

# Forgame Holdings Limited

## 2019 Interim Results Presentation

STOCK CODE: 00484.HK



# Disclaimer

This presentation contains forward-looking statements. These forward-looking statements can be identified by terminology such as “will”, “expects”, “anticipates”, “future”, “intends”, “plans”, “believes”, “estimates”, “target”, “confident” and similar statements. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties include, but are not limited to, Forgame’s limited operating history, especially in certain new segment of its business; its ability to develop and operate new businesses that are commercially successful; the development, application and market acceptance of virtual reality and 5G technologies; the growth of the online game market and the continuing market acceptance of its games and in-game items in China and elsewhere; its expectations regarding demand for and the continuing market acceptance of its financial products; its expectations regarding keeping and strengthening its relationships with borrowers, strategic partners, suppliers and other parties it collaborate with; its ability to attract and retain borrowers and investors; its ability to increase volume of loans; its ability to introduce new products and software enhancements; its ability to protect intellectual property rights; its ability to respond to competitive pressure; its ability to maintain an effective system of internal control over financial reporting; changes in the regulatory environment in any relevant jurisdictions; economic slowdown in China and/or elsewhere; and assumptions underlying or related to any of the foregoing are or become untrue. Forgame does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

01

## Business Review

**WANG Dongfeng** *Chairman and CEO*

02

## Financial Highlights

**LIANG Na** *Executive Director and CFO*

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## Q&A



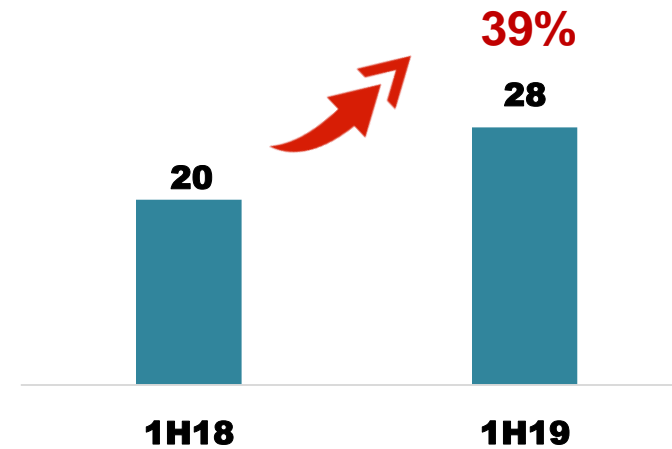
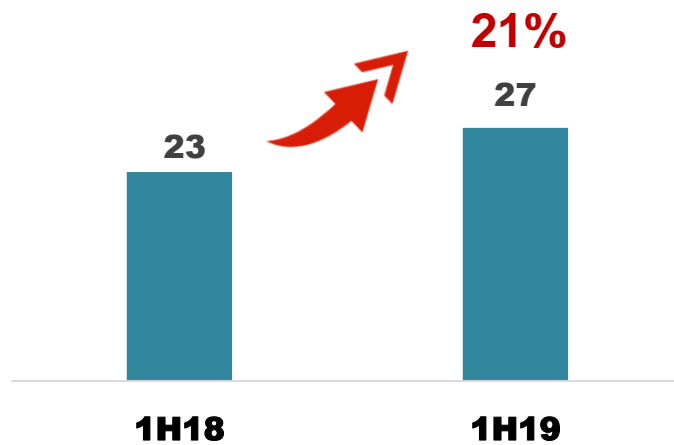
# I. Business Review

**WANG Dongfeng**

*Chairman and CEO*

# Results Highlights

Results from continuing operations grew steadily



# Strategy Implementation

## “Quality Games” Strategy

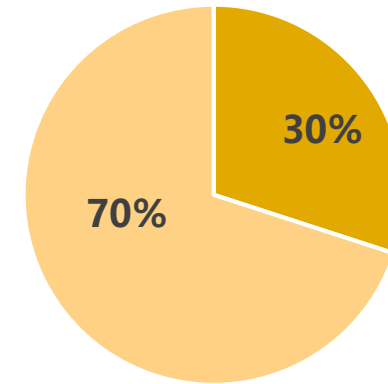
*Liberators* has contributed RMB160 million to our revenue since its launch



- ✓ Higher ARPPU, significant user loyalty
- ✓ Successful experience with overseas game operation that can be replicated to other upcoming games

