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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)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS	Six months ended 30 June		Changes
	2023	2022	
	<i>RMB'000</i>	<i>RMB'000</i>	
	(Unaudited)	(Unaudited)	
Revenue	162,432	72,693	123.4%
Loss for the period attributable to equity holders of the Company	<u>(22,768)</u>	<u>(25,610)</u>	11.1%
Loss per share attributable to equity holders of the Company (expressed in RMB cents per share)			
Basic loss per share	<u>(2.14)</u>	<u>(2.38)</u>	
Diluted loss per share	<u>(2.14)</u>	<u>(2.38)</u>	

## REVENUE BY GEOGRAPHICAL AREAS

	Six months ended 30 June		Changes
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)	
The People's Republic of China (the "PRC") <sup>(1)</sup>	<b>131,544</b>	49,575	165.3%
Outside the PRC <sup>(2)</sup>	<u><b>30,888</b></u>	<u>23,118</u>	33.6%
<b>Total revenue</b>	<u><b>162,432</b></u>	<u>72,693</u>	123.4%

- (1) For the purpose of this interim results announcement, the revenue from the PRC does not include those from Hong Kong, Macau and Taiwan (if any).
- (2) The revenue outside the PRC was primarily derived from Allied Gaming & Entertainment Inc. ("AGAE") (formerly known as 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 the eSports and entertainment business.

The board (the “**Board**”) of directors (the “**Directors**”) of Ourgame International Holdings Limited (“**Ourgame**” or the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023. These unaudited consolidated interim results have been reviewed and approved by the Company’s audit committee (the “**Audit Committee**”).

## **BUSINESS REVIEW**

In the first half of 2023, under the background of continuous changes in domestic and international environment, the Company continued to insist 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 continuous growth kept in the “game hall” business and mobile game business. Meanwhile, the Company has made progress in the new racetrack of multi-channel network (“**MCN**”) broadcasting. Events at e-Sports venues, offline tournaments and programme production outside China continued to develop with the end of the pandemic.

In respect of our PC game business that is popular among loyal users, significant improvement has seen in the active users and service experience of the traditional Ourgame Hall services. Meanwhile, the Company’s business platform sector has been optimized and fine-tuned in various aspects, such as continuously improving user experience of the premium users, further enhancing our brand stickiness and visibility and combining the traditional products with the hot-pick items, including short videos and live broadcast projects in order to raise the user activities, thereby promoting sustainable and healthy growth of the revenue from PC games in the first half of 2023. The Company will further explore the value of Ourgame Hall platform users in the future to promote the continuous return of existing users and continue to provide hundreds of millions of platform users with better services. Meanwhile, we will further strengthen our efforts in marketing, expand cooperation channels on PC platform, and further attract new and existing users to experience our high-quality services.

In respect of the traditional mind sports product projects, Ourgame continued to press ahead with the cooperation strategy with various channels. In addition to the existing well-run traditional products such as Fight Landlord and Mahjong, Ourgame continued to launch a number of mobile-based game products in first half of 2023, such as Farmers Fight Landlord (農家鬥地主), Two-Experts Mahjong (達人二人麻將) and Braves Fight Landlord (智勇鬥地主), which have been promoted on Kuaishou platform and cooperated with multiple advertisers. After nearly one year of operation, such products and services have been widely recognized by the market with higher revenue and more users, becoming the leader of similar products in the market in a quick manner. The Company plans to apply the model of such products to the promotion of other mind sports games products in the future, enlarge product categories jointly promoted with partners, and continue to cultivate the traditional mind sports games market. Meanwhile, the Company also plans to continue to make exploration and layout in leisure and puzzle games, and further provide high-quality services for users of different age groups.

