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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)**

## **INSIDE INFORMATION**

### **TERM SHEET IN RELATION TO A POTENTIAL ACQUISITION**

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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

### **POTENTIAL ACQUISITION**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that, on 9 April 2019 (after the trading hours of the Stock Exchange), the Company, the vendor and 北京西瓜互娛科技有限責任公司 (Beijing Xigua Huyu Technology Co, Ltd\*), a leading domestic large space virtual reality (VR) company (the “**Target Company**”), entered into a non-legally binding term sheet (the “**Term Sheet**”) in relation to a potential acquisition (the “**Potential Acquisition**”). Pursuant to the Term Sheet, the Group will hold approximately 62.30% interest of the Target Company. Should the Potential Acquisition materialise, the Target Company will become a subsidiary of the Group. It is expected that the aggregate consideration for the Potential Acquisition will be approximately RMB130 million, which will be settled partly by cash and partly by the issuance of shares of the Company.

The Target Company engages in the research, development and operation of large space virtual reality (VR) technologies in the People’s Republic of China (the “**PRC**”). Currently, “a kind of space positioning system and method” owned by the Target Company is under the application for a national patent in the PRC. In 2019, the Target Company plans to open a number of virtual reality (VR) game experience stores under the brand name “Player No. 1” nationwide.

As at the date of this announcement, the parties are still in negotiation in relation to the Potential Acquisition. The Company, the vendor and the Target Company will use their best endeavor to reach an agreement for the transaction terms of the Potential Acquisition and enter into a legally binding formal agreement. Details of the Potential Acquisition will be determined according to the terms and conditions under the formal agreement.

## **GENERAL**

As at the date of this announcement, the terms and conditions of the Potential Acquisition are still being negotiated and no legally binding agreement has been entered into. The Potential Acquisition, if materialised, will be a commercial expansion and game business upgrade according to the Group's overall strategy.

The Potential Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) in relation to the details, reasons and benefits of the Potential Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

**Shareholders and potential investors of the Company should be aware that the terms of the Potential Acquisition are subject to further negotiations among the relevant parties and are subject to them entering into the formal agreement. As the Potential Acquisition may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Forgame Holdings Limited**  
**WANG Dongfeng**  
*Chairman*

Hong Kong, 9 April 2019

*As at the date of this announcement, the executive Directors of the Company are Mr. WANG Dongfeng, Ms. LIANG Na and Mr. ZHANG Yang; the non-executive Director of the Company is Mr. ZHANG Qiang; the independent non-executive Directors of the Company are Mr. HOW Sze Ming, Mr. ZHAO Cong Richard and Mr. WAN Joseph Jason.*

*\* For identification purpose only*