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OURGAME INTERNATIONAL HOLDINGS LIMITED

聯眾國際控股有限公司*

(a company incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 6899)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021 AND REDESIGNATION OF DIRECTOR

UNAUDITED ANNUAL RESULTS

The unaudited annual results of the Group for the year ended 31 December 2021 as set out in this announcement have not been audited and have not been agreed with the Company's auditor, which are therefore subject to changes and may differ from those to be appeared in the audited annual results of the Group for the year ended 31 December 2021. As such, shareholders of the Company (the "Shareholders") and potential investors are advised to exercise due caution when dealing in the securities of the Company. Any Shareholders and potential investors who are in doubt is advised to seek advice from professional or financial advisers.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2021	2020	Changes
	<i>RMB'000</i>	<i>RMB'000</i>	
	Unaudited	Audited	
Revenue	143,815	110,407	30.3%
Profit/(Loss) attributable to equity holders of the Company			
— Continuing operations ⁽¹⁾	(72,067)	(180,806)	60.1%
— Discontinued operations ⁽¹⁾	<u>103,437</u>	<u>(5,586)</u>	(1,951.7%)
	<u>31,370</u>	<u>(186,392)</u>	(116.8%)
Earnings/(Loss) per share attributable to equity holders of the Company (expressed in RMB cents per share)			
Basic earnings/(loss) per share			
— From Continuing operations ⁽¹⁾	(6.80)	(17.12)	60.3%
— From Discontinued operations ⁽¹⁾	<u>9.76</u>	<u>(0.53)</u>	(1,941.5%)
	<u>2.96</u>	<u>(17.65)</u>	(116.8%)
Diluted earnings/(loss) per share			
— From Continuing operations ⁽¹⁾	(6.80)	(17.12)	60.3%
— From Discontinued operations ⁽¹⁾	<u>9.76</u>	<u>(0.53)</u>	(1,941.5%)
	<u>2.96</u>	<u>(17.65)</u>	(116.8%)

(1) For the purpose of this unaudited annual results announcement, discontinued operations refer to the Target Group as set out in the announcement of the Company dated 19 January 2021, 23 March 2021, 29 March 2021 and 30 March 2021 and the circular of the Company dated 10 March 2021 and continuing operations refer to the remaining business operations of the Group.

REVENUE BY GEOGRAPHICAL AREAS

	Year ended 31 December		
	2021	2020	Changes
	<i>RMB'000</i>	<i>RMB'000</i>	
	Unaudited	Audited	
The People's Republic of China (the "PRC") ⁽¹⁾	111,836	88,242	26.7%
Outside the PRC ⁽²⁾	<u>31,979</u>	<u>22,165</u>	44.3%
Total revenue	<u>143,815</u>	<u>110,407</u>	30.3%

(1) For the purpose of this unaudited annual results announcement, the revenue from the PRC does not include those from Hong Kong, Macau and Taiwan (if any).

(2) The revenue of the continuing operations outside the PRC was primarily derived from Allied Esports Entertainment, Inc. ("AESE"), an indirect non-wholly owned subsidiary of the Company, which is separately listed on the Nasdaq Stock Exchange ("NASDAQ") and operates eSports business.

OVERVIEW

The board (the “**Board**”) of directors (the “**Directors**”) of Ourgame International Holdings Limited (the “**Company**” or “**Ourgame**”) hereby announces the unaudited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021. The unaudited annual results have been reviewed and approved by the Company’s audit committee (the “**Audit Committee**”).

As at the date of this announcement, audit process for the annual results of the Group for the year ended 31 December 2021 has not been completed. The unaudited results contained herein have not been agreed by the Company’s auditor. An announcement relating to the audited results will be made when the audit process has been completed.

For the year ended 31 December 2021, the Group, through AESE, sold the entire equity interests of its non-wholly owned subsidiary, Club Services, Inc. (“**CSI**”), which operates the World Poker Tour business (“**WPT**”), to a third party. As informed by AESE, due to the extent of the recurrence of the COVID-19 pandemic, the auditor of AESE is unable to timely collate and verify certain information relating to the operations of WPT prior to the sale, causing delay to the preparation of annual results of AESE for the year ended 31 December 2021, which AESE is coordinating with WPT to provide as expeditiously as possible. Coupled with the COVID-19 pandemic effect in China, there has been a delay in obtaining certain external confirmations from suppliers caused by restrictions on logistics. As a result, the reporting and audit processes of the Group have in turn been affected and could not be completed as scheduled. The Company is unable to publish an annual results announcement for the year ended 31 December 2021 which shall be agreed with the Company’s auditor on or before 31 March 2022 in accordance with Rule 13.49 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

However, the Company is still able to report on the unaudited annual results of the Group for the year ended 31 December 2021 and publish such results under Rule 13.49(3) of the Listing Rules, which have been reviewed by the Audit Committee but yet to be agreed by the Company’s auditor. As advised by the Company’s auditor, the consolidated financial statements of the Group as disclosed in this announcement may be changed when the audited results of the Group for the year ended 31 December 2021 is published. Based on the available information, the Company expects to publish its audited annual results for the year ended 31 December 2021 on or before 30 April 2022.

BUSINESS REVIEW

In 2021, we adopted a proactive approach to cope with the overall regulatory environment at home and abroad as well as the ongoing challenges in the market. The Company insisted on its overall strategy of domestic and international “dual-circulation” by continuously exploring the overall existing business and developing it thoroughly while actively developing new business. The Company’s business in China has been growing steadily and healthily, with its existing business being “value-added” continuously, particularly the “game hall” business. Meanwhile, the Company has been exploring in new racetracks such as mobile game business and MCN (multi-channel network) broadcasting. Despite

the fact that the e-sports events outside China and offline tournaments have been hindered to a certain extent by the COVID-19 pandemic, such events have been gradually resumed and were persistently endorsed by our cooperation partners and sponsors. Meanwhile, the new Board and management team have continued to consolidate and restructure some of the existing businesses and investments of the Group based on the overall strategic planning, as well as proactively addressing historical issues to protect and bring more benefits to the Shareholders.