In 2023, the Company continues to strengthen the construction of the MCN operation team. The Company has established extensive connection with internet live streaming platforms such as Kuaishou and Douyin to kick-start various initiatives. Currently, the operation team has built its own superior anchor camp covering various categories, such as chess, mahjong, fight landlord (鬥地主), western chess, Four-nation War Chess (四國軍棋), bridge and other sectors. The relevant live streaming accounts matrix have already had millions of users and fans, and a large number of head accounts have been created, such as Mahjong Competitor (麻將競技君), where competitive mind sports games players interact with fans in real time, providing users with high-quality live streaming and event contents of mind sports games. Meanwhile, we are building a public channel featuring short videos with professional content in various aspects in order to make the best use of our competitive edge from our refined operation as compared to our industry peers. Our live broadcast business has reached a cooperative venture with the official mind sports games of Kuaishou, which has assisted Kuaishou's promotion of its official mind sports games in the live broadcasting sector. The cooperative venture is a new attempt for a win-win cooperation between Ourgame and other mind sports games operators. For offline operations, the Company also actively attempts to operate mind sports games venues and has established Ourgame intelligence eSports venues (聯眾智競館) in many places, so as to provide more and better services for enthusiasts and fans of mind sports games.

In terms of overseas business, with the company's name officially changed from AESE to AGAE, AGAE's game and entertainment business continues to grow. So far, AGAE's operations mainly consist of eSports gaming operations, which take place at global competitive eSports properties designed to connect players and fans via a network of connected arenas. AGAE offers eSports fans state-of-the-art facilities to compete against other players in eSports competitions, host live events with eSports superstars that potentially stream to millions of viewers worldwide, produce and distribute eSports content at AGAE's on-site production facilities and studios. At HyperX Arena Las Vegas, one of the world's most recognized eSports and entertainment events facilities, AGAE provides an attractive facility for hosting corporate events, tournaments, game launches or other events. Additionally, AGAE has a mobile eSports arena, namely Allied Esports Trucks, which is an 18-wheel semi-trailer that converts into a first class eSports arena and competition stage with full content production capabilities and an interactive talent studio.

In the first half of 2023, AGAE's in-person revenue and multiplatform content revenue continuously increased. AGAE entered into a new naming rights agreement for HyperX Arena Las Vegas and played out the Season 2 of Elevated, a live broadcast of game influencer which had 10 episodes in 2023 compared to 4 episodes in 2022 and recorded rapid growth in revenue from relevant advertisements. Meanwhile, AGAE continues to expand the marketing efforts and operations in existing and new geographies as well as new vertical markets (including live influencer events, experiential entertainment, casual mobile gaming, live streaming platforms and channels, interactive content monetization, and online eSports tournament and gaming subscription platforms), which AGAE will provide continuous and attractive returns on investment from such markets.

Since its establishment over two decades ago, the Company remained its focus on the development of mind sports 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, programme production, live sports events and offline experience, continues to expand its gaming and entertainment business in the mainland, Hong Kong, Macau and overseas, and has made great progress after the pandemic. The Company will continue to work hard and forge ahead in order to achieve the goal of shareholder return and social responsibility.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### 1. *Overview*

The loss attributable to equity holders of the Company amounted to RMB22.8 million for the six months ended 30 June 2023, as compared with RMB25.6 million for the six months ended 30 June 2022.

#### 2. *Revenue*

For the six months ended 30 June 2023, revenue of the Group amounted to RMB162.4 million, representing an increase of RMB89.7 million or 123.4% as compared with RMB72.7 million for the corresponding period of 2022. The increase was mainly due to the increase in revenue from online advertising services with enhanced cooperation with various distribution channels during the period.

#### 3. *Cost of Revenue and Gross Profit Margin*

For the six months ended 30 June 2023, cost of revenue of the Group amounted to RMB109.2 million, representing an increase of RMB73.7 million or 207.3% as compared with RMB35.5 million for the corresponding period of 2022. The gross profit margin of the Group decreased from 51.1% for the six months ended 30 June 2022 to 32.8% for the six months ended 30 June 2023. The decrease in the Group's gross profit margin was mainly due to the significant increase in the online advertising services business with a lower gross profit during the period.

#### 4. *Other Income*

For the six months ended 30 June 2023, other income of the Group amounted to RMB10.5 million, representing an increase of RMB5.6 million or 115.7% as compared with RMB4.9 million for the corresponding period of 2022. This was primarily due to the increase of other income from AGAE as a result of the interest earned on the short-term investments purchased during the fourth quarter of 2022.

