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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)

POSITIVE PROFIT ALERT

This announcement is made by Forgame Holdings Limited (the “**Company**”, together with its subsidiaries, 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Reporting Period**”) and the latest information available to the Board, the Group is expected to record a profit for the year in the amount of approximately RMB32 million to RMB38 million for the Reporting Period, as compared to the loss for the year of approximately RMB55 million last year. Such expected turnaround of the Group’s results is mainly attributable to the following factors:

- (i) a reversal of impairment of financial assets measured at amortised cost of RMB28 million was recognised during the Reporting Period, due to the recovery of previously impaired other receivables on disposal of investment in an associate;
- (ii) a year-on-year reduction in administrative expenses of approximately RMB25 million, due to the Group’s active cost control measures to improve operating efficiency;
- (iii) approximately RMB21 million gain on disposal of investments at fair value through profit or loss was recognized during the Reporting Period, as compared to that of RMB1 million loss last year; and
- (iv) approximately RMB12 million share of profits of associates was recognized during the Reporting Period, due to the improved financial performance of an associate, as compared to that of RMB6 million share of loss last year.

The Company is in the process of finalising the consolidated annual results of the Group for the Reporting Period. The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the Reporting Period and information currently available to the Board, which has not been reviewed or audited by the independent auditors and the audit and compliance committee of the Company, and may be subject to amendments and adjustments upon further review and audit. Details of the consolidated annual results of the Group for the Reporting Period are expected to be announced by the end of March 2022.

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

By order of the Board
Forgame Holdings Limited
CUI Yuzhi
Chairman

Hong Kong, 18 February 2022

As at the date of this announcement, the executive directors are Mr. CUI Yuzhi, Mr. ZHU Liang and Mr. HAN Jun; the independent non-executive directors are Mr. WANG Dong, Mr. WONG Chi Kin, Mr. LU Xiaoma and Mr. JI Yong.