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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)

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS,
CHANGE OF CHAIRMAN AND AUTHORISED REPRESENTATIVE, AND
RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

With effect from 27 April 2020:

- (1) Mr. Wang was appointed as an INED;
- (2) Mr. Wong was appointed as an INED;
- (3) Mr. Han resigned as the Chairman and the Authorised Representative but remains as an executive Director and chief executive officer of the Company; and
- (4) Mr. Zhang, an existing non-executive Director, member of each of the Audit and Compliance Committee of the Company and Remuneration Committee of the Company, was appointed as the Chairman and an Authorised Representative.

On 29 April 2020, Mr. How, Mr. Wan and Mr. Zhao synchronously tendered their respective resignation as INEDs, all effective on 30 April 2020, with baseless criticism issued to the Company and copied to the Stock Exchange. The Board is of the view that their resignation is in the best interest of the Company, and dismisses their criticism as impetuous and petty.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of Forgame Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that with effect from 27 April 2020, each of Mr. Wang Dong (“**Mr. Wang**”) and Mr. Wong Chi Kin (“**Mr. Wong**”) was appointed by the Board as an independent non-executive Director (“**INED**”) during a Board meeting convened by Mr. Han Jun (“**Mr. Han**”) pursuant to article 129 of the articles of association (“**Articles**”) on 21 April 2020 and held on 27 April 2020 (the “**Board Meeting**”).

The biographical details of Mr. Wang and Mr. Wong (the “**New INEDs**”) and other information to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) are set out below:

Wang Dong (王棟)

Mr. Wang, aged 42, currently the member of executive committee of Soochow Securities (International) Financial Holdings Ltd, has extensive banking and securities business experience and has worked in various financial institutions in Mainland China and Hong Kong. During his time in Hong Kong, Mr. Wang worked in BOCOM International Holdings Limited from 2011 to 2019 with his last position as deputy general manager of BOCOM International Securities Limited; and acted as the non-executive director of China Kingstone Mining Holdings Limited (stock code: 1380) in 2013.

Mr. Wang obtained a bachelor degree in economics and a bachelor degree in laws from Zhongnan University of Economics and Law, a master’s degree in economics from Zhongnan University of Economics and Law and an executive master of business administration degree from China Europe International Business School.

Mr. Wang will enter into a service agreement with the Company to be further considered at the Remuneration Committee, and to be approved by the Board.

Save as disclosed above, as at the date of this announcement, Mr. Wang (i) does not hold any other positions with any members of the Group; (ii) does not, nor did he in the past three years, hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments and professional qualifications; (iii) does not have any relationships with any other Directors, senior management or substantial or controlling shareholders of the Company; and (iv) does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Wang has confirmed his independence and the Company considers Mr. Wang to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

Mr. Wong Chi Kin (黃志堅)

Mr. Wong, aged 46, has over 24 years of banking and finance experience in international investment banks and commercial banks such as UBS and Morgan Stanley, ING Bank and Bank of China, as well as various listed companies in Hong Kong. Since March 2017, Mr. Wong has been a non-executive director of Asiaray Media Group Limited, whose shares are listed on Main Board of the Stock Exchange (stock code: 1993). Besides, Mr. Wong was appointed as an independent non-executive director of Tsui Wah Holdings Limited (“**Tsui Wah**”), whose shares are listed on Main Board of the Stock Exchange (stock code: 1314), on 5 November 2012 and was re-designated as a non-executive director of Tsui Wah on 1 November 2016.

From July 2018 to July 2019, Mr. Wong was an independent non-executive director of Shenzhou Space Park Group Limited (in liquidation) (“**Shenzhou Space**”), mainly responsible for providing independent advice to Shenzhou Space on listing resumption. The shares of Shenzhou Space were listed on Main Board of the Stock Exchange (stock code

692) and delisted in December 2019. Moreover, in January 2020, a winding-up order was made by the High Court of Hong Kong against Shenzhou Space. Mr. Wong was also the chief financial officer of various listed companies in Hong Kong. From October 2014 to October 2018, Mr. Wong was the chief financial officer of Orient Victory Travel Group Company Limited, whose shares are listed on Main Board of the Stock Exchange (stock code: 265). From September 2011 to October 2014, Mr. Wong was the chief financial officer of China Qinfa Group Limited, whose shares are listed on Main Board of the Stock Exchange (stock code: 866).