#### 5. *Selling and Marketing Expenses*

For the six months ended 30 June 2023, selling and marketing expenses of the Group amounted to RMB7.8 million, representing a decrease of RMB6.7 million or 46.1% as compared with RMB14.5 million for the corresponding period of 2022. The decrease was mainly due to the decrease in promotion and marketing activities during the period.

## **6. *Administrative Expenses***

For the six months ended 30 June 2023, administrative expenses of the Group amounted to RMB56.3 million, representing a decrease of RMB11.6 million or 17.1% as compared with RMB67.9 million for the corresponding period of 2022. This was primarily due to the decrease in general and administrative expenses of AGAE resulted primarily from higher payroll and payroll related expenses during the six months ended June 30, 2022 in connection with the resignation of AGAE's former chief executive officer.

## **7. *Research and Development Expenses***

For the six months ended 30 June 2023, research and development expenses of the Group amounted to RMB15.8 million, representing an increase of RMB7.3 million or 86.9% as compared with RMB8.5 million for the corresponding period of 2022. The increase was because the Group put more effort to update the existing versions of online games and more research and development effort was placed on new versions of online games during the period.

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

For the six months ended 30 June 2023, the fair value changes of financial assets at fair value through profit or loss of the Group was RMB10.8 million. There were no fair value changes of financial assets at fair value through profit or loss for the six months ended 30 June 2022.

## **9. *Loss Attributable to Equity Holders of the Company***

The loss attributable to equity holders of the Company amounted to RMB22.8 million for the six months ended 30 June 2023, as compared with RMB25.6 million for the six months ended 30 June 2022.

## **10. *Income Tax Expense***

For the six months ended 30 June 2023, income tax expense of the Group amounted to RMB0.2 million, as compared with RMB1,000 for the corresponding period of 2022.

## **11. *Liquidity and Source of Funding and Borrowing***

As at 30 June 2023, the Group's total bank balances and cash increased by 136.8% from RMB87.3 million as at 31 December 2022 to RMB206.7 million as at 30 June 2023. The increase was mainly due to the maturity of certificate of deposits. As at 30 June 2023, the current assets of the Group amounted to RMB685.1 million, including bank balances and cash of RMB206.7 million, certificate of deposits of RMB362.3 million and other current assets of RMB116.1 million. Current liabilities of the Group amounted to RMB67.9 million, of which RMB56.2 million were trade and other payables and deferred revenue and other current liabilities were RMB11.7 million. As at 30 June 2023, the current ratio (the current assets to current liabilities ratio) of the Group was 10.1 as compared to 11.4 as at 31 December 2022. 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 30 June 2023 was nil (31 December 2022: nil). The Group currently intends to finance future expansion, investments and business operations primarily with internal resources, but may further explore alternative sources of finance in appropriate circumstances.

## **12. *Material Investments***

Save as disclosed in this announcement, the Group did not have any material investments during the six months ended 30 June 2023.

## **13. *Material Acquisitions***

Save as disclosed in this announcement, the Group did not have any material acquisitions during the six months ended 30 June 2023.

## **14. *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 ecosystem for acquisitions and strategic and operational synergies, and (iii) leveraging on external financial resources for expertise and scale. As at 30 June 2023, the Group's financial assets at fair value through profit or loss amounted to RMB34.3 million as included as non-current assets (31 December 2022: RMB45.8 million, included as non-current assets).



As at 30 June 2023, the Group’s investments in unlisted equity investments amounted to RMB34.3 million as included as non-current assets, 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:

<b>Name of Invested Company/ Private Equity Funds</b>	<b>Amount of Capital Contributed by the Group</b>	<b>Percentage of Shareholding</b>	<b>Principal Business</b>
Beijing Yilian Investment Centre (L.P.)	RMB5,000,000	5%	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%	Tourism culture
Juyou Universe (Suzhou) Culture Science and Technology Development Co., Ltd.	RMB1,560,000	6.32%	Internet services

For the six months ended 30 June 2023, no dividends have been paid from the above invested companies as included as 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 30 June 2023.