In respect of our PC game business which has over 20 years of history, the Company's business platform sector has been optimised and fine-tuned in various aspects, such as improving user experience of the premium users, to further enhance our brand stickiness and visibility and to combine short videos which are of high popularity recently with live broadcasting projects in order to raise the user activities, thereby promoting sustainable and healthy growth of the revenue from PC games in 2021. The Company will further explore the value of platform users in the future and continue to provide hundreds of millions of platform users with better services.

In respect of the traditional card and board games projects, Ourgame continued to press ahead with the cooperation strategy with various channels. On one hand, our cooperation with video platform giant, iQIYI, and other quality channels, has made steady progress. On the other hand, a number of Ourgame's mobile game products have commenced cooperation with omni-channels and have been released via more than 20 channels such as OPPO, 58.com, Tencent Mobile QQ, WeChat Mini Programs, VIVO, Xiaomi, UC and Kuaishou, covering diversified platforms such as hardcore games, contents, community groups, and tools app, thereby completing the comprehensive layout. We have also cooperated in depth with our partners, such as Qutoutiao, for Ourgame's game product, Fight Landlord Now (馬上鬥地主), which was well-received by the market. In the future, such product model will be replicated in other products and promoted to other partners for distribution, continuing to cultivate the traditional card and board games market, while continuing to make new exploration in puzzle games.

Based on Ourgame's industrial competitive edge in card and board games sector, the Company has established a MCN operation team that focuses on card and board games contents. Currently, the operation team has built its own anchor camp covering various categories, such as Mahjong, Fight Landlord (鬥地主), chess, western chess, Four-nation War Chess (四國軍棋), bridge and other sectors. The MCN team has continued to create professional card and board games contents and established a team of KOL in card and board games sectors, and has set up accounts for Mahjong Competitor (麻將競技君), Competitive Mahjong Tournament Channel (競技麻將賽事頻道), Weiqi World (圍棋世界) and many other popular card and board games on short video platforms such as Douyin and Kuaishou and traditional video content platforms such as iQiyi and bilibili, continuously creating and building personal IP of anchors, live broadcasting and providing multi-brand coverage for high competitive level and quality users. Meanwhile, the MCN business has reached a cooperative venture with the official card and board games of Kuaishou, which has assisted Kuaishou's promotion of its official card and board games in the live broadcasting sector. The cooperative venture is a new attempt for a win-win cooperation between Ourgame and other card and board games operators.

In terms of overseas business, after the business restructuring which lasted for nearly the entire year of 2020, AESE, a non-wholly owned subsidiary of the Company, has actively adapted to the current market environment. AESE has made new breakthroughs in online gaming competitions and programme production, and has renewed our contracts, as well as second-time cooperation venture, among others, with our partners and sponsors. In early 2021, Allied Esports, a subsidiary of AESE, and HyperX renewed a long-term cooperation agreement, pursuant to which, HyperX continued to secure the exclusive naming rights to Allied Esports' global flagship property, located at the Luxor Hotel & Casino in Las Vegas, USA. In May 2021, Allied Esports entered into a cooperation agreement with Trovo, an emerging mobile live stream platform, with respect to tournament execution and platform content construction, whereby, the parties will create a new e-sports tournament, namely, Trovo Titans, covering North America, Latin America and Europe, with prize pools amounted to US\$250,000, by which Allied Esports has leveraged its competitive resources in tournament event planning, global operation and execution, and contents output.

Meanwhile, the Company has set up a subsidiary in Macau, which, with active business planning ahead, will give full play to the regional advantages in entertainment and leisure and to develop mind sport games in the Southeast Asian regions such as Singapore, Vietnam and Cambodia. Various cooperation projects in Japan by way of investment, joint venture, and licensing are gradually progressing.

Since its inception in 1998, Ourgame has continued to focus on the development of card and board games despite various challenges in the market. Leveraged on its card and board games business, Ourgame has built a mind sports ecosystem that incorporates online games, competitive sports events, program production and live broadcasting, hence, continuing to march towards the global sports and entertainment markets, which forms a strong linkage with domestic and international “dual-circulation” around Hong Kong and the United States stock markets. It is expected that in the future, Ourgame will continue to stride forward and move towards the goal of becoming the world's top sports and entertainment company.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview

The profit attributable to equity holders of the Company amounted to RMB31.4 million (which comprised loss of RMB72.0 million from continuing operations and profit of RMB103.4 million from discontinued operations) for the year ended 31 December 2021, as compared with the loss attributable to equity holders of the Company of RMB186.4 million (which comprised loss of RMB180.8 million from continuing operations and loss of RMB5.6 million from discontinued operations) for the year ended 31 December 2020. The profit attributable to equity holders of the Company was primarily due to the gain on the disposal of the WPT business.

2. Revenue

In 2021, revenue of the Group amounted to RMB143.8 million, representing an increase of RMB33.4 million or 30.3% as compared with RMB110.4 million for the year ended 31 December 2020. The increase was mainly arisen from the card and board games business in PRC due to new business initiatives. In addition, the in-person experience revenues of AESE increased primarily attributable to the removal of COVID-19 capacity restrictions at the AESE's HyperX Esports Arena in Las Vegas.

3. Cost of Revenue and Gross Profit Margin

In 2021, cost of revenue of the Group amounted to RMB87.7 million, representing an increase of RMB2.0 million or 2.2% as compared with RMB85.7 million for the year ended 31 December 2020. The gross profit margin of the Group increased from 22.3% for the year ended 31 December 2020 to 39.0% for the year ended 31 December 2021. The increase in gross profit margin of the Group was mainly due to different costs allocation with the termination of exclusive operation agreement between Beijing Lianzhong Co., Ltd. ("**Beijing Lianzhong**") and Beijing Maipu Taiqi Technology Co., Ltd. since 1 January 2021.

4. Other Income

In 2021, other income of the Group amounted to RMB9.0 million, representing an increase of RMB1.4 million or 17.9% as compared with RMB7.6 million in 2020. This was primarily due to the increase in bank interest income and gain on forgiveness of PayCheck Protection Program loans and interest netted off with decrease in COVID-19 related rent concessions received.

