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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

LEGAL PROCEEDINGS

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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that the Company has been recently informed of a civil complaint (the “**Civil Complaint**”) dated 6 May 2021 filed by Pingxiang Huisheng Industrial Investment Management Co., Ltd.* (萍鄉市匯盛工業投資管理有限公司) (the “**Plaintiff**”) as plaintiff with Jiangxi Pingxiang Intermediate People’s Court* (江西省萍鄉市中級人民法院) against Mr. Ruan Qian (阮謙) (the “**Defendant 1**”), the Company, Mr. Wang Dongfeng (“**Mr. Wang**”, the former executive Director, chairman of the Board and chief executive officer of the Company), and Pingxiang Caizhi Data Technology Co., Ltd.* (萍鄉市財智數據科技有限公司) (the “**Defendant 2**”, together with the Defendant 1, the Company and Mr. Wang, collectively the “**Defendants**”) in relation to a contractual dispute.

Pursuant to the Civil Complaint, the Plaintiff (as the investor) alleged that it and the Defendants entered into a capital injection agreement dated 2 September 2017 (the “**Capital Injection Agreement**”), pursuant to which: (i) the Plaintiff agreed to inject capital in the amount of RMB500 million into the Defendant 2; and (ii) after such capital injection, the Plaintiff would hold as to 20% equity interest in the Defendant 2. Further pursuant to the Capital Injection Agreement, subsequent to the relevant investment period, the Defendant 1 was obliged to purchase the said 20% equity interest from the Plaintiff plus pay the relevant interest to the Plaintiff (the “**Purchase**”), and the Company and Mr. Wang were jointly and irrevocably responsible for the obligation to Purchase.

The Plaintiff alleged that the Defendant 1 failed to complete the Purchase after the relevant investment period and claimed, among others, the following:

1. the Defendant 1 to purchase the 20% equity interest in the Defendant 2 held by the Plaintiff and pay the Plaintiff the outstanding sum of the consideration of the Purchase and the relevant overdue interests, totaling approximately RMB621.5 million calculated as at 6 May 2021;
2. the Defendants to pay the Plaintiff the reasonable costs and expenses in relation to the Civil Complaint and pay the litigation costs; and
3. the Defendant 2, Mr. Wang and the Company to be jointly responsible for the abovementioned payment obligations.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief based on the information currently available, the Company is not connected to the Plaintiff, the Defendant 1 and the Defendant 2, and neither does the Company agree to any of the claims stated in the Civil Complaint. The Company is currently collecting information and seeking legal advice and will take proactive actions to safeguard the Group's interest. The Company is of the view that the above legal proceedings currently do not affect the normal business and operations of the Group. The Company will issue further announcement(s) for any material development of the above legal proceedings as and where appropriate.

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

By order of the Board
Forgame Holdings Limited
ZHANG Qiang
Chairman

Hong Kong, 14 May 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 Director is Mr. ZHANG Qiang; and the independent non-executive Directors are Mr. WANG Dong, Mr. WONG Chi Kin, Mr. CUI Yuzhi and Mr. LU Xiaoma.

** For identification purpose only*