## “Stable Growth” in Fintech

*Yunke* continued to deliver revenue

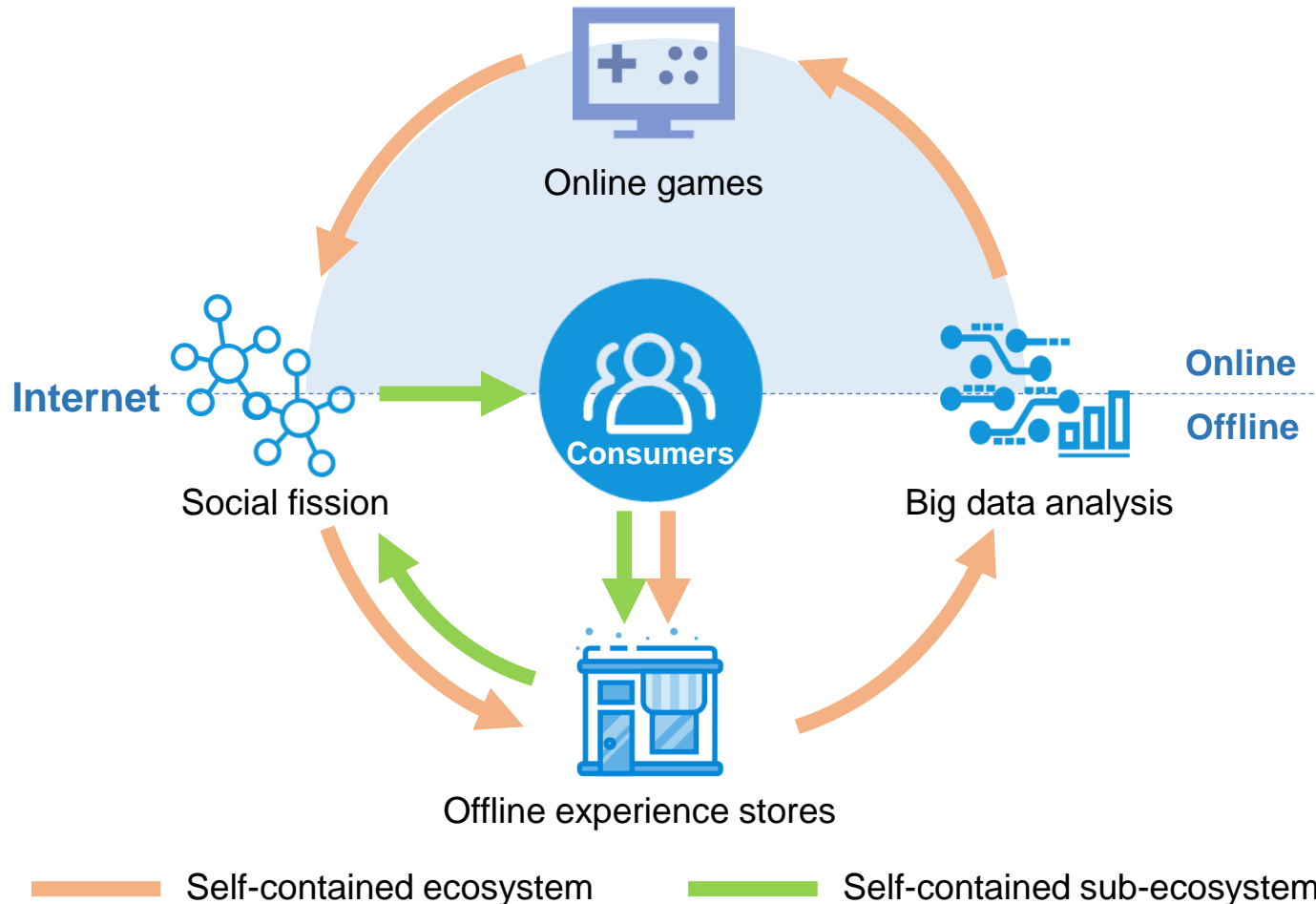


■ Fintech - Yunke    ■ Games

- ✓ Jointly driven by compliance and technology
- ✓ Number of loans in 19H1 was 200,000+, over RMB900 million in loan volume

# Upgrading of Game Business

## Technology-driven O2O Self-contained Ecosystem



### Self-contained ecosystem:

- ✓ Consumers receive membership when they visit our offline stores
- ✓ Members database
- ✓ Proprietary analytic engine developed by online games to analyze member profile data, and give feedback to offline stores operation
- ✓ Social fission