### *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 six months ended 30 June 2023 are set out below:

#### **Included as Non-Current Assets**

	<b>Unlisted equity investments</b> <i>RMB'000</i>
Balance as at 1 January 2023	45,846
Additions	60
Disposal	(756)
Fair value changes recognized in profit or loss	<u>(10,820)</u>
Fair value as at 30 June 2023	<u><u>34,330</u></u>

#### **15. Material Disposals**

Save as disclosed in this announcement, the Group did not have any material disposals during the six months ended 30 June 2023.

## **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 shareholders of the Company (the "Shareholders").

### **1. Compliance with the Corporate Governance Code**

During the six months ended 30 June 2023, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

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

### **2. 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**") set out in Appendix 10 to the Listing Rules to govern securities transactions by its Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they strictly complied with the required standards set out in the Model Code during the six months ended 30 June 2023.

### **3. Audit Committee**

The Company has established the Audit Committee in accordance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's internal control and financial reporting process and to maintain an appropriate relationship with the Company's independent auditor. Currently, the Audit Committee comprised three members, namely, Mr. Zhang Li (independent non-executive Director), Mr. Liu Xueming (non-executive Director) and Mr. Ma Shaohua (independent non-executive Director). Mr. Zhang Li is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited interim results and interim report of the Group for the six months ended 30 June 2023.

### **4. Purchase, Sale or Redemption of the Company's Listed Securities**

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

## 5. Material Litigation

### *Loan to Fast Express Trading Limited (“Fast Express”)*

During the period from 30 January 2018 to 6 February 2018, the Company provided loans in an aggregate amount of HK\$62,484,799 to Fast Express for a loan term of 30 days from the date of provision of such loans. Subsequent to the maturity of such loans, Fast Express failed to repay the loans as scheduled. After that, a loan agreement dated 30 June 2018 with Merit Horizon Limited (“**Merit Horizon**”) (the “**Merit Horizon Loan Agreement**”) was signed, pursuant to which Merit Horizon agreed to repay the loans of Fast Express and all accrued interests since 1 July 2018 (the “**Merit Horizon Loan**”). On the even date, Ms. Fu Qiang (“**Ms. Fu**”), the then non-executive Director, executed a letter of guarantee in favour of the Company in respect of the Merit Horizon Loan Agreement (the “**Guarantee**”), pursuant to which Ms. Fu has provided a guarantee to the Company on her joint and several liabilities with Merit Horizon for the performance of the Merit Horizon Loan Agreement. As Merit Horizon and Ms. Fu failed to honour their respective contractual obligations under the Merit Horizon Loan Agreement and the Guarantee and therefore the Company took relevant legal actions against Merit Horizon and Ms. Fu as follows:

On 10 January 2022, the Company as the plaintiff filed a civil complaint (the “**Civil Complaint**”) at the Fourth Intermediate People’s Court of Beijing Municipality (北京市第四中級人民法院) against Merit Horizon and Ms. Fu as the defendants in relation to the breach of a loan agreement and a letter of guarantee, respectively. On 7 February 2022, considering relevant factors, the Company applied to the Fourth Intermediate People’s Court of Beijing Municipality for withdrawal of the Civil Complaint, which was approved on 17 February 2022.

