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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)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION IN LIMITED PARTNERSHIP FUND

THE SUBSCRIPTION

On 8 April 2022, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Supplemental Limited Partnership Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for the Limited Partner Interests in the Fund, for a capital commitment of US\$4 million (equivalent to approximately HK\$31.3 million) instead of the capital commitment of US\$1 million (equivalent to approximately HK\$7.8 million) under the Limited Partnership Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rules 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION

On 8 April 2022, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Supplemental Limited Partnership Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for the Limited Partner Interests in the Fund, for a capital commitment of US\$4 million (equivalent to approximately HK\$31.3 million) instead of the capital commitment of US\$1 million (equivalent to approximately HK\$7.8 million) under the Limited Partnership Agreement.

THE SUPPLEMENTAL LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Supplemental Limited Partnership Agreement are summarised as follows:

Date : 8 April 2022

Parties : (1) the General Partner as general partner
(2) the Subscriber as limited partner

New commitment amount : Up to US\$4 million (equivalent to approximately HK\$31.3 million), which shall be paid before 30 April 2022 (or such other later date as instructed by the General Partner)

The new commitment amount was determined after arm's length negotiations between the General Partner and the Subscriber. The new commitment amount will be funded by cash from the Group's internal resources.

THE LIMITED PARTNERSHIP AGREEMENT

On 23 December 2021, the General Partner as the general partner and the Subscriber as limited partner entered into the Limited Partnership Agreement to govern their relationship and provide for, among others, the manner of operation and management of the Fund. The subscriber shall contribute a sum of US\$1 million in cash according to the Limited Partnership Agreement. The cash commitment under the Limited Partnership Agreement has been replaced by the new commitment amount of US\$4 million (equivalent to approximately HK\$31.3 million) under the Supplemental Limited Partnership Agreement.

The principal terms of the Limited Partnership Agreement are summarised as follows:

- Name of the Fund : Sailing Limited Partnership Fund
- Parties : (1) the General Partner as general partner
(2) the Subscriber as limited partner
- Purpose : The purpose of the Fund is to invest in listed and unlisted equities
- Term of the Fund : The Fund will have a term of ten years from the date of the registration of the Fund with the Companies Registry of Hong Kong (“**Term**”). The first eight years of the Term is the investment period and the two years in the Term is the exit period
- Transferability of the interests : A partner’s interest in the Fund shall not be assigned, pledged, sold or otherwise transferred, in whole or in part, without the prior written consent of the General Partner, which consent may be given or withheld in the General Partner’s sole and absolute discretion
- Management of the Fund : The General Partner shall have exclusive control over the business of the Fund and shall have all rights, powers and authority generally conferred by law or necessary, advisable or consistent in connection therewith.
- Management expenses : In consideration for the services to be rendered by the General Partner, the Fund (and each of the limited partners, as the context requires) will pay the General Partner a management fee in a lump sum with the amount of one per cent (1%) of capital contribution on top of its capital contribution every six months during the Term, payable in cash in lump sum and in advance on the date of the registration of the Fund and on each anniversary thereafter.

Distributions : After deducting any expenses and withholding the relevant tax, the General Partner will distribute proceeds attributable to an investment of the Fund as follows:

- (1) First, to limited partners until limited partners have received cumulative distributions equal to 100% of each limited partner's capital contribution.
- (2) Second, as for the remaining of the proceeds, 80% to limited partners and 20% to the General Partner.

INFORMATION OF THE FUND AND THE GENERAL PARTNER

The Fund is a limited partnership registered under the Limited Partnership Fund Ordinance (Cap. 637 of Laws of Hong Kong) on 21 January 2022. Save for entering into the Limited Partnership Agreement and the Supplemental Limited Partnership Agreement as well as for the appointment of professional parties, the Fund has not commenced business yet.

The General Partner, ENLINGHT ENTERPRISE CO., LIMITED, is a private company with limited liability incorporated under the Laws of Hong Kong. The ultimately beneficial owner of the General Partner is WAN Songshan who possesses a master's degree in economics awarded by Zhongnan University of Economics and Law (中南財經政法大學), the PRC. Mr. Wan has more than 20 years' experience in banking business which includes special asset management business. The General Partner shall have exclusive control over the business of the Fund and shall have all rights, powers and authority generally conferred by law or necessary, advisable or consistent in connection therewith. The General Partner has the authority to bind the Fund and is authorised to execute and deliver any document on behalf of the Fund without any vote or consent of any other partner or other person or entity.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Fund and the General Partner and their ultimate beneficial owners are third parties, independent of the Company and connected persons of the Company.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group has been seeking different investment opportunities with a view to enhancing the value of the Group. Having considered that the Group has surplus cash on hand and that the Subscription would provide the Group with an opportunity to balance and diversify its investment portfolio, as well as for potential capital appreciation by leveraging on the professional management team of the Fund, the Directors consider the terms of the Subscription are on normal commercial terms, which are fair and reasonable, and the Subscription is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rules 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Board”	the board of Directors of the Company
“Company”	Forgame Holdings Limited (Stock Code: 00484), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Fund”	Sailing Limited Partnership Fund, a limited partnership registered under the Limited Partnership Fund Ordinance (Cap. 637 of Laws of Hong Kong)
“General Partner”	ENLIGHT ENTERPRISE CO., LIMITED, a private company with limited liability incorporated under the Laws of Hong Kong, in its capacity as general partner of the Fund
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Limited Partnership Agreement”	the limited partnership agreement of the Fund dated 23 December 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Foga Tech Limited, a private company incorporated under the Laws of Hong Kong, and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of a limited partner interest in the Fund at a total capital commitment amount of US\$4 million (equivalent to approximately HK\$31.3 million) pursuant to the Supplemental Limited Partnership Agreement
“Supplemental Limited Partnership Agreement”	the supplemental limited partnership agreement to the Limited Partnership Agreement dated 8 April 2022 entered into between the Subscriber and the General Partner in relation to the Subscription
“US\$”	United States dollars, the lawful currency of the United States of America

By the order of the Board
Forgame Holdings Limited
CUI Yuzhi
Chairman

Hong Kong, 8 April 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.