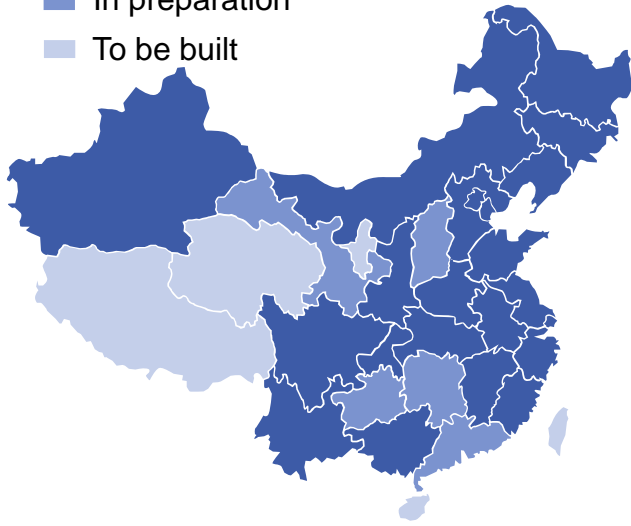
### Self-contained sub-ecosystem:

- ✓ Captivating in-game experiences
- ✓ Built-in attributes to go viral among players

# VR Business

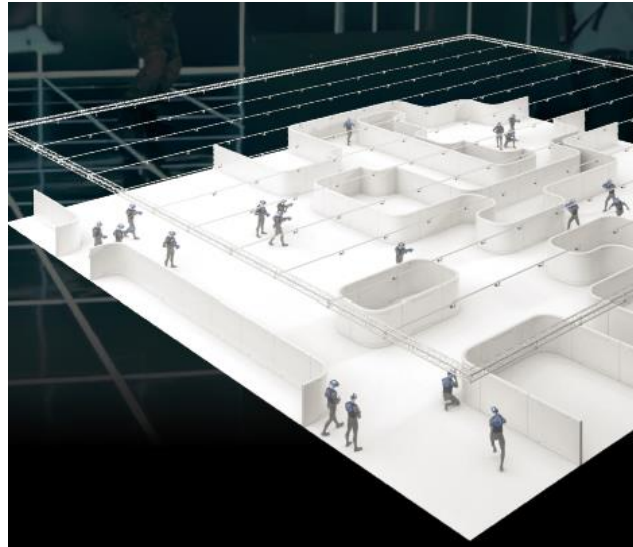
## Geographic Footprint

- In operation
- In preparation
- To be built



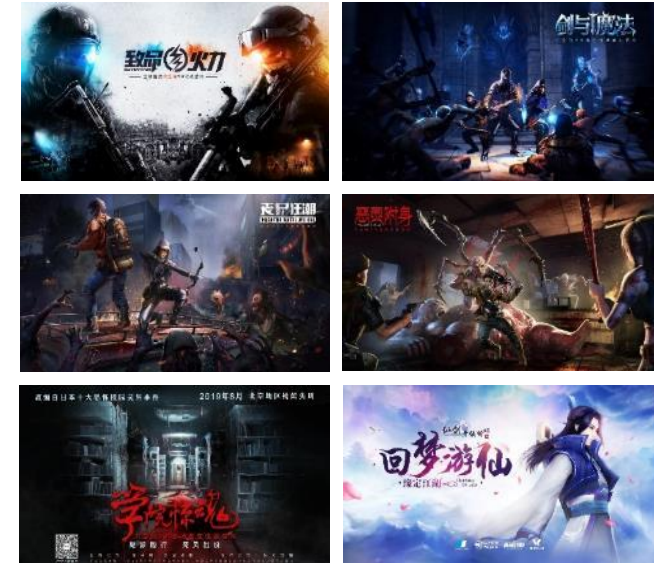
- ✓ Number of stores: **100+**
- ✓ Number of provinces and municipalities: **28**
- ✓ Overseas coverage: Canada, Singapore, Indonesia

## VR Technology



- ✓ Self-developed Infinite Multi-Target Positioning System
- ✓ Allows **3 vs 3 real-time interaction**
- ✓ Supports **City-wide cross-store real-time competitions**