On 7 February 2022, immediately after the Company applied for the Civil Complaint to be withdrawn, the Company further initiated an arbitration before the Hong Kong Arbitral Tribunal (the “**Tribunal**”) in relation to the breach of the Merit Horizon Loan Agreement, claiming against Merit Horizon for an aggregate amount of no less than HK\$97,948,090.47, being the principal, accrued interests and liquidated damages and arbitration costs as at 31 December 2021, for breach of the Merit Horizon Loan Agreement. Merit Horizon then added Glassy Mind Holdings Limited (亮智控股有限公司) (“**GMHL**”) as a party to the said arbitration case, and proposed six reliefs or remedies against GMHL. According to the disclosure of interest form filed by GMHL, it holds 290,690,848 shares of the Company, representing approximately 26.97% of the issued share capital of the Company. GMHL is also an indirect wholly-owned subsidiary of Irena Group Co., Ltd. (體育之窗文化股份有限公司) (“**iRENA**”). On 22 July 2022, the Company received a consent interlocutory award (the “**Consent Interlocutory Award**”) from the Tribunal, which decided and held that, having considered the available evidence, it appeared from the prima facie evidence that the Tribunal has jurisdiction over the case. As at the date of this announcement, the arbitration proceedings are still in progress and no final arbitral award has been made.

On 16 September 2022, the Company (as plaintiff) has further lodged a civil litigation (the “**Litigation**”) at the Court of First Instance of the High Court of the Hong Kong Special Administration Region (the “**High Court**”) against GMHL, Ms. Fu, a former Director and a shareholder and the chairman of iRENA, and Mr. Gao Hong (“**Mr. Gao**”), a former Director and a shareholder and a director of iRENA, respectively. In the Litigation, the Company has made a claim against GMHL and Ms. Fu pursuant to the undertakings made by GMHL and Ms. Fu to the Company, requesting them to repay the unpaid principal and accrued interests under the loan agreements executed in the name of Fast Express and/or Merit Horizon Limited, and has applied to the High Court for a permanent injunction that Glassy Mind shall not breach its undertaking on exercising its Shareholder’s rights. Meanwhile, the Company formally sought damages from Ms. Fu and Mr. Gao for their breach of respective fiduciary duties as former directors of the Company. As at the date of this announcement, the Litigation proceedings are still in progress and no judgment has been made.

Further details of the aforesaid arbitration and Litigation proceedings were set out in the Company’s announcements dated 11 January 2022, 10 July 2022, 24 July 2022, 15 September 2022, 16 September 2022, 28 November 2022 and 24 August 2023, respectively.

#### ***Arbitration Proceedings against Spoville Co., Ltd. (“Spoville”)***

On 14 March 2022, the Company filed an arbitration application to the ICC International Court of Arbitration (the “**ICC Court**”) in respect of a convertible bond subscription agreement entered into between Spoville, Mr. Seung-Hwan Oh, its major shareholder, and the Company, and a supplemental agreement entered into between the same parties. On 20 March 2023, the ICC Court handed down the final judgment (the “**ICC Arbitral Award**”) in respect of the said arbitration, the main contents of which are set out below:

- (1) Spoville and Mr. Seung-Hwan Oh shall immediately pay to the Company jointly and severally the principal of the convertible bonds and its interests as of 18 August 2019 in aggregate of KRW2,184,541,667;
- (2) Spoville and Mr. Seung-Hwan Oh shall immediately pay to the Company jointly and severally the interests corresponding to KRW2,184,541,667, calculated at 1% per annum from 19 August 2019 to 18 March 2023;
- (3) Spoville and Mr. Seung-Hwan Oh shall immediately pay to the Company jointly and severally all legal fees and translation fees in aggregate of RMB727,468;
- (4) Spoville and Mr. Seung-Hwan Oh shall immediately pay to the Company jointly and severally the arbitration costs incurred by the Company in aggregate of US\$85,000; and
- (5) For the amounts determined in clauses 1 to 4 above, Spoville and Mr. Seung-Hwan Oh shall pay to the Company the interests accrued from 20 March 2023 to the day of full settlement of the above amounts at the prescribed rate as stipulated under the Arbitration Ordinance (Chapter 609 of the laws of Hong Kong).

Please refer to the announcement of the Company dated 23 March 2023 for further details.

Save as disclosed above, the Group was not involved in any other material legal proceedings or arbitrations during the six months ended 30 June 2023.