5. Selling and Marketing Expenses

In 2021, selling and marketing expenses of the Group amounted to RMB22.0 million, representing an increase of RMB17.8 million or 424.4% as compared with RMB4.2 million in 2020. The increase was mainly because the Group enhanced the co-operation with multiple distribution channels during the year and different costs allocation with the termination of exclusive operation agreement with Beijing Lianzhong as mentioned above since 1 January 2021.

6. Administrative Expenses

In 2021, administrative expenses of the Group amounted to RMB142.0 million, representing a decrease of RMB28.3 million or 16.7% as compared with RMB170.3 million in 2020. The decrease was mainly due to the loss of restricted bank balance by the withdrawal of cash held in escrow account to Simon Equity Development, LLC ("**Simon**") as per the investment agreements signed with Simon, but AESE did not require Simon to return AESE common stock that it received in exchange for its investment in 2020.

7. Research and Development Expenses

In 2021, research and development expenses of the Group amounted to RMB24.1 million, representing an increase of RMB23.9 million or 15,474.8% as compared with RMB0.2 million in 2020. The increase was mainly due to greater development efforts on new or updated versions of online games and costs incurred in associated research and development activities and different costs allocation with the termination of exclusive operation agreement as mentioned above since 1 January 2021.

8. Fair Value Changes of Financial Assets at Fair Value through Profit or Loss

In 2021, no fair value changes of financial assets at fair value through profit or loss was recognised, as compared with loss in fair value changes of financial assets at fair value through profit or loss of RMB13.4 million in 2020. The loss in 2020 was mainly due to unexpected changes in the market environment and some of our investee companies also suffered from loss during the year ended 31 December 2020.

9. Gain/(Loss) on redemption/conversion of convertible notes

In 2021, gain on redemption/conversion of convertible notes of the Group amounted to RMB6.5 million, as compared with loss on redemption/conversion of convertible notes of RMB47.7 million for the year ended 31 December 2020. The amount was mainly due to the value of common stock issued upon conversion in excess of the common stock issuable under the original terms as a result from the amendments of conversion prices of convertible notes of AESE signed in 2020.

10. Impairment of Assets

In 2021, impairment of assets of the Group amounted to RMB0.5 million, as compared with RMB126.4 million in 2020. In 2020, the impairment of assets mainly arose from the write off of investment by AESE in TV Azteca, property, plant and equipment and right-of-use assets in the total amount of RMB113.8 million, for which the management determined that the future cash flows are not expected to be sufficient to recover the carrying value of this investment.

11. Gain on Disposal of Discontinued Operations

The gain on disposal of discontinued operations (as included in profit/(loss) for the period from discontinued operations) of RMB323.5 million was arisen from the disposal of the entire equity interests of CSI, an indirect non-wholly owned subsidiary of the Company, owning 100% equity interests of each of the legal entities that collectively operate or engage in a poker-related business, commonly known as the WPT.

12. Profit Attributable to Equity Holders of the Company

The profit attributable to equity holders of the Company amounted to RMB31.4 million (which comprised loss of RMB72.0 million from continuing operations and profit of RMB103.4 million from discontinued operations) for the year ended 31 December 2021, as compared with the loss attributable to equity holders of the Company of RMB186.4 million (which comprised loss of RMB180.8 million from continuing operations and loss of RMB5.6 million from discontinued operations) for the year ended 31 December 2020. The profit attributable to equity holders of the Company was primarily due to the gain on the disposal of the WPT business.

13. Income Tax Credit/(Expenses)

In 2021, income tax credit of the Group amounted to RMB0.03 million, as compared with RMB0.2 million income tax expenses in 2020.

14. Liquidity and Source of Funding and Borrowing

As at 31 December 2021, the Group's total bank balances and cash increased by 666.9% from RMB79.4 million as at 31 December 2020 to RMB609.1 million as at 31 December 2021. The increase was due to the proceeds from the sale of the WPT business. As at 31 December 2021, the current assets of the Group amounted to RMB705.9 million, including bank balances and cash of RMB609.1 million, and other current assets of RMB96.8 million. Current liabilities of the Group amounted to RMB74.3 million, of which RMB48.8 million were trade and other payables and deferred revenue of RMB16.6 million, and other current liabilities of RMB8.9 million. As at 31 December 2021, the current ratio (the current assets to current liabilities ratio) of the Group was 9.50 as compared to 3.15 as at 31 December 2020. Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group's gearing ratio as at 31 December 2021 was nil (2020: nil). The Group currently intends to finance future expansion, investments and business operations primarily with internal resources, but may explore other financing sources in appropriate circumstances.

15. Material Investments

The Group did not have any material investments during the year ended 31 December 2021.

16. Material Acquisitions

The Group did not have any material acquisitions during the year ended 31 December 2021.

17. Financial Assets at Fair Value through Profit or Loss

The Group makes investments in financial assets at fair value through profit or loss for the purposes of (i) supplementing the Group's games portfolio to drive higher monetization of our user base and profitability, (ii) exploring new business opportunities in related areas of our business eco-system for acquisitions and strategic and operational synergies, and (iii) leveraging on external financial resources for expertise and scale. As at 31 December 2021, the Group's financial assets at fair value through profit or loss amounted to RMB70.4 million (which were included as non-current assets of RMB62.8 million and current assets of RMB7.6 million) (31 December 2020: RMB69.7 million which was included as non-current assets).

