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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)

**COMPLETION OF THE ISSUANCE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE
REGARDING THE ACQUISITION OF THE ENTIRE ISSUED SHARE
CAPITAL OF THE TARGET COMPANY**

References are made to the announcements of Forgame Holdings Limited (the “**Company**”) dated 22 October 2020, 13 November 2020 and 18 November 2020 in relation to the Acquisition (collectively the “**Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, pursuant to the Agreements, in the event that the Listing Committee has granted the Listing Approval on or before the Determination Date, the total Consideration of RMB24,000,000 for the Acquisition shall be settled by Cash Consideration of RMB6,000,000 and the remaining RMB18,000,000 shall be settled by allotment and issuance of 9,614,760 new Shares (the “**Consideration Shares**”) within seven (7) Business Days after the earlier of (i) the issuance of the audited accounts of Shenzhen Xingyun for the year ended 31 December 2020 with net profit stated therein being RMB2,200,000 or above; or (ii) the Purchaser not exercising the Put Option on or before the expiry of the Option Period. The Put Option shall be exercisable at the sole discretion of the Purchaser at an exercise price being the Consideration if the net profit set out in the audited accounts of Shenzhen Xingyun for the year ending 31 December 2020 is less than RMB2,200,000. Also, it was disclosed in the Announcements that the Consideration Shares shall be allotted and issued to Ms. Gu as the designated nominee of the Vendor.

The Board is pleased to announce that the Listing Committee has granted the Listing Approval for the Consideration Shares and that the net profit stated in the audited accounts of Shenzhen Xingyun for the year ended 31 December 2020 is more than RMB2,200,000. Accordingly, the Put Option cannot be exercised. In addition, the Board was informed by the Vendor that the Vendor, instead of Ms. Gu, shall be the allottee of the Consideration Shares. As such, on 20 January 2021, the Cash Consideration of RMB6,000,000 was paid to the Vendor and the Consideration Shares were allotted and issued to the Vendor under the General Mandate.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) immediately prior to the allotment and issuance of the Consideration Shares; and (ii) immediately following the allotment and issuance of the Consideration Shares:

Name of Shareholder	Immediately prior to the allotment and issuance of the Consideration Shares		Immediately following the allotment and issuance of the Consideration Shares	
	Number of Shares held	Approximate %	Number of Shares held	Approximate %
Foga Group Ltd. ⁽¹⁾	21,673,338	13.60%	21,673,338	12.83%
WANG Dongfen ⁽²⁾⁽⁷⁾	1,650,800	1.04%	1,650,800	0.98%
Foga Holdings Ltd. ⁽¹⁾	7,763,997	4.87%	7,763,997	4.59%
Subtotal – Foga Group Ltd. and its concert parties	31,088,135	19.51%	31,088,135	18.40%
Foga Internet Development Ltd. ⁽³⁾	7,785,700	4.89%	7,785,700	4.61%
YANG Tao ⁽⁴⁾⁽⁷⁾	1,340,000	0.84%	1,340,000	0.79%
Subtotal – Foga Internet Development Ltd. and its concert party	9,125,700	5.73%	9,125,700	5.40%
KongZhong Corporation ⁽⁵⁾ Shanghai Dacheng Network Technology Co., Ltd.* (上海大承網絡技術有限公司) (“Shanghai Dacheng”) ⁽⁵⁾	10,202,168	6.40%	10,202,168	6.03%
Subtotal - KongZhong Corporation and its concert party	32,471,076	20.37%	32,471,076	19.21%
China Create Capital Limited ⁽⁶⁾	9,584,000	6.01%	9,584,000	5.67%
ZHANG Qiang ⁽⁸⁾	93,333	0.06%	93,333	0.06%
Vendor ⁽⁹⁾	-	-	9,614,760	5.69%
Ms. Gu ⁽⁹⁾	6,073,000	3.81%	6,073,000	3.59%
Subtotal – Vendor and its concert party	6,073,000	3.81%	15,687,760	9.28%
Other public Shareholders	70,943,994	44.51%	70,943,994	41.98%
TOTAL:	159,379,238	100%	168,993,998	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 beneficiaries 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.. In addition, 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 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.
- (2) Mr. WANG Dongfeng was granted 500,000 RSUs under the RSU Scheme in 2016, all of which vested during the period from 1 December 2016 to 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 and 250,000 of which were cancelled on 30 June 2019. The Company further granted 250,000 RSUs to Mr. WANG Dongfeng under the RSU Scheme in 2019, 50,000 of which vested on 1 July 2019 and 50,000 vested on 1 January 2020. Mr. WANG Dongfeng resigned from executive Director with effect from 30 September 2019. Given that 1 RSU represents 1 Share upon vesting, the figure of 1,650,800 comprising 1,500,800 Shares and 150,000 uncancelled RSUs as well is considered as a prudent and complete disclosure by the Company of Mr. WANG Dongfeng's interests in the Company.
- (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, all of which vested during the period from 1 December 2016 to 1 June 2018.
- (5) Shanghai Dacheng is owned as to 98.54% by KongZhong China Co., Ltd* (空中(中國)有限公司) ("KongZhong China") by way of certain contractual arrangements, which is in turn 100% owned by KongZhong Corporation. By virtue of the SFO, the KongZhong China and KongZhong Corporation are taken to be interested in the 22,268,908 Shares held by Shanghai Dacheng.
- (6) China Create Capital Limited is a company incorporated in the BVI and interested in 9,584,000 Shares in the capacity of a beneficial owner. To the best of the knowledge of the Company, none of the Directors is holding any shares in China Create Capital Limited.
- (7) Mr. WANG Dongfeng, Mr. LIAO Dong and Mr. YANG Tao are co-founders of the Group. For further details of their relationship, please refer to the sections headed "Our History, Reorganization and Corporate Structure" and "Directors and Senior Management" of the prospectus of the Company dated 19 September 2013.
- (8) As at the date of this announcement, Mr. ZHANG Qiang, a non-executive Director, is holding 93,333 Shares in the capacity as a beneficial owner, representing approximately 0.06% of the issued share capital of the Company. Mr. ZHANG Qiang was granted 100,000 RSUs, all of which vested during the period from 1 December 2016 to 1 June 2018. He was further granted 50,000 RSUs, 8,333 of which vested on 1 December 2018 and 41,667 of which were cancelled on 30 June 2019. Mr. ZHANG Qiang sold 75,000 Shares on 17 January 2019. The Company further granted 60,000 RSUs to Mr. ZHANG Qiang, of which 12,000 vested on 1 July 2019, 12,000 vested on 1 January 2020 and

12,000 vested on 1 July 2020. Given that 1 RSU represents 1 Share upon vesting, the figure of 93,333 comprising 69,333 Shares and 24,000 uncanceled RSUs as well is considered as a prudent and complete disclosure by the Company of Mr. ZHANG Qiang's interests in the Company.

(9) The Vendor is wholly-owned by Ms. Gu. Ms. Gu is taken to be interested in the 9,614,760 Shares held by the Vendor.

* For identification purpose only.

By Order of the Board
Forgame Holdings Limited
ZHANG Qiang
Chairman

Hong Kong, 20 January 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; the independent non-executive Directors are Mr. WANG Dong, Mr. WONG Chi Kin, Mr. CUI Yuzhi and Mr. LU Xiaoma.