#### **6. Interim Dividend**

The Board does not declare any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

#### **7. Event after the Reporting Period**

Save as disclosed, so far as the Company is aware, there was no important event affecting the Group which occurred after the six months ended 30 June 2023 to the date of this announcement.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2023*

		<b>Six months ended 30 June</b>	
		<b>2023</b>	<b>2022</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	4	<b>162,432</b>	72,693
Cost of revenue		<u><b>(109,221)</b></u>	<u>(35,546)</u>
<b>Gross profit</b>		<b>53,211</b>	37,147
Other income	5	<b>10,541</b>	4,888
Selling and marketing expenses		<b>(7,822)</b>	(14,511)
Administrative expenses		<b>(56,324)</b>	(67,921)
Share-based compensation expense		<b>(2,206)</b>	(5,456)
Research and development expenses		<b>(15,827)</b>	(8,469)
Finance charges on lease liabilities		<b>(2,296)</b>	(2,358)
Fair value changes of financial assets at fair value through profit or loss		<b>(10,820)</b>	—
Impairment of digital assets		—	(1,065)
Reversal of expected credit losses (“ECL”)/ (ECL) allowance on trade and other receivables		<u><b>167</b></u>	<u>(437)</u>
<b>Loss before income tax</b>	6	<b>(31,376)</b>	(58,182)
Income tax expense	7	<u><b>(163)</b></u>	<u>(1)</u>
<b>Loss for the period</b>		<u><b>(31,539)</b></u>	<u>(58,183)</u>
<b>Other comprehensive income for the period</b>			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		<u><b>25,295</b></u>	<u>43,751</u>
<b>Total comprehensive loss for the period</b>		<u><u><b>(6,244)</b></u></u>	<u><u>(14,432)</u></u>

		<b>Six months ended 30 June</b>	
		<b>2023</b>	<b>2022</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the period attributable to:</b>			
Equity holders of the Company		<u>(22,768)</u>	<u>(25,610)</u>
Non-controlling interests		<u>(8,771)</u>	<u>(32,573)</u>
		<u><b>(31,539)</b></u>	<u><b>(58,183)</b></u>
<b>Total comprehensive loss for the period attributable to:</b>			
Equity holders of the Company		<u>(14,572)</u>	<u>(2,747)</u>
Non-controlling interests		<u>8,328</u>	<u>(11,685)</u>
		<u><b>(6,244)</b></u>	<u><b>(14,432)</b></u>
<b>Loss per share</b>			
(expressed in RMB cents per share)			
Basic loss per share	9	<u><b>(2.14)</b></u>	<u><b>(2.38)</b></u>
Diluted loss per share	9	<u><b>(2.14)</b></u>	<u><b>(2.38)</b></u>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at <b>30 June</b> <b>2023</b> <i>RMB'000</i> <b>(Unaudited)</b>	As at 31 December 2022 <i>RMB'000</i> <b>(Audited)</b>
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	12,665	18,429
Right-of-use assets		17,402	21,207
Investment properties		2,900	2,900
Interests in associates		2,166	1,240
Digital assets	11	357	344
Intangible assets	12	6,094	1,879
Financial assets at fair value through profit or loss	14	<u>34,330</u>	<u>45,846</u>
		<u>75,914</u>	<u>91,845</u>
<b>Current assets</b>			
Inventories		549	549
Trade and other receivables	15	79,289	74,701
Loans to third parties	13	—	—
Certificate of deposits		362,287	484,602
Restricted bank balances		36,229	34,614
Cash and cash equivalents		<u>206,724</u>	<u>87,289</u>
		<u>685,078</u>	<u>681,755</u>
<b>Current liabilities</b>			
Trade and other payables	16	48,977	46,368
Deferred revenue		7,254	1,289
Lease liabilities		10,699	11,128
Bank loan		1,000	1,000
Income tax liabilities		<u>—</u>	<u>—</u>
		<u>67,930</u>	<u>59,785</u>
<b>Net current assets</b>		<u>617,148</u>	<u>621,970</u>
<b>Total assets less current liabilities</b>		<u>693,062</u>	<u>713,815</u>