## Content Development & Distribution



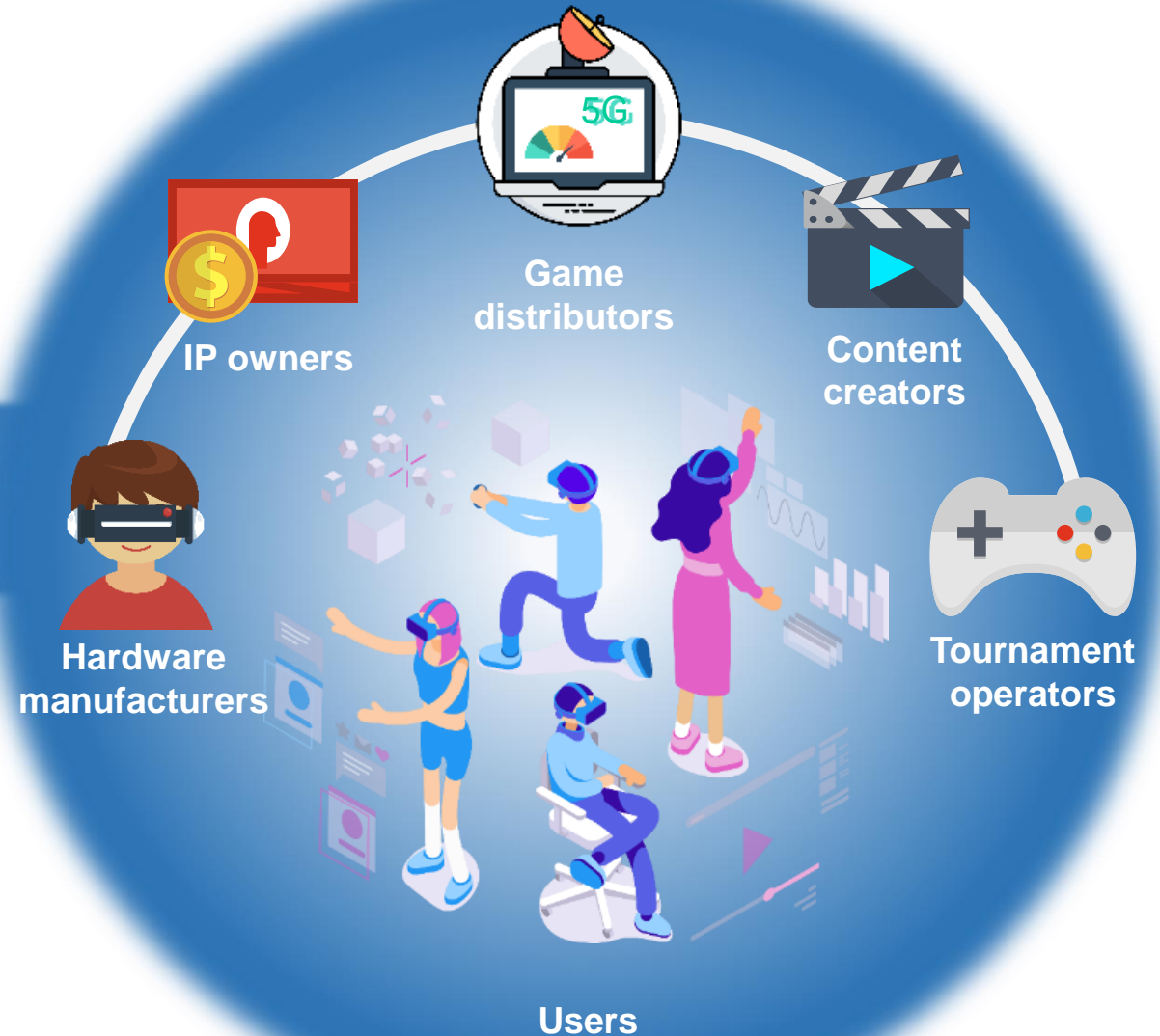
- ✓ Launched **4 self-developed + 2 licensed** games
- ✓ Rapid game development and distribution
- ✓ **Diverse** game portfolio



# VR One Ecosystem

## VR One, We Are One.

VR One is an all-round platform, a world of content, and a pivotal bridge.





