PRC;
“Board”	the board of Directors;
“Company”	Forgame Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“Conditions Precedent”	the conditions precedent set out in the Investment Agreement, details of which are set out under the paragraph headed “Principal Terms of the Investment Agreement — Conditions Precedent” in this announcement;
“connected persons”	has the meaning ascribed to such term under the Listing Rules;
“Consideration”	the aggregate consideration for the Investment;
“Consideration Share(s)”	the aggregate new consideration Shares to be allotted and issued by the Company to the Vendor (or its nominee(s)) pursuant to the Investment Agreement as part of the Consideration, each a “Consideration Share”;

“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 25 May 2018 to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares up to 20% of the number of issued Shares as at the date of passing of the resolution in relation to such general mandate (being 138,249,037 Shares);
“Group”	collectively, the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	an individual(s) or a company(ies) who or which is(are) independent of the Company and its connected persons;
“Investment”	collectively, the Subscription and Acquisition;
“Investment Agreement”	the investment agreement dated 16 January 2019 entered into by the parties mentioned in the section headed “Principal Terms of the Investment Agreement — Parties”;
“Investor”	廣州維動網絡科技有限公司 (Guangzhou Weidong Internet Technology Co., Ltd.*), a company incorporated with limited liability under the laws of the PRC;
“Issue Price”	HK\$6.02, the issue price for each Consideration Share;
“KongZhong China”	空中(中國)有限公司 (KongZhong (China) Co., Ltd.*), a company incorporated with limited liability under the laws of the PRC;
“KongZhong Corporation”	KongZhong Corporation, a company incorporated with limited liability under the laws of Cayman Islands;
“KongZhong Group”	collectively, KongZhong China, KongZhong Xintong and KongZhong Corporation;
“KongZhong Xintong”	空中信通資訊技術(北京)有限公司 (KongZhong Xintong Information Technology (Beijing) Co., Ltd.*), a company incorporated with limited liability under the laws of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Mr. Wang”	Mr. Wang Leilei, a resident of the PRC, the de facto controller of KongZhong Corporation;
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“PRC GAAP”	generally accepted accounting principles in the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Interest”	the 19.99% equity interest in the Target to be acquired by the Investor pursuant to the Investment Agreement;
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Shareholders’ Agreement”	the shareholders’ agreement dated 16 January 2019 entered into by the parties mentioned in the section headed “Principal Terms of the Shareholders’ Agreement — Parties”;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription in the registered capital of the Target pursuant to the Investment Agreement as set out in the section “Principal Terms of the Investment Agreement — Subject matter”;
“Subscription Consideration”	RMB13,000,000, being the price for the new registered capital of the Target in relation to the Subscription;
“Target”	天津聯盟電競互聯網科技有限公司 (Tianjin LMDJ Internet Technology Co., Ltd.*), a company incorporated with limited liability under the laws of the PRC;
“Target Group”	collectively, the Target and its subsidiaries;
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America;
“Vendor”	上海大承網絡技術有限公司 (Shanghai Dacheng Network Technology Co., Ltd.*), a company incorporated with limited liability under the laws of the PRC.

This announcement contains translations between RMB and HK\$ at the exchange rate of HK\$1 = RMB0.86116. The translations are not representations that the RMB and HK\$ amounts can be or could have been converted at the above rate or any other rate or at all.

By order of the Board
Forgame Holdings Limited
WANG Dongfeng
Chairman

Hong Kong, 16 January 2019

As at the date of this announcement, the executive Directors are Mr. WANG Dongfeng, Ms. LIANG Na and Mr. ZHANG Yang; the non-executive Director is Mr. ZHANG Qiang; the independent non-executive Directors are Mr. HOW Sze Ming, Mr. ZHAO Cong Richard and Mr. WAN Joseph Jason.

* *For identification purpose only*