	<b>As at 30 June 2023</b>	As at 31 December 2022
<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	(Audited)
<b>Non-current liabilities</b>		
Lease liabilities	<u>43,648</u>	<u>47,599</u>
<b>Net assets</b>	<u><b>649,414</b></u>	<u><b>666,216</b></u>
<b>EQUITY</b>		
Share capital	335	335
Reserves	<u>279,349</u>	<u>283,150</u>
Equity attributable to equity holders of the Company	<b>279,684</b>	283,485
Non-controlling interests	<u><b>369,730</b></u>	<u>382,731</u>
<b>Total equity</b>	<u><b>649,414</b></u>	<u><b>666,216</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2023*

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Ourgame International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 4 December 2013 as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the development and operation of online card and board games, organising and broadcasting online to offline mind-sports events, tournaments, TV shows and contents (collectively, the “**Online Games Business**”) primarily in the People’s Republic of China (the “**PRC**”/“**Lianzhong Group**”) and the United States (the “**US**”/“**AGAE Group**”). The Group is expanding the eSports, sports e-commerce business and other non-card-and-board games new internet businesses (collectively, the “**eSports Business**”) globally.

These unaudited consolidated interim financial statements (the “**Interim Financial Statements**”) is presented in Renminbi (“**RMB**”), unless otherwise stated.

The Interim Financial Statements has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”.

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2022 except for the adoption of the new and amended International Financial Reporting Standards (“**IFRSs**”) as disclosed in Note 3.

The interim financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022.

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2022.

### 3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The consolidated interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2022, except for the adoption of the following amended IFRSs effective as of 1 January 2023. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board to this interim financial statements for the current accounting period:

IFRS 17	Insurance Contracts with Related Amendments
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

#### **Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies”**

The amendments to IAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in its financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

In February 2021, International Accounting Standards Board issued IFRS Practice Statement 2 “Making Materiality Judgements” to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS. IFRS Practice Statement 2 was subsequently revised to provide guidance and examples on how to apply the concept of materiality to accounting policy disclosures.

The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and are applied prospectively. The amendments had no impact on the condensed consolidated interim financial statements of the Group.

#### **Amendments to IAS 8 “Definition of Accounting Estimates”**

The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates by introducing a definition for accounting estimates, which is now defined as “monetary amounts in the financial statements that are subject to measurement uncertainty”.

Besides, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates typically involve the use of judgements or assumptions based on latest available reliable information. A change in accounting estimate that results from new information or new development is not correction of an error. Therefore, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. In addition, two illustrative examples are added to illustrate how to apply the new definition of accounting estimates.

The amendments are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. The amendments had no impact on the condensed consolidated interim financial statements of the Group.

#### 4. REVENUE AND SEGMENT INFORMATION

##### Revenue

The Group's principal activities are disclosed in Note 1 to this announcement. The Group's revenue from external customers recognized during the period is as follows:

##### *Revenue from contract with customers*

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Lianzhong Group		
— Online games revenue	<b>47,001</b>	49,575
— Online advertising services income	<b>84,543</b>	—
AGAE Group		
— In-person revenue	<b>17,039</b>	21,580
— Multiplatform content revenue	<b>13,849</b>	1,538
	<b>162,432</b>	72,693

##### *Timing of revenue recognition:*

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
At a point in time	<b>138,033</b>	59,141
Over time	<b>24,399</b>	13,552
	<b>162,432</b>	72,693

## 5. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Other revenue</b>		
Bank interest income	<u>10,069</u>	<u>92</u>
<b>Other net income</b>		
Bad debt recovery of loan to third party	—	4,500
Subsidy income from government	—	2
Sundry income	<u>472</u>	<u>294</u>
	<u>472</u>	<u>4,796</u>
	<u><b>10,541</b></u>	<u><b>4,888</b></u>