Mr. Wong obtained a Bachelor of Science (Honours) degree in finance from City University of Hong Kong in 1996, a master's degree in practicing accounting from Monash University, Australia in 2001, an executive master of business administration degree from The Chinese University of Hong Kong in 2010. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of CPA Australia and an associate member of The Hong Kong Institute of Directors.

Mr. Wong will enter into a service agreement with the Company to be further considered at the Remuneration Committee, and to be approved by the Board.

Save as disclosed above, as at the date of this announcement, Mr. Wong (i) does not hold any other positions with any members of the Group; (ii) does not, nor did he in the past three years, hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments and professional qualifications; (iii) does not have any relationships with any other Directors, senior management or substantial or controlling shareholders of the Company; and (iv) does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Wong has confirmed his independence and the Company considers Mr. Wong to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

Nomination Committee's View

Pursuant to the terms of reference of the nomination committee of the Company (the "**Nomination Committee**") as adopted on 1 January 2019, the duties of the Nomination Committee shall include, among others, making recommendations to the Board on the appointment of Directors.

The appointment of the New INEDs was considered by the Nomination Committee, which resolved to recommend to the Board not to accept the appointment nomination of the New INEDs for the following reasons:

1. The number of INEDs already satisfies the minimum requirements of Rule 3.10 of the Listing Rules; and
2. the existing Board and its independent investigation committee (the "**Independent Investigation Committee**") have covered significant works in many areas, and adding INEDs at this time could have impacts on the progress of their works.

During the Board Meeting, members of the Nomination Committee admitted that they had not even contacted Mr. Wang or Mr. Wong to understand their background. The Chairman reprimanded the members of the Nomination Committee for their dereliction of duty when arriving at their recommendation.

Upon the failure (deliberate or otherwise) of the Nomination Committee to carry out its duty with the minimum standard of care expected from it, the Board was left with no choice but to consider the appointment of the New INEDs pursuant to article 99(3) of the Articles. During the Board Meeting, the Board considered and appraised the profiles and experiences of the New INEDs, and heard presentation made by each of them. Having considered that (i) each of the New INEDs satisfied the independence requirement under Rule 3.13 of the Listing Rules; (ii) any Director of the Board has the right to nominate new director candidates; (iii) each of the existing INEDs was on the Board when matters under investigation by the Independent Investigation Committee are being conducted by the existing INEDs who could have been involved in the relevant transactions; and (iv) the appointment of the New INEDs will ensure the independence of the Independent Investigation Committee in handling the relevant investigation, the appointment of the New INEDs was approved by the majority vote of the Board.

The Board solemnly condemns the behavior of the Nomination Committee members, and is undeterred in quashing any attempt of any committee it formed under Article 122 to randomly and recklessly preempt the Board.

On 27 April 2020, the Board unanimously approved the appointment of the New INEDs as a member of the Independent Investigation Committee, comprising Mr. Zhang Qiang, a non-executive Director, and Mr. How Sze Ming (“**Mr. How**”), Mr. Zhao Cong Richard (“**Mr. Zhao**”) and Mr. Wan Joseph Jason (“**Mr. Wan**”), all being the Resigning INEDs (as defined below).

CHANGE OF CHAIRMAN AND AUTHORISED REPRESENTATIVE

The Board further announces that with effect from 27 April 2020, Mr. Han has resigned as the chairman of the Board (the “**Chairman**”) and the authorised representative of the Company under Rule 3.05 of the Listing Rules (the “**Authorised Representative**”) due to personal reasons, but remains as an executive Director and chief executive officer of the Company.

Mr. Han has confirmed that he has no disagreement with the Board and that there is no matter relating to his resignation as the Chairman and the Authorised Representative that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange.