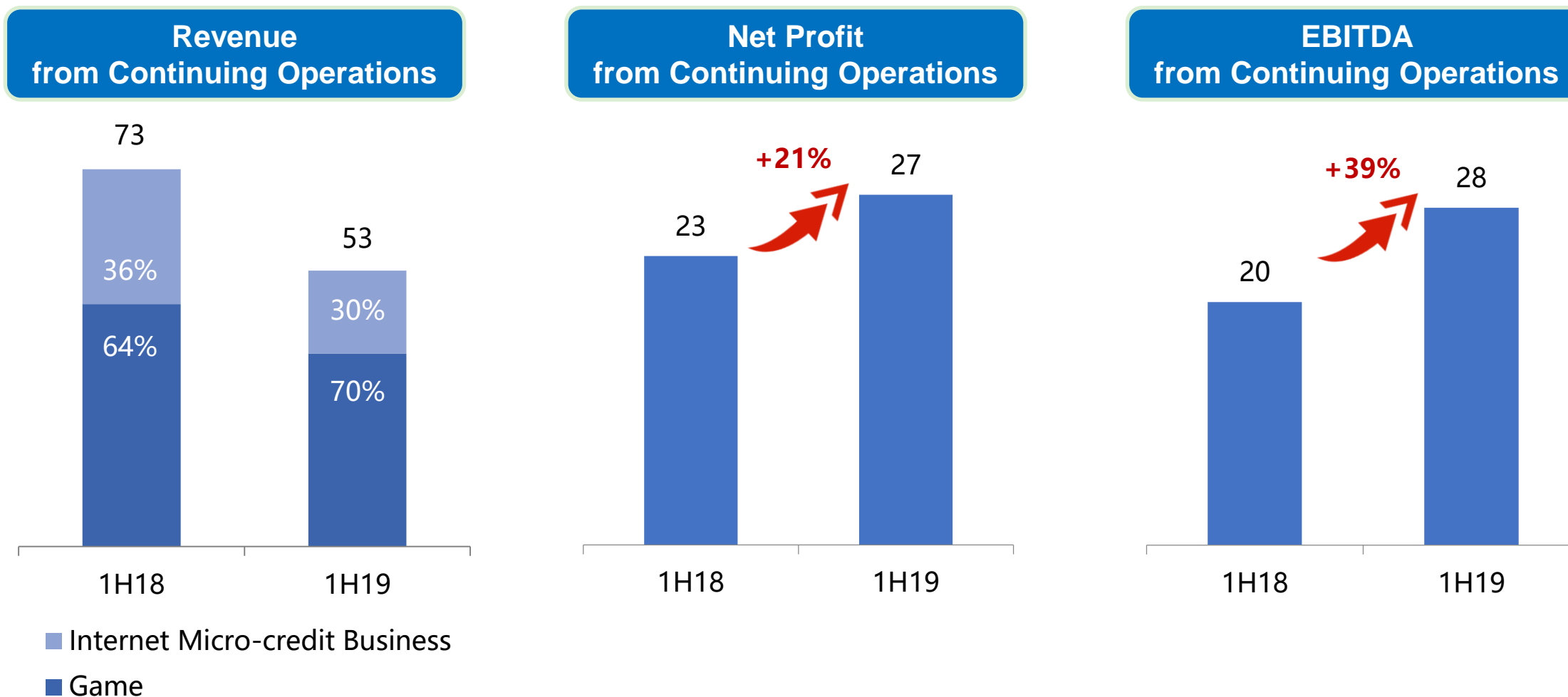
## **II. Financial Highlights**

**LIANG Na**

*Executive Director and CFO*

# 1H 2019 Results Overview<sup>1</sup>

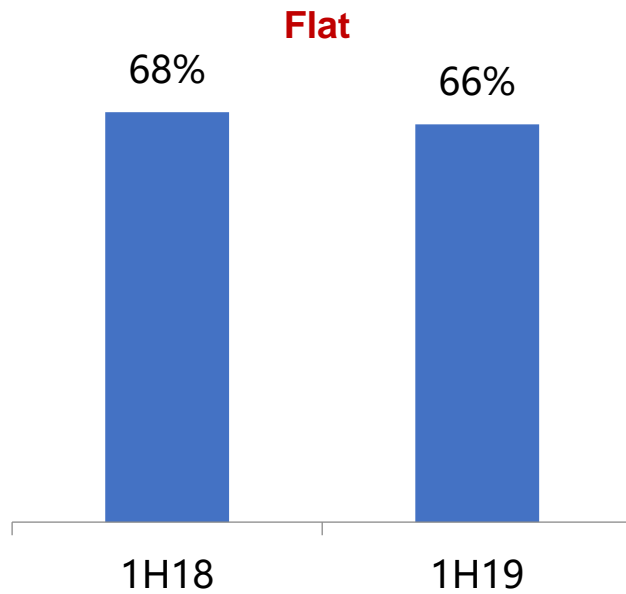
(RMB in million)