## 6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Employee benefit expenses</b>		
Salaries, bonus and allowances	25,091	28,598
Retirement benefit scheme contributions	3,329	3,955
Severance payments	298	5,019
Share-based compensation expense	2,206	5,456
	<u>30,924</u>	<u>43,028</u>
<b>Other items</b>		
(Reversal of impairment)/Impairment of assets:		
— Impairment of digital assets	—	1,065
— (Reversal of expected credit losses (“ECL”))/ ECL allowance on trade and other receivables	(167)	437
	<u>(167)</u>	<u>1,502</u>
Lease charges related to short-term leases	518	181
Depreciation:		
— Owned assets	6,503	11,257
— Right-of-use assets	2,656	2,786
	<u>9,159</u>	<u>14,043</u>
Total depreciation		
	<u>12</u>	<u>—</u>
Gain on disposal of property, plant and equipment		
Amortisation of intangible assets	600	609

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC enterprise income tax		
— Current period	163	1

## 8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

## 9. LOSS PER SHARE

### (a) Basic loss per share

Basic loss per share for the six months ended 30 June is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Loss for the period attributable to equity holders of the Company (in RMB'000)	<u>(22,768)</u>	<u>(25,610)</u>
Weighted average number of ordinary shares in issue during the period (Note (i))	<u>1,062,193,393</u>	<u>1,075,797,581</u>
Basic loss per share (in RMB cents per share)	<u><u>(2.14)</u></u>	<u><u>(2.38)</u></u>

### (b) Diluted loss per share

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

For the six months ended 30 June 2023 and 2022, the Company has six categories of dilutive ordinary shares, being the Company's share option schemes, 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.

*Note:*

#### (i) Weighted average number of ordinary shares in issue

The calculation of weighted average number of ordinary shares in issue during the period is based on outstanding ordinary shares less weighted average number of ordinary shares repurchase of ordinary shares for the share award scheme.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment at a cost of RMB1,454,000 (six months ended 30 June 2022: RMB1,561,000) and disposed property, plant and equipment at a carrying amount of RMB1,290,000 (six months ended 30 June 2022: nil).



## 11. DIGITAL ASSETS

During the six months ended 30 June 2023, there was no addition to digital assets acquired (six months ended 30 June 2022: there was addition to digital assets acquired amounted to RMB266,000 and being accepted as a form of payment of sale of non-fungible tokens by the amount of RMB1,478,000).

## 12. INTANGIBLE ASSETS

During the six months ended 30 June 2023, there was additions to intangible assets acquired amounted to RMB4,456,000 (six months ended 30 June 2022: nil).

## 13. LOANS TO THIRD PARTIES

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	<b>As at 31 December 2022 RMB'000 (Audited)</b>
<b>Current portion</b>		
Loans	41,737	41,737
Interest receivables	<u>1,843</u>	<u>1,843</u>
	<b>43,580</b>	43,580
Less: ECL allowance	<u>(43,580)</u>	<u>(43,580)</u>
	<u>—</u>	<u>—</u>

As at 30 June 2023 and 31 December 2022, the loans to third parties of RMB41,737,000 become due within next 12 months and are included in the current portion. The amount comprises of:

- (i) RMB26,452,000 loan secured by a personal guarantee of Ms. Fu Qiang, a former non-executive director of the Company, with interest rate of 5.5% per annum. To recover the relevant loans, the Company has taken various measures, including initiating an arbitration and filing a report with the police force for investigation. For details, please refer to section “Material Litigation” disclosed in “Corporate Governance and Other Information” in this announcement;
- (ii) RMB13,285,000 unsecured loan with interest rate of 1% annum. To recover the relevant loans, the Company has taken various measures, including initiating an arbitration. For details, please refer to section “Material Litigation” disclosed in “Corporate Governance and Other Information” in this announcement;
- (iii) RMB2,000,000 was secured by unlisted equity interest in companies of the debtors incorporated in the PRC with interest-free.

#### 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
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##### Included in non-current assets

Unlisted equity investments	<u>34,330</u>	<u>45,856</u>
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#### 15. TRADE AND OTHER RECEIVABLES

As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
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##### Trade receivables

From third parties	12,737	13,274
Less: ECL allowance	<u>(793)</u>	<u>(1,089)</u>
	<u>11,944</u>	<u>12,185</u>

##### Other receivables

Deposits, prepayments and other receivables	59,181	61,647
