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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)

**COMPLETION OF DISCLOSEABLE TRANSACTION
ACQUISITION OF 69.84% EQUITY INTEREST IN THE TARGET COMPANY
AND
THE ISSUE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE**

Reference is made to the announcements of Forgame Holdings Limited (the “**Company**”) dated 24 April 2019 and 24 May 2019 (the “**Announcements**”) in respect of, inter alia, the Investor’s entering into the Investment Agreement, pursuant to which (i) the Investor agreed to subscribe for 9.30% equity interest in the Target Company in the form of new registered capital for a total consideration of RMB20,000,000; and (ii) the Vendor agreed to sell, and the Investor agreed to acquire, 60.54% equity interest in the Target Company for a total consideration of RMB130,152,857.

Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless stated otherwise.

COMPLETION OF THE INVESTMENT

The Board is pleased to announce that all the conditions precedent set out in the Investment Agreement have been either fulfilled or waived and Completion took place on 26 June 2019 in accordance with the terms and conditions of the Investment Agreement. On 26 June 2019, a total of 22,268,908 Consideration Shares have been allotted and issued to KongZhong at the issue price of HK\$6.876 per Consideration Share, credited as fully paid, pursuant to the Investment Agreement. All the Consideration Shares are held under an escrow account designated by KongZhong and will be released to KongZhong in batches subject to the Actual Net Profits of the Target Company during the Guarantee Period. The Consideration Shares were allotted and issued pursuant to the General Mandate granted to the Board by the Shareholders at the AGM held on 25 May 2018.

The Consideration Shares represent (i) approximately 16.24% of the total issued Shares immediately before the Completion; and (ii) approximately 13.97% of the total issued Shares as enlarged by the issue of the Consideration Shares immediately after the Completion.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately after the allotment and issue of the Consideration Shares upon the Completion are set out below for illustrative purpose only:

Name of Shareholder	Immediately after the allotment and issue of the Consideration Shares	
	Number of Shares held	Approximate %
Foga Group Ltd. ⁽¹⁾	21,673,338	13.60%
WANG Dongfeng ⁽¹⁾⁽²⁾	1,400,800	0.88%
Foga Internet Development Ltd. ⁽³⁾	7,785,700	4.89%
YANG Tao ⁽³⁾⁽⁴⁾	1,340,000	0.84%
Foga Holdings Ltd. ⁽⁵⁾	7,763,997	4.87%
KongZhong Corporation ⁽⁶⁾	32,471,076	20.37%
GU Wei	11,790,830	7.40%
China Create Capital Limited	9,584,000	6.01%
Other shareholders	65,563,872	41.14%
Total	159,373,613	100%

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) Mr. WANG Dongfeng was granted 500,000 restricted share units (the “RSUs”) under the restricted share unit scheme (the “RSU Scheme”) in 2016, 125,000 of which vested on 1 December 2016, 125,000 vested on 1 June 2017, 125,000 vested on 1 December 2017 and 125,000 vested on 1 June 2018. Mr. WANG Dongfeng bought an aggregate of 850,800 Shares during the period from 26 June to 13 July 2017. He was further granted 300,000 RSUs under the RSU Scheme in 2018, 50,000 of which vested on 1 December 2018. As at the date of this announcement, Mr. WANG Dongfeng holds 1,400,800 Shares personally.
- (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 RSUs under the RSU 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. As at the date of this announcement, Mr. YANG Tao holds 1,340,000 Shares personally.
- (5) 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..

- (6) KongZhong Corporation is the beneficial owner of 10,202,168 Shares immediately before the allotment and issue of the Consideration Shares. The remaining 22,268,908 Shares being the Consideration Shares allotted and issued to KongZhong are held under an escrow account designated by KongZhong and will be released to KongZhong in batches subject to the Actual Net Profits of the Target Company during the Guarantee Period.

By order of the Board
Forgame Holdings Limited
WANG Dongfeng
Chairman

Hong Kong, 26 June 2019

As at the date of this announcement, the executive Directors are Mr. WANG Dongfeng, Ms. LIANG Na and Ms. LI Luyi; 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.