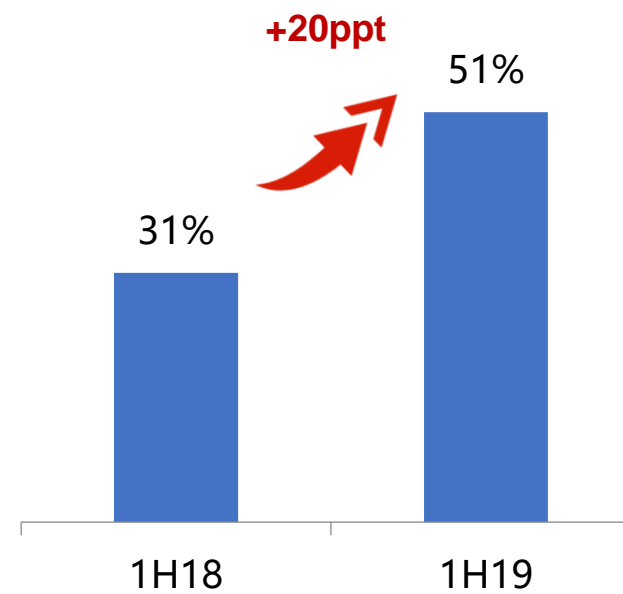
Note: 1. Continuing operations

# Stable Profitability<sup>1</sup>

## Gross Margin



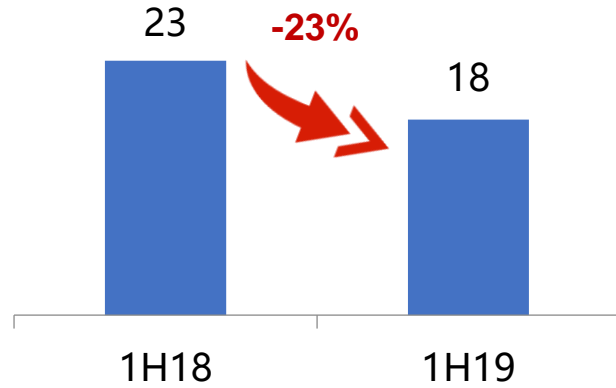
## Net Margin



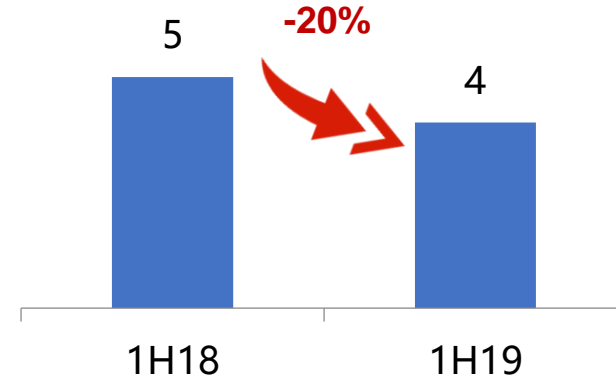
# Optimized Cost Structure<sup>1</sup>

(RMB in million)

