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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)**

## **PROPOSED CHANGE OF AUDITORS**

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of Forgame Holdings Limited (the “**Company**”, which together with its subsidiaries are collectively referred as the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board proposes that, subject to the passing of the relevant ordinary resolutions at an extraordinary general meeting (the “**EGM**”) to be convened and held by the Company, (i) PricewaterhouseCoopers (“**PwC**”) be removed as the auditors of the Group (the “**Proposed Removal**”); and (ii) subject to the Proposed Removal becoming effective, ZHONGHUI ANDA CPA Limited (“**ZHONGHUI ANDA**”) be appointed as the new auditors of the Group (the “**Proposed Appointment**”) to fill the vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

## **PROPOSED REMOVAL OF PWC**

PwC was re-appointed as auditors of the Group at the last annual general meeting of the Company held on 28 May 2019 to hold office until the conclusion of the next annual general meeting of the Company.

During the course of auditing the consolidated financial statements of the Group for the year ended 31 December 2019 (the “**FY2019 Financials**”), the Company has been given the impression that PwC has been reluctant to issue an audited report for the FY2019 Financials. After an extended period of preparation and tolerance, the Board has come to a unanimous view that it may not be in the interest of the Company to continue satisfying PwC’s never-ending request for information, which the Board considers unreasonable and which may further prolong the finalization of the audit of the FY2019 Financials. Accordingly, the Board believes it is detrimental to the interest of the Company and its shareholders to continue spending endless time with PwC, paying astronomical amount of fees, providing mountainous volume of analyses, but to eventually fail to publish an audited report for the FY2019 Financials.

After careful but reluctant consideration, taking into account of the interests of stakeholders and shareholders of the Company, the need to be able to publish the FY2019 Financials, the audit and compliance committee of the Company (the “**Audit and Compliance Committee**”) recommended, and the Board agreed, to propose the Proposed Removal and the Proposed Appointment, subject to the passing of ordinary resolutions at the EGM pursuant to the articles of association of the Company (the “**Articles**”).

## **MATTERS TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS**

A separate announcement will be made once the Company receives PwC’s response to the Proposed Removal.

## **PROPOSED APPOINTMENT OF ZHONGHUI ANDA**

The Audit and Compliance Committee has assessed and considered that ZHONGHUI ANDA are eligible and suitable to act as auditors of the Group. The Board, with the recommendation of the Audit and Compliance Committee, proposes to appoint ZHONGHUI ANDA as the new auditors of the Group until the conclusion of the next annual general meeting of the Company. The Proposed Appointment will be subject to the Proposed Removal becoming effective and the passing of an ordinary resolution for the Proposed Appointment at the EGM.

## **IMPLICATIONS UNDER THE ARTICLES AND THE LISTING RULES**

Pursuant to Article 158(2) of the Articles, the removal of auditors before the expiration of his term of office shall require the approval by ordinary resolution of the members at a general meeting of the Company, and the new auditors shall by ordinary resolution at that meeting be appointed in his stead for the remainder of his term.

Pursuant to Rule 13.88 of the Listing Rules, the Company must send a circular proposing the removal of the auditors to the Shareholders with any written representations from the auditors not less than 10 business days before the general meeting; and the Company must allow the auditors to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

In compliance with the Articles and the Listing Rules, the Proposed Removal and the Proposed Appointment will be proposed at the EGM for the Shareholders to consider and, if thought fit, to approve by way as ordinary resolutions.

Accordingly, the Company will, at the time of despatch of the circular containing, among other matters, further information on the Proposed Removal and the Proposed Appointment, together with a notice convening the EGM, to the Shareholders, also despatch a copy to PwC to invite them to attend the EGM to make written or verbal representations to the Shareholders at the EGM, if any.

## **THE EGM**

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Proposed Appointment. A circular containing further information of the Proposed Removal and the Proposed Appointment, together with the notice of the EGM, is expected to be dispatched to the Shareholders on or before 14 June 2020.

By order of the Board  
**FORGAME HOLDINGS LIMITED**  
**LEE Ka Man**  
*Company Secretary*

Hong Kong, 29 May 2020

*As at the date of this announcement, the executive Directors are Mr. Han Jun and Ms. Liang Na; the non-executive Director is Mr. Zhang Qiang; the independent non-executive Directors are Mr. Wang Dong, Mr. Wong Chi Kin and Mr. Cui Yuzhi.*