Following the resignation of Mr. Han as the Chairman and the Authorised Representative, Mr. Zhang Qiang (“**Mr. Zhang**”), an existing non-executive Director, member of each of the audit and compliance committee of the Company and remuneration committee of the Company, has been appointed as the Chairman and the Authorised Representative in place of Mr. Han with effect from 27 April 2020.

The biographical details of Mr. Zhang are set out below:

Mr. Zhang Qiang (張強)

Mr. Zhang, aged 44, appointed as a non-executive Director on 24 May 2016, is currently a vice president and the chief financial officer of TPV Technology Limited.

Mr. Zhang was a vice president of Unisplendour Technology (Holdings) Limited, a company whose shares are listed on the Main Board (stock code: 00365). Mr. Zhang was the managing director of China Great Wall Computer (Hong Kong) Holding Limited, a vice president of investment and overseas business of China Great Wall Computer Shenzhen Company Limited (a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000066.sz)).

Mr. Zhang graduated from the University of International Business and Economics with a bachelor degree in economics, followed by an executive master of business administration degree from China Europe International Business School.

Mr. Zhang has been a member of the Audit and Compliance Committee and the Remuneration Committee of the Company since 24 May 2016.

Mr. Zhang has entered into a service agreement with the Company for a term of three years from 24 May 2019 to 23 May 2022 unless terminated by not less than 30 days' notice in writing served by either party to the other, or his appointment is renewable by mutual agreement between Mr. Zhang and the Company. Mr. Zhang is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the articles of association of the Company. According to his service agreement, Mr. Zhang is entitled to an annual remuneration of US\$80,000, which was determined with reference to his duties and responsibilities, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed above, as at the date of this announcement, Mr. Zhang (i) does not hold any other positions with any members of the Group; (ii) does not, nor did he in the past three years, hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments and professional qualifications; and (iii) does not have any relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Zhang is interested in 93,333 shares of the Company granted to him pursuant to the restricted share unit scheme of the Company. Save as disclosed above, Mr. Zhang does not have any other interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of other information relating to the appointment of Mr. Zhang as the Chairman and the Authorised Representative which shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board is pleased to inform shareholders that Mr. Chao, Mr. How and Mr. Wan tendered their resignation as INEDs on 29 April 2020 with effect from 30 April 2020 (“**Resigning INEDs**”). Each of the Resigning INEDs issued criticisms in their synchronously tendered resignation letters, and copied the same to the Stock Exchange. The Board found their complaints groundless and baseless. The Board confirms that the Board Meeting was convened and conducted strictly according to the Articles.

Whilst the Board disagrees with all the baseless criticism of the Resigning INEDs, their criticism is recited below together with our responses, in order to maintain transparency in the Company’s corporate governance.

Mr. How cited the primary reasons of his resignation as follows:

- “(1) in view of the recent appointment of two additional independent non-executive directors to the board of directors of the Company (the “**Board**”), a decision that was made against the recommendation of the nomination committee of the Company and all of the independent non-executive directors of the Company, as well as the appointment of the two new independent non-executive directors to the Independent Investigation Committee, I can no longer ensure the impartiality and independence of the Independent Investigation Committee and the Board;*
- (2) the refusal of the Board (independent non-executive directors excluded) and management to provide certain information which I have reasonably requested under the Code on Corporate Governance to facilitate the performance of my duties as a director, especially in view of the recent Board meeting where the agenda items were pushed to a vote when the independent non-executive directors’ questions or concerns were not properly addressed, I can no longer ensure that the Board decisions are made and will be made in the best interest of the shareholders of the Company as a whole; and*
- (3) certain existing members of the Board had suggested the new independent non-executive directors to review the prior work and decisions conducted by the Independent Investigation Committee. I can no longer ensure that the work and decisions proposed by the Independent Investigation Committee in the future to be unbiased and in the interest of the shareholders of the Company as a whole.”*

The Board's response to Mr. How's complaints is that:

1. Mr. How must have misunderstood that the Nomination Committee can usurp the power of the Board, which is not the case. His concern that the New INEDs would affect the independence of the Independent Investigation Committee is speculative and unfounded.
2. The Board categorically denies the allegation of Mr. How that agenda items were pushed through without addressing his questions. The Board spent extended time deliberating the questions of Mr. How. Mr. How's objection in this regard was trivial, creating a stalemate in relation to the order of the business on the agenda of the Board Meeting (the "**Agenda**"). He insisted that businesses subsequently added by the company secretarial supervisor to the Agenda "must precede" the businesses originally itemized in the Agenda. When Mr. Han (the then Chairman) explained that new businesses proposed by Directors after the issue of the notice of Board Meeting should only be appended and dealt with after the businesses set out in the original Agenda. Otherwise if any director can simply add one hundred businesses before the original businesses, the new businesses could effectively swamp the original business and render any intended business of a properly convened board meeting unable to be dealt with. Mr. How challenged Mr. Han the legal basis of this logic of following the order of business in the original Agenda. The Board spent approximately 20 minutes on this petty question raised by Mr. How, who remained intransigent and at times lost his temper. Mr. Han finally put the bickering to an end by proceeding with the Board Meeting to deal with the business according to the original Agenda.
3. Mr. How's concern that the New INEDs would affect the independence of the Independent Investigation Committee is speculative and unfounded. It also contradicted Mr. How himself, because he voted in favour of the appointment of the New INEDs to the Independent Investigation Committee.

The Board is also surprised by Mr. How's choice to resign, instead of to remain as an INED, as soon as he encounters a "speculative" difficulty to ensure the impartiality and independence of the Independent Investigation Committee and the Board. The Board expects its INED with any fortitude to uphold the interest of shareholders by staying on the Board when he/she sees that the interest of shareholders may be compromised. The Board certainly hopes Mr. How will not carry this attitude to the board of other listed companies.

Mr. Wan cited the primary reasons of his resignation as follows:

- “(1) in view of the recent appointment of two additional independent non-executive directors, the progress of the independent investigation committee and the remedial steps to be taken as referred to the announcement of the Company dated 23 December 2020 will inevitably be affected and prejudiced, therefore, I consider that the number of independent non-executive directors of the Company is excessive and the board (“**Board**”) of directors of the Company shall be downsized;*
- (2) the complications which will be brought by the said additional independent non-executive directors will inevitably make it far more difficult to continue to discharge the duties and responsibilities as independent non-executive directors in the future; and*
- (3) certain views expressed by me and/or other existing independent non-executive directors have been unreasonably disregarded or ignored;*
- (4) the recent outbreak of COVID-19 has caused me to spend extra time on my other personal commitment and family which renders me unable to further my office as an independent non-executive director of the Company.”*

The Board’s response to Mr. Wan’s complaints is that:

1. Mr. Wan’s view is personal and subjective. Hong Kong Exchanges and Clearing Limited has eleven independent non-executive directors out of a board of twelve. Mr. Wan also voted in favour of the appointment of the New INEDs to the Independent Investigation Committee.
2. The Board is disconcerted by this complaint of Mr. Wan, who advocates only mediocre corporate governance by keeping only a “minimal” number of INEDs.
3. The Board is unable to associate Mr. Wan’s complaint with the incidents where certain views expressed by him and/or other existing INEDs had been unreasonably disregarded or ignored. But if Mr. Wan was referring to the same complaint as Mr. How’s or Mr. Zhao’s, the Board has adequately explained in this announcement the background and the reasons their concerns were handled in a specific manner.
4. We are not in a position to make comments on COVID-19’s effect on Mr. Wan to continue in office as an INED of the Company.

