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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
BUSINESS ADJUSTMENTS MADE BY THE GROUP'S BRAND
“JIANLICAI” WITH REFERENCE TO THE LATEST INDUSTRY TREND

This announcement is made by Forgame Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, 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 of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that since the consolidation of the financial results of Jianlicai (簡理財) (“**Jianlicai**”) (a fintech brand in the PRC under the Group) into the Group, Jianlicai has been providing its users with high quality financial assets in pursuit of the Group’s aspiration of “bringing the convenience of inclusive finance to the general public” while actively embracing compliance and regulation. As a result, the brand Jianlicai is trusted by its users. Jianlicai’s registered users have grown rapidly after the integration of its business into the Group and it has won a number of fintech awards.

With reference to the recent documents issued by the Beijing Internet Finance Association (北京市互聯網金融協會) and after careful deliberation, Jianlicai’s management has decided to comprehensively adjust the business model of Jianlicai’s “Wealth Management Plan (理財計劃)” in order to better embrace the spirit of the above documents and industry regulatory policies. Such adjustments are in line with the strategic objective of Jianlicai’s management in the expansion in Jianlicai’s standard asset product portfolio, but will intensify the liquidity imbalance between users and asset providers in the short run.

On this account, in the interests of investors and to support the industry in embracing a changing regulatory environment, after careful deliberation, Jianlicai's management has decided to take precautions in advance and temporarily adjust the rules on funds transfer by users, and to set certain limit on the amount of funds transferred by users, thus ensuring users' orderly transfer of funds. In addition, Jianlicai's management will actively procure asset providers to speed up asset upgrading and replacement, so as to relieve the pressure of liquidity as soon as possible, which, in turn, would remove restrictions on the transfer of funds. Jianlicai's management will also continue to maintain communication with regulators with the aim of introducing more auxiliary measures to provide additional liquidity.

To the best knowledge of Jianlicai's management, other brands in the industry have had various degrees of response to the above documents and industry regulatory policies, and have adopted similar measures. Recently, several well-known fintech platforms have introduced certain restrictions on the transfer of funds. The supportive attitude towards embracing regulatory policies among the platforms in the industry will create a healthier environment for the fintech industry.

The Board reminds investors that given the stricter regulatory environment for the fintech industry, the adversely affected user experience may lead to a reduction in the number of users or investment amount in Jianlicai in the short run. The Group will, at this stage, take active measures and closely monitor the changes in regulatory environment and make further announcement(s) as and when appropriate.

The management reiterates that the business adjustment described herein is a temporary one taken by Jianlicai's management to support the industry in embracing a change towards strengthening compliance in the fintech industry. The measures will not affect other fintech brands of the Group, such as "Yunke (雲客)" which holds an internet micro-credit license. The management fully supports the change towards strengthening compliance in the fintech industry and is confident that the business adjustment will be successfully made. We respectfully request for the understanding of the users of Jianlicai and investors of the Group for the inconvenience caused by the business adjustment.

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, 29 July 2018

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.