As at 31 December 2021, the Group's investments in unlisted equity investments amounted to RMB70.4 million (which were included as non-current assets of RMB62.8 million and current assets of RMB7.6 million), which mainly included direct equity investments in selected startup companies mainly engaged in games or mind sports related technological research and development and direct subscription to the interests in private equity funds (the “**Private Equity Funds**”) that focus on providing early-stage funding for companies in the mind sports sector. A breakdown of the majority of these investments is set out below:

Name of Invested Company/ Private Equity Funds	Amount of Capital Contributed by the Group	Percentage of Shareholding	Principal Business
Beijing Yilian Investment Centre (L.P.)	RMB5,000,000	5%	Investment/management
Gong Qing Cheng Wujiang Xingyao Investment Management Partnership (L.P.)	RMB20,000,000	8.635%	Investment/management
Beijing Zhongchuang Yonglian Investment Management Centre (L.P.)	RMB23,000,000	22.77%	Investment/management
Tong Xiang Juli Fengyuan Equity Investment Fund Management Partnership (L.P.)	RMB20,000,000	64.52%	Investment/management
All In Asia Culture and Tourism Development Company Limited	RMB19,574,700	20%	Investment/management

For the year ended 31 December 2021, no dividends have been paid from the above invested companies as included in non-current assets. All startup companies invested by the Group are in relatively early stage, and are mainly focused on product development and launching. The startup companies are in the internet, sports and entertainment segment, which is expected to provide us with a platform to leverage on our experience and resources, and to minimise our investment risks. We believe that our investment initiative is an important aspect of our vision to build up our ecosystem as a whole. The Group will continue to seek other investment opportunities that not only create synergies on different levels but also offer high-yield return potential. The Group will continue to monitor its investment in financial assets at fair value through profit or loss in a responsible manner. There are no financial assets at fair value through profit or loss in the Group's investment portfolio that individually constitutes significant investment as none of the investments has a carrying amount that accounts for more than 5% of the Group's total assets as at 31 December 2021.

Movements of Financial Assets at Fair Value through Profit or Loss

The movements of financial assets at fair value through profit or loss for the year ended 31 December 2021 are set out below:

Included as Non-Current Assets

	2021 RMB'000 Unaudited	2020 RMB'000 Audited
At 1 January	69,683	63,414
Additions	—	19,725
Disposals	(6,850)	—
Fair value changes recognised in profit or loss	—	(13,373)
Exchange difference	—	(83)
	<u>—</u>	<u>—</u>
Fair value as at 31 December	<u>62,833</u>	<u>69,683</u>

Included as Current Assets

	2021 RMB'000 Unaudited	2020 RMB'000 Audited
At 1 January	—	—
Additions	9,000	—
Disposals	(1,500)	—
Dividend income	77	—
	<u>77</u>	<u>—</u>
Fair value as at 31 December	<u>7,577</u>	<u>—</u>

18. Material Disposals

Except as disclosed in Note 16 to the consolidated financial statements in this announcement, the Group did not have any material disposals during the year ended 31 December 2021.

19. Pledge of Assets

As at 31 December 2021, none of the Group's assets was pledged. As at 31 December 2020, the convertible notes issued in 2020 are secured by all assets of AESE.

20. Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2021 (2020: nil).

21. Foreign Exchange Exposure

During the year ended 31 December 2021, the Group mainly operated in China and in the United States of America and the majority of its transactions were settled in Renminbi (“**RMB**”) or USD, being the functional currencies of the Group entities to which the transactions relate. As at 31 December 2021, the Group did not have significant foreign currency exposure from its operations.

22. Employee's Remuneration and Policy

As at 31 December 2021, the Group had 180 employees, 99 of which were responsible for games development and operation or general administration in the PRC (including Hong Kong), and 81 for AESE. The total remuneration expenses (including share-based compensation expense) for the year ended 31 December 2021 were RMB77.2 million, representing an increase of 17.4% as compared to the year of 2020.

23. Events Occurred since the End of the Year Ended 31 December 2021

The Group did not have any material events occurred since the end of the year ended 31 December 2021.

24. Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, the Group does not have other plans for material investments and capital assets.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company is committed to maintaining and promoting stringent corporate governance policies. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all the Shareholders.

Compliance with the Corporate Governance Code

During the year ended 31 December 2021, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix 14 to the Listing Rules, except for the deviations stated below.

Code provision C.2.1 (formerly code provision A.2.1) requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period from 1 January 2021 to 1 May 2021, Mr. Li Yangyang (“**Mr. Li**”) was appointed as the chairman of the Board (the “**Chairman**”) and acting Chief Executive Officer of the Company (the “**CEO**”). Mr. Lu Jingsheng (“**Mr. Lu**”), a then independent non-executive Director, was redesignated as an executive Director and appointed as the CEO on 1 May 2021. Immediately after the appointment of Mr. Lu as the CEO, Mr. Li has resigned from the position of acting CEO. During his tenure as the acting CEO, Mr. Li was responsible for general operation, investment and strategy of the Company and is instrumental to the Company's growth and business expansion. The Board considers that vesting the roles of Chairman and acting CEO in Mr. Li (up to his resignation on 1 May 2021) are beneficial to the management of the Group. The balance of power and authority is ensured by the operation of senior management and the Board, which comprises experienced and high-calibre individuals. As at the date of this announcement after redesignation of a Director as stated below, the Board comprises one executive Director, five non-executive Directors and three independent non-executive Directors, and therefore has a fairly strong independence element in its composition.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Corporate Governance Code and maintaining a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules to govern securities transactions by its Directors. Having made specific enquiry of all Directors, they have confirmed that they have strictly complied with the required standards as set out in the Model Code during the year ended 31 December 2021.

Review of Unaudited Annual Results

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, review and approve connected transactions and provide advice and comments to the Board.

As at the date of this announcement, the Audit Committee consisted of three members: Mr. Zhang Li, Mr. Ma Shaohua and Mr. Liu Xueming. Mr. Zhang Li and Mr. Ma Shaohua are independent non-executive Directors, and Mr. Liu Xueming is a non-executive Director. Mr. Zhang Li is the chairman of the Audit Committee.

The audit process for the annual results of the Group for the year ended 31 December 2021 has not been completed due to the reasons as set out in the section headed “Overview” in this announcement. The unaudited annual results contained herein have yet to be agreed by the Company’s auditor. An announcement relating to the audited annual results of the Group for the year ended 31 December 2021 will be made when the audit process has been completed.

Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2021.