Mr. Zhao cited the primary reasons of his resignation as follows:

- “— *the Chairman having voted for the appointment of two new INEDs notwithstanding the objection of the Nomination Committee, and appointed the two new INEDs to the Independent Investigation Committee by way of votes. As an INED and a member of the Nomination Committee and the Independent Investigation Committee, I cannot ensure the independence of the Independent Investigation Committee;*
- *during the Board Meeting, the opinions and questions of certain INEDs were only noted but not properly addressed, when voting was casted. I am concerned whether such resolutions were fully considered, or for the best interest of shareholders (especially minority shareholders); and*
- *certain directors (other than the three then INEDs) nominated the two INEDs into the Independent Investigation Committee to review its work and the past decisions of the Board. I am unable to assure the future works of the Independent Investigation Committee can be conducted in a fair and unbiased manner, and to seek the best interest of shareholders (especially minority shareholders).”*

The Board’s response to Mr. Zhao’s complaints is that:

1. Mr. Zhao, like Mr. How, must have misunderstood that the Nomination Committee has usurped the power of the Board, which is not the case. Mr. Zhao also despises “voting” as the cornerstone of resolution.

Mr. Zhao proclaims that he cannot ensure the independence of the Independent Investigation Committee. That, is a matter of his will and ability, which the Board refrains from criticizing, as it seems obvious. It also contradicted Mr. Zhao himself, because he voted in favour of the appointment of the New INEDs to the Independent Investigation Committee.

2. The Board categorically denies the allegation of Mr. Zhao that the Agenda items were pushed through without addressing his questions. The Board spent extended time deliberating the questions of Mr. Zhao.

At the Board Meeting, Mr. Zhao defended his recommendation against the nomination of the New INEDs with the following additional explanation at the Board Meeting:

- a. Mr. Wang is acquainted with a substantial shareholder of the Company; and
- b. INEDs should not be proposed by other Directors. He proudly supplemented his argument by informing the Board that he was nominated as an INED by Morgan Stanley. The Board found his own nomination revealing, and his complaint totally incredible.

Mr. Zhao was only silenced on the above complaints when the New INEDs told him that they both signed the confirmation of independence pursuant to Rule 3.13 of the Listing Rules, which had nothing to do with Mr. Zhao's advocacy. Mr. Zhao's objection showed his ignorance of the Listing Rules, and his lack of understanding of the concept of independence.

When confronting such trivial bickering in the Board Meeting for an disproportionate amount of time, Mr. Han decided to end it by proceeding with the business set out in the Agenda.

3. Mr. Zhao's concern that the two new INEDs would affect the independence of the Independent Investigation Committee is speculative and unfounded. Mr. Zhao seems to believe that putting "interest of shareholders (especially minority shareholders)" would amplify the effect of his speculation. The fact is, (i) Mr. Zhao did not even bother to contact the two INEDs to assess their independence, ability and experience, and (ii) the two INEDs have not even begun in the Independent Investigation Committee. The Board is curious about the basis on which Mr. Zhao expresses such conjectural criticism.

The Board is also surprised by Mr. Zhao's choice to resign, instead of to remain as an INED, as soon as he encounters a "speculative" difficulty to ensure the impartiality and independence of the Independent Investigation Committee. The Board expects its INED with any fortitude to uphold the interest of shareholders (especially minority shareholders) by staying on the Board when he/she sees that the interest of shareholders may be compromised. The Board certainly hopes Mr. Zhao will not carry this attitude to the board of other listed companies.

After the synchronized resignation of the Resigning INEDs, the Company no longer complies with Rule 3.10(1) because the number of INED falls below three. The Board itself, instead of an outside investment bank as advocated by Mr. Zhao, will identify a candidate more qualified than the Resigning INEDs to restore the number of INED to three.

The Board is of the view that their resignation is in the best interest of the Company, and dismisses their criticism as impetuous and petty.

Save as disclosed above, the Board is not aware of other information relating to the appointment of each of the New INEDs which shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders and/or the Stock Exchange.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Code provision A.2.1 of the Corporate Governance Code and Corporate Governance Report (the “Code”) contained in Appendix 14 of the Listing Rules stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Upon the above change of Chairman, the roles of the Chairman and chief executive officer of the Company vest in Mr. Zhang and Mr. Han respectively, and the Company will re-comply with code provision A.2.1 of the Code.

By order of the Board
Forgame Holdings Limited
Zhang Qiang
Chairman

Hong Kong, 3 May 2020

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