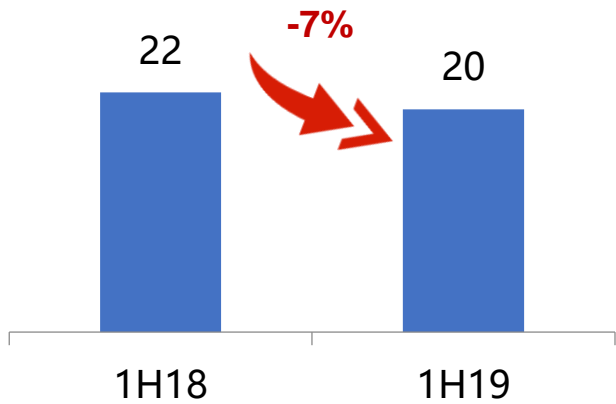
## Cost of Revenue



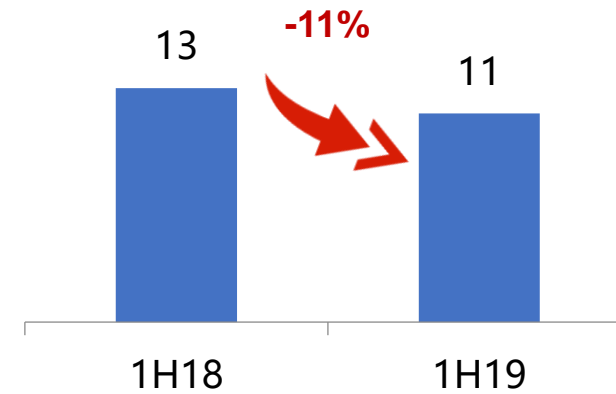
## Selling and Marketing Expenses



## Administrative Expenses



## R&D Expenses

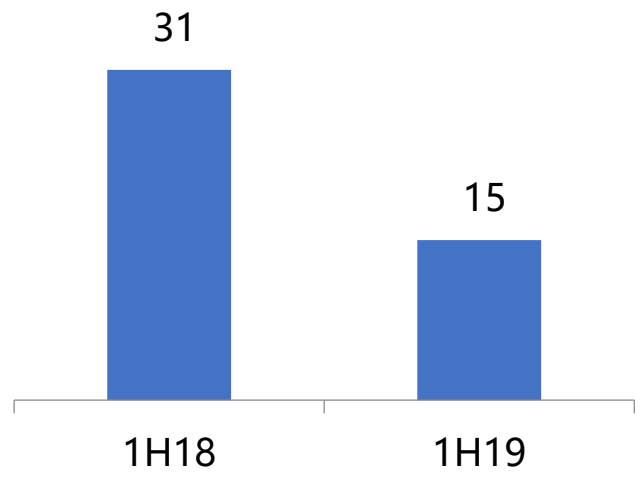


Note: 1. Continuing Operations

# Game Business - Key Operational Indicators

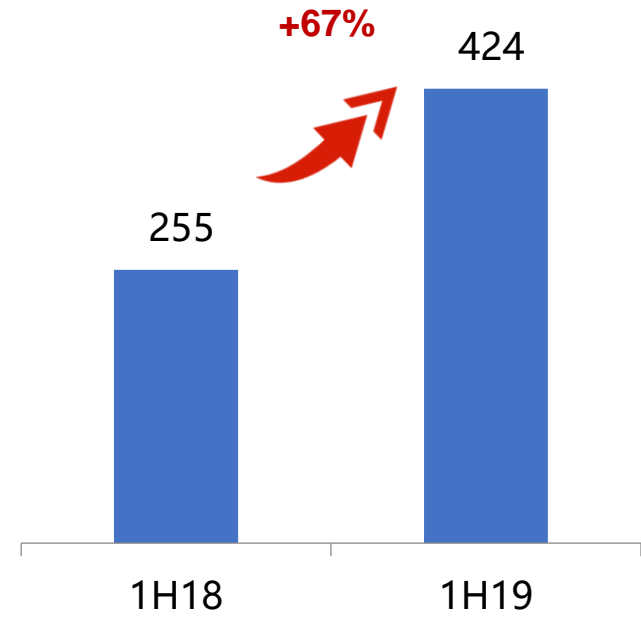
## MPUs

(in thousand)



## ARPPU

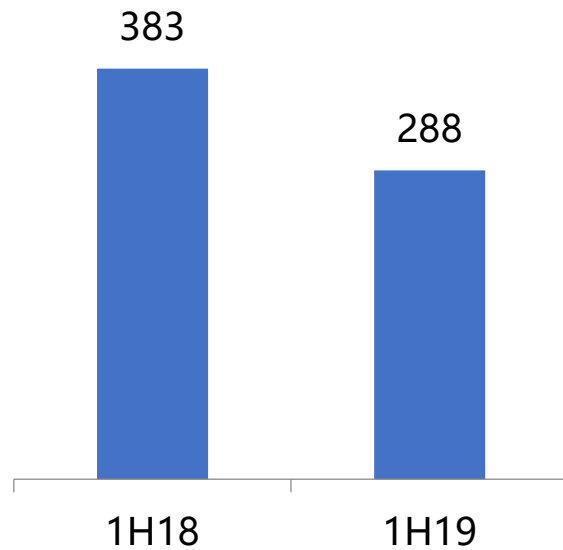
(RMB)



# Internet Micro-credit Business - Key Operational Indicators

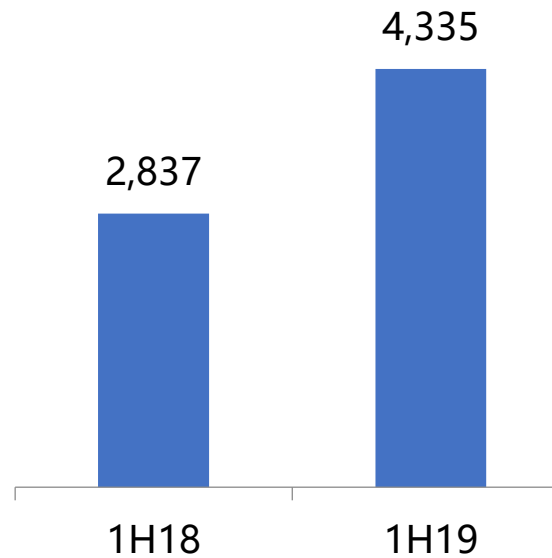
## Average Balance of Loans

*(RMB in million)*



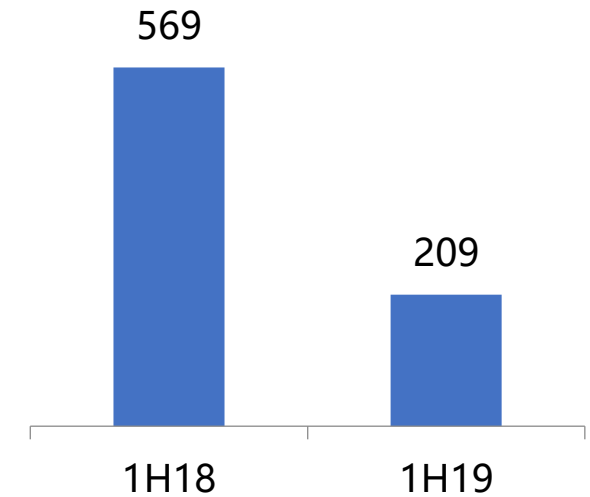
## Average Size of Loan

*(RMB)*



## Number of Loans Originated

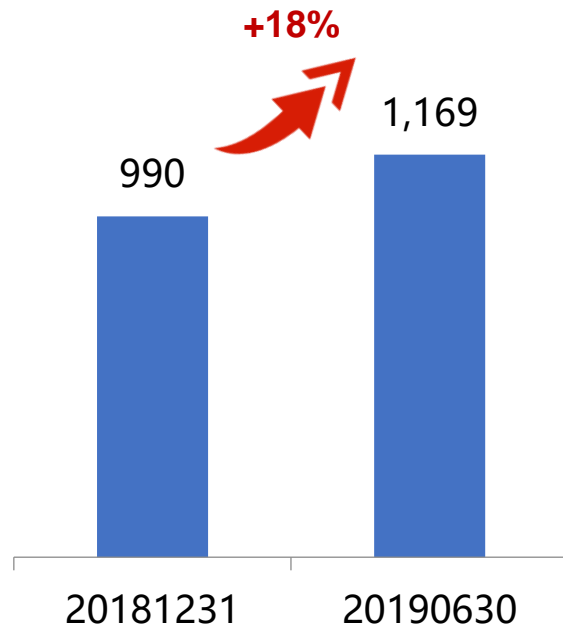
*(in thousand)*



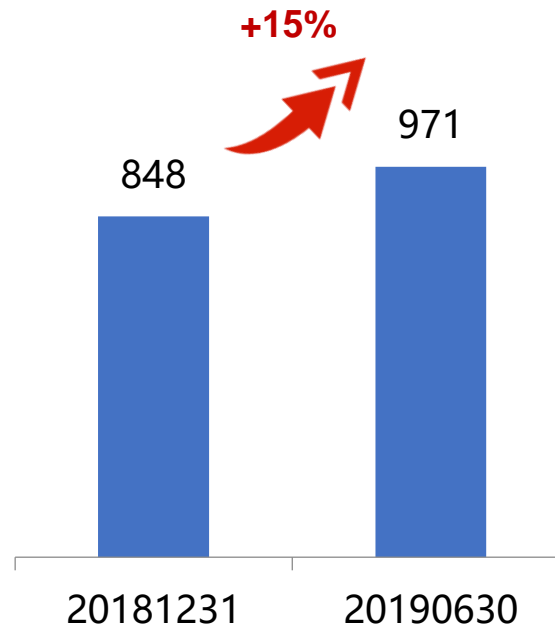
# Healthy Financial Position

(RMB in million)

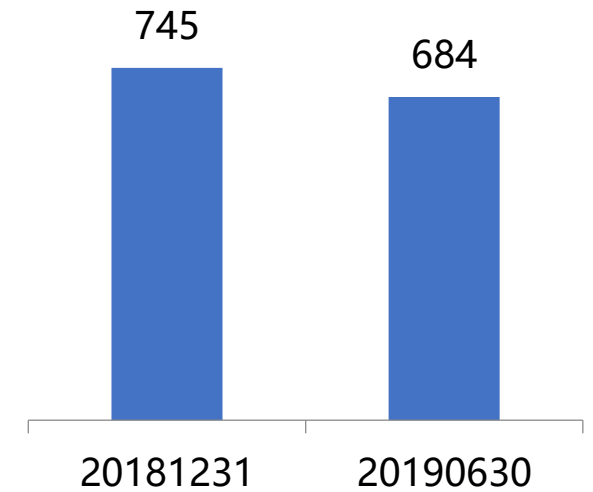
## Total Asset



## Total Equity



## Net Current Assets







### **III. Q&A**

# THANK YOU