Legal Proceedings

Arbitration Proceedings against Beijing Lianzhong and Tianjin Zhongqi

Reference is made to the voluntary announcement of the Company dated 31 May 2015 pursuant to which on 31 May 2015, Beijing Lianzhong entered into a cooperation agreement as supplemented by a supplemental agreement to the cooperation agreement dated 30 June 2016 (collectively, the “**Cooperation Agreements**”) with Tianjin Zhongqi and the Board and Card Games Administrative Center of the General Administration of Sport of China* (國家體育總局棋牌運動管理中心) in respect of the Board and Card Integrated Business Internet Management Project (棋牌綜合業務網絡化管理項目).

In November 2021, Beijing Lianzhong and Tianjin Zhongqi received a notice of arbitration from the Beijing Arbitration Commission (北京仲裁委員會) enclosing an application for arbitration dated 22 October 2021 filed by the Applicants with the Beijing Arbitration Commission against Beijing Lianzhong (as the first respondent) and Tianjin Zhongqi (as the second respondent) for a claim of damages in respect of the arbitration proceedings and the aggregate amount of damages claimed by the Applicants is approximately RMB90 million. As at the date of this announcement, the arbitration proceedings have been still in progress and no arbitral award has been made.

Further details of the arbitration proceedings are set out in the Company’s announcement dated 3 December 2021.

Save as disclosed above, the Group was not involved in any material legal proceedings or other arbitration during the year ended 31 December 2021. Nor were the Directors aware of any material legal proceedings or claims that were pending or threatening against the Group during the year ended 31 December 2021.

Final Dividend

The Board does not recommend the payment of any final dividend for the year ended 31 December 2021 (2020: nil).

ANNUAL GENERAL MEETING AND PERIOD OF CLOSURE OF REGISTER OF MEMBERS

The Company will arrange the time of convening the annual general meeting (the “AGM”) as soon as practicable. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules and the articles of association of the Company. Once the date of the AGM is finalised, the Company will announce the period of closure of register of members of the Company in a separate announcement and in the notice of the AGM.

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2021

	<i>Notes</i>	2021 RMB'000 Unaudited	2020 RMB'000 Audited
CONTINUING OPERATIONS:			
Revenue	3	143,815	110,407
Cost of revenue		<u>(87,670)</u>	<u>(85,745)</u>
Gross profit		56,145	24,662
Other income	4	9,011	7,640
Selling and marketing expenses		(21,981)	(4,192)
Administrative expenses		(141,946)	(170,345)
Share-based compensation expense		(18,686)	(25,978)
Research and development expenses		(24,141)	(155)
Finance costs		(5,976)	(42,271)
Share of profits of associates, net		—	3,813
Fair value changes of financial assets at fair value through profit or loss		—	(13,373)
Gain on disposal of associates		7,608	—
Gain on deregistration/disposal/rescission of subsidiaries		—	4,682
Gain on disposal of financial assets at fair value through profit or loss		110	—
Fair value change of investment properties		150	—
Fair value changes of convertible notes		—	(6,902)
Gain/(Loss) on conversion/redemption of convertible notes		6,453	(47,711)
Impairment of assets	8	<u>(485)</u>	<u>(126,383)</u>
Loss before income tax from continuing operations	5	(133,738)	(396,513)
Income tax credit/(expenses)	6	<u>34</u>	<u>(152)</u>
Loss for the year from continuing operations		(133,704)	(396,665)
DISCONTINUED OPERATIONS:			
Profit/(Loss) after tax for the period/year from discontinued operations	16	<u>338,031</u>	<u>(5,923)</u>
Profit/(Loss) for the year		<u>204,327</u>	<u>(402,588)</u>
Other comprehensive loss for the year			
Item that may be subsequently reclassified to profit or loss:			
Currency translation differences		<u>(28,783)</u>	<u>(26,129)</u>
Total comprehensive income/(loss) for the year		<u>175,544</u>	<u>(428,717)</u>

	<i>Notes</i>	2021 RMB'000 Unaudited	2020 RMB'000 Audited
Profit/(Loss) for the year attributable to:			
Equity holders of the Company			
— Continuing operations		(72,067)	(180,806)
— Discontinued operations		<u>103,437</u>	<u>(5,586)</u>
		<u>31,370</u>	<u>(186,392)</u>
Non-controlling interests			
— Continuing operations		(61,637)	(215,859)
— Discontinued operations		<u>234,594</u>	<u>(337)</u>
		<u>172,957</u>	<u>(216,196)</u>
		<u><u>204,327</u></u>	<u><u>(402,588)</u></u>
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Company			
— Continuing operations		(92,723)	(179,881)
— Discontinued operations		<u>103,437</u>	<u>(14,637)</u>
		<u>10,714</u>	<u>(194,518)</u>
Non-controlling interests			
— Continuing operations		(69,764)	(213,811)
— Discontinued operations		<u>234,594</u>	<u>(20,388)</u>
		<u>164,830</u>	<u>(234,199)</u>
		<u><u>175,544</u></u>	<u><u>(428,717)</u></u>
Earnings/(Loss) per share attributable to equity holders of the Company (expressed in RMB cents per share)			
	9		
Basic earnings/(loss) per share			
— From continuing operations		(6.80)	(17.12)
— From discontinued operations		<u>9.76</u>	<u>(0.53)</u>
		<u>2.96</u>	<u>(17.65)</u>
Diluted earnings/(loss) per share			
— From continuing operations		(6.80)	(17.12)
— From discontinued operations		<u>9.76</u>	<u>(0.53)</u>
		<u>2.96</u>	<u>(17.65)</u>

Consolidated statement of financial position
as at 31 December 2021

		As at 31 December 2021 RMB'000 Unaudited	As at 31 December 2020 RMB'000 Audited
	<i>Notes</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		29,640	48,723
Right-of-use assets		10,576	12,196
Investment properties		2,900	—
Interests in associates		—	4,250
Goodwill	10	—	—
Intangible assets		2,411	1,253
Financial assets at fair value through profit or loss		<u>62,833</u>	<u>69,683</u>
		<u>108,360</u>	<u>136,105</u>
Current assets			
Inventories		565	464
Trade and other receivables	11	53,823	51,906
Loan to third parties		—	—
Restricted bank balances	12	34,897	32,622
Bank balances and cash		609,070	79,417
Financial assets at fair value through profit or loss		<u>7,577</u>	<u>—</u>
		<u>705,932</u>	<u>164,409</u>
Assets of disposal group classified as held for sale	16	<u>—</u>	<u>434,853</u>
		<u>705,932</u>	<u>599,262</u>
Current liabilities			
Trade and other payables	13	(48,780)	(52,228)
Deferred revenue		(16,571)	(13,493)
Convertible notes	14	—	(13,610)
Loan payables		—	(12,789)
Lease liabilities		(8,785)	(6,231)
Income tax liabilities		<u>(188)</u>	<u>(1,940)</u>
		<u>(74,324)</u>	<u>(100,291)</u>
Liabilities of disposal group classified as held for sale	16	<u>—</u>	<u>(90,111)</u>
		<u>(74,324)</u>	<u>(190,402)</u>
Net current assets		<u>631,608</u>	<u>408,860</u>
Total assets less current liabilities		<u>739,968</u>	<u>544,965</u>

		As at 31 December 2021 RMB'000 Unaudited	As at 31 December 2020 RMB'000 Audited
	Notes		
Non-current liabilities			
Convertible notes	14	—	(9,734)
Lease liabilities		(41,926)	(44,944)
Loans payables		<u>—</u>	<u>(2,401)</u>
		<u>(41,926)</u>	<u>(57,079)</u>
Net assets		<u>698,042</u>	<u>487,886</u>
EQUITY			
Share capital	15	335	335
Reserves		<u>284,242</u>	<u>240,615</u>
Equity attributable to equity holders of the Company		284,577	240,950
Non-controlling interests		<u>413,465</u>	<u>246,936</u>
Total equity		<u>698,042</u>	<u>487,886</u>

Notes to the consolidated financial statements
for the year ended 31 December 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION

These unaudited annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board.

The unaudited consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Listing Rules.

On 19 January 2021, the Company’s non-wholly owned subsidiary, AESE entered into a Stock Purchase Agreement (“SPA”), as amended on 19 March 2021 and 29 March 2021 SPA respectively, to sell 100% of the capital stock of its wholly-owned subsidiary, CSI. CSI owns 100% of each of the legal entities that collectively operate or engage in the Company’s poker-related business, commonly known as the WPT. WPT is an internationally televised gaming and entertainment company that has been involved in the sport of poker since 2002 and created a television show based on a series of highstakes poker tournaments. Due to the Group have committed to a plan to sell the WPT business (the “Disposal Group”) prior to 31 December 2020, the Disposal Group has been reclassified as “Discontinued operations” and its assets and liabilities also reclassified as “Assets of disposal group classified as held for sale” and “Liabilities of disposal group classified as held for sale”.

On 12 July 2021, AESE and the buyer consummated the transactions contemplated by the SPA, pursuant to which, among other things, AESE sold 100% of the outstanding capital stock of CSI to the buyer. CSI is AESE’s indirect wholly-owned subsidiary that directly or indirectly owns 100% of the outstanding capital stock of each of the legal entities that collectively operate or engage in AESE’s WPT business.

At a special meeting of AESE’s stockholders on 1 July 2021 (U.S. time), the disposal (the “Disposal”) of the entire equity interests of CSI, an indirect non-wholly owned subsidiary of the Company for a total consideration of US\$105 million pursuant to the relevant SPA (and its subsequent amendments) was approved.

On 12 July 2021, AESE completed the sale of the WPT business for an aggregate purchase price of US\$106.2 million (reflected certain adjustments as of the closing of the sale transaction) and issued the press release announcing the completion of the disposal of CSI.

The unaudited consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair values. Non-current assets and disposal group held for sale are stated at the lower of carrying amount and fair value less costs to sell.

2. ADOPTION OF NEW AND AMENDED IFRSs

Amended IFRSs that are effective for annual periods beginning on 1 January 2021

In the current year, the Group has applied for the first time the following amended IFRSs, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual periods beginning on 1 January 2021:

Amendments to IFRS 16	COVID-19-related rent concessions beyond 30 June 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 6	Interest Rate Benchmark Reform – Phase 2

The impact of the adoption of the amended IFRSs are discussed below. Other than as noted below, the adoption of the amended IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Amendments to IFRS 16 “COVID-19-related rent concessions beyond 30 June 2021”

The Group previously applied the practical expedient in IFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has early adopted the 2021 amendment in this financial year. There is no impact on the Group's consolidated financial statements as the Group did not receive any rent concessions during the year ended 31 December 2021. There is no impact on the opening balance of equity at 1 January 2021.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform — Phase 2” (“Phase 2 Amendments”)

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (the “IBOR reform”). The amendments do not have an impact on the Group's consolidated financial statements as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

Issued but not yet effective IFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended IFRSs have been published but are not yet effective, and have not been adopted early by the Group.

IFRS 17	Insurance Contracts and related amendments ²
Amendments to IFRS 3	Reference to the Conceptual Framework ⁴
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 1	Classification of Liabilities As Current or Non-Current ²
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to IAS 8	Definition of Accounting Estimates ²
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use ¹
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract ¹
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018–2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective date not yet determined

⁴ Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

3. REVENUE

	2021 <i>RMB'000</i> Unaudited	2020 <i>RMB'000</i> Audited
Revenue from contract with customers		
Lianzhong Group		
— Online games revenue	111,836	88,242
AESE Group		
— In-person revenue	27,109	20,629
— Multiplatform content revenue	4,870	1,536
	<u>143,815</u>	<u>110,407</u>

4. OTHER INCOME

	<i>Notes</i>	2021 RMB'000 Unaudited	2020 <i>RMB'000</i> Audited
Other revenue			
Bank interest income		2,057	377
Dividend income		<u>77</u>	<u>—</u>
		2,134	377
Other net income			
COVID-19-related rent concessions received	(a)	—	4,395
Subsidy income from government	(b)	—	1,431
Gain on forgiveness of PayCheck Protection Program loans and interest		5,888	—
Sundry income		<u>989</u>	<u>1,437</u>
		6,877	7,263
		9,011	7,640

- (a) As disclosed in Note 2, the Group has early adopted Amendments to IFRS 16 “Covid-19-Related Rent Concessions” and applies the practical expedients introduced by the amendments to all eligible rent concessions received by the Group.
- (b) Subsidy income from government mainly relates to cash subsidies in respect of operating and development activities which are either unconditional grants or grants with conditions having been satisfied.

5. PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

Profit/(loss) for the year from continuing operations is arrived at after charging:

	2021 RMB'000 Unaudited	2020 RMB'000 Audited
Finance costs		
Interest charges on Convertible Notes	602	37,273
Interest expenses	1,132	1
Finance charges on lease liabilities	<u>4,242</u>	<u>4,997</u>
	<u>5,976</u>	<u>42,271</u>
	2021 RMB'000 Unaudited	2020 RMB'000 Audited
Employee benefit expenses (including directors' emoluments)		
Salaries, bonus and allowances	50,205	37,755
Retirement benefit scheme contributions	5,705	883
Severance payments	2,581	1,142
Share-based compensation expense	<u>18,686</u>	<u>25,978</u>
	<u>77,177</u>	<u>65,758</u>

6. INCOME TAX (CREDIT)/ EXPENSE

	2021 RMB'000 Unaudited	2020 RMB'000 Audited
Current tax		
The PRC		
— Current year	—	152
— Prior years	<u>(34)</u>	<u>—</u>
Income tax (credit)/expense	<u>(34)</u>	<u>152</u>

7. DIVIDENDS

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

8. IMPAIRMENT OF ASSETS

	2021 RMB'000 Unaudited	2020 RMB'000 Audited
Non-current prepayment	—	34,516
Properties, plant and equipment	—	51,318
Right-of-use assets	—	27,981
Inventories	41	—
Trade and other receivables	444	12,568
Total	485	126,383

9. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to equity holders of the Company and on the weighted average number of ordinary shares in issue during the year.

	2021 Unaudited	2020 Audited
Profit/(Loss) attributable to equity holders of the Company for the year (RMB'000)		
— Continuing operations	(72,067)	(180,806)
— Discontinued operations	103,437	(5,586)
	31,370	(186,392)
Weighted average number of ordinary shares in issue during the year	1,059,489,688	1,055,951,176
Basic earnings/(loss) per share (in RMB cents per share)		
— Continuing operations	(6.80)	(17.12)
— Discontinued operations	9.76	(0.53)
	2.96	(17.65)

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the year after adjusting for the effects of all dilutive potential ordinary shares.

For the year ended 31 December 2021, the Company has six categories of dilutive ordinary shares, being the Company's share option schemes, and options, warrants, restricted common shares, unit purchase options and contingent consideration shares issued by a subsidiary of the Company. The impacts had anti-dilutive effect on the basic loss per share amounts presented.

For the year ended 31 December 2020, the Company has seven categories of dilutive ordinary shares, being the Company's share option schemes, and options, warrants, restricted common shares, convertible notes, unit purchase options and contingent consideration shares issued by a subsidiary of the Company. The impacts had anti-dilutive effect on the basic loss per share amounts presented.

10. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

	2021 RMB'000 Unaudited	2020 RMB'000 Audited
At 1 January	—	101,249
Net exchange differences	—	(6,558)
Reclassified as held for sale	—	(94,691)
	<hr/>	<hr/>
At 31 December	<hr/>	<hr/>

11. TRADE RECEIVABLES

	2021 RMB'000 Unaudited	2020 RMB'000 Audited
Trade receivables		
From third parties	7,226	5,248
Less: ECL allowance	(943)	(544)
	<hr/>	<hr/>
	<hr/>	<hr/>

The credit terms of trade receivables are usually 30 to 90 days. Ageing analysis based on recognition date of the gross trade receivables at the reporting dates is as follows:

	2021 <i>RMB'000</i> Unaudited	2020 <i>RMB'000</i> Audited
0–30 days	3,533	2,959
31–60 days	1,073	534
61–90 days	961	575
91–180 days	756	359
181–365 days	696	283
Over 1 year	207	538
	<u>7,226</u>	<u>5,248</u>

12. RESTRICTED BANK BALANCES

For the year ended 31 December 2021, the restricted bank balances primarily represented US\$5,000,000 (equivalent to RMB31,852,000) (2020: US\$5,000,000 (equivalent to RMB32,622,000)) placed into an escrow account to be used for developing integrated eSports experience venues at mutually agreed upon shopping malls owned and/or operated by Brookfield or any of its affiliates, that will include a dedicated gaming space and production capabilities to attract and to activate eSports and other emerging live events.

13. TRADE PAYABLES

	2021 <i>RMB'000</i> Unaudited	2020 <i>RMB'000</i> Audited
Trade payables — to third parties	<u>10,053</u>	<u>11,589</u>

The ageing analysis of trade payables to third parties based on recognition date is as follows:

	2021 RMB'000 Unaudited	2020 <i>RMB'000</i> Audited
0 – 30 days	5,271	5,816
31 – 60 days	534	69
61 – 90 days	600	3
91 – 180 days	288	284
181 – 365 days	720	3,100
Over 1 year	<u>2,640</u>	<u>2,317</u>
	<u>10,053</u>	<u>11,589</u>

14. CONVERTIBLE NOTES

	2021 RMB'000 Unaudited	2020 <i>RMB'000</i> Audited
Non-Current portion		
Convertible Notes issued in 2020	<u>—</u>	<u>9,734</u>
Current portion		
Convertible Notes issued in 2019 and 2018	<u>—</u>	<u>13,610</u>
	<u>—</u>	<u>23,344</u>

15. SHARE CAPITAL

The movements in the share capital of the Company are as follows:

	Number of shares	Nominal value of shares US\$'000	Equivalent nominal value of shares RMB'000
Authorised:			
<i>Ordinary shares:</i>			
At 31 December 2020 and 2021	<u>10,000,000,000</u>	<u>500</u>	
Issued and fully paid:			
<i>Ordinary shares:</i>			
At 31 December 2020 and 2021	<u>1,077,799,887</u>	<u>55</u>	<u>335</u>

16. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES INCLUDED IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As mentioned in Note 1, on 19 January 2021, AESE entered into a SPA to sell the equity interests of CSI that owns and operates the WPT business (the “Disposal Group”), the WPT business has been reclassified as discontinued operations.

(a) Assets and liabilities of the Disposal Group are as follows:

	2020 RMB'000 Audited
Current assets	434,853
Current liabilities	<u>(90,111)</u>
Net assets	<u><u>344,742</u></u>

(b) Profit for the period from 1 January 2021 to 12 July 2021/(Loss) for the year ended 31 December 2020 from discontinued operations of the Disposal Group are as follows:

	Period ended 12 July 2021 RMB'000 Unaudited	2020 RMB'000 Audited
Revenue	83,995	139,139
Total expense	<u>(69,500)</u>	<u>(145,062)</u>
Profit/(Loss) for the period/year	14,495	(5,923)
Gain on disposal of discontinued operations	<u>323,536</u>	<u>—</u>
Profit/(loss) for the period/year from discontinued operations	<u><u>338,031</u></u>	<u><u>(5,923)</u></u>

(c) Gain on disposal of discontinued operations

On 12 July 2021, the disposal of the equity interests in CSI that owned and operated the WPT business was completed. Upon completion of the disposal, the Company recognised a disposal gain of approximately RMB323.5 million calculated with reference to (i) the total consideration payable by the buyer under the disposal; (ii) the carrying amount of the deferred production costs, intangible assets and other assets sold of the Disposal Group at the completion date; (iii) cash balance held by the Disposal Group at the completion date; (iv) liabilities assumed by the buyer; and (v) related transaction expenses in connection with the disposal.

PUBLICATION OF THE UNAUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This unaudited annual results announcement has been published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.lianzhong.com. The annual report of the Group for the year ended 31 December 2021 will be published on the aforesaid websites and is currently expected to be dispatched to the Shareholders on or before 30 April 2022. If the Company expects any delay in the publication and dispatch of the annual report of the Group for the year ended 31 December 2021, further announcement(s) will be made as and when appropriate.

REDESIGNATION OF DIRECTOR

The Board announces that at the request of Mr. Li, an executive Director, with effect from 31 March 2022, Mr. Li has been re-designated as a non-executive Director but will continue to serve as the Chairman and the chairman of the nomination and corporate governance committee of the Company (the “**Nomination and Corporate Governance Committee**”). Mr. Li would like to stand down as an executive Director so as to spend more time with his family and pursue his other personal and business development.

The biographical details of Mr. Li are set out below:

Mr. Li Yangyang, aged 43, was appointed as an executive Director in June 2020 and re-designated as a non-executive Director in March 2022. Mr. Li holds directorship in certain subsidiaries of the Group. He is also the Chairman and the chairman of the Nomination and Corporate Governance Committee.

Mr. Li has served as the chairman of the board of directors of World Business Services Union (更生行集團) and Choi Shun Investment Limited (澳門財信投資有限公司) since 2014. In 2008, he integrated Zhejiang Dongyang Elephant Media Co., Ltd. (浙江東陽大象傳媒有限公司), Beijing Elephant Guozhong Advertising Co., Ltd. (北京大象國眾廣告有限公司) and Beijing Elephant Zhiyuan Cultural Media Co., Ltd. (北京大象至元文化傳媒有限公司) into Elephant Media Group (大象傳媒集團) and served as the chairman of the board of directors of Elephant Media Group. In 2003, he founded Business Media China Group (商媒中國廣告及會展有限公司) and served as its chief executive officer. In 2001, he served as Assistant President of China Great Wall Industry Corporation (中國航天長城工業總公司).

In respect of his redesignation, Mr. Li has entered into a new service contract commencing on 31 March 2022 and he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. During the term of his appointment, Mr. Li shall be entitled to an aggregate annual remuneration package equivalent to approximately RMB0.47 million (or a pro rata amount for an incomplete year). The remuneration of Mr. Li is determined with reference to his duties and responsibilities, the remuneration policy of the Company and the prevailing market standards.

As at the date of this announcement and pursuant to the requirements for disclosure under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “**SFO**”), Mr. Li is interested in 316,846,906 shares of the Company. Save as disclosed above, as at the date of this

announcement, Mr. Li confirmed that (i) he does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) he does not have any interest in the shares of the Company within the meaning of Part XV of SFO; (iii) he does not hold other positions with the Company or other members of the Group; and (iv) he does not hold any other directorships in the last three years in any other public companies of which the securities are listed on any securities market in Hong Kong or overseas.

Mr. Li has confirmed that there is no further information which is discloseable pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters which need to be brought to the attention of The Stock Exchange of Hong Kong Limited and the Shareholders in relation to his redesignation as a non-executive Director.

Following the redesignation of Mr. Li, the Board will comprise of nine members with one executive Director, five non-executive Directors and three independent non-executive Directors.

The Board would like to express its sincere appreciation to Mr. Li for his invaluable contribution to the Company during his tenure as an executive Director.

By order of the Board
Ourgame International Holdings Limited
Lu Jingsheng
Chief Executive Officer and Executive Director

Beijing, 31 March 2022

For purpose of this announcement, the exchange rates of US\$1 = RMB6.3704 and RMB1 = HK\$1.2231 have been used, where applicable, for purpose of illustration only and do not constitute a representation that any amount has been, could have been or may be exchanged at such rates or any other rates or at all on the date or dates in question or any other date.

As at the date of this announcement, the Board comprises Mr. Lu Jingsheng as executive Director; Mr. Li Yangyang, Mr. Liu Jiang, Mr. Liu Xueming, Ms. Gao Liping and Mr. Hua Yuming as non-executive Directors, and Mr. Ma Shaohua, Mr. Zhang Li and Mr. Guo Yushi as independent non-executive Directors.

* *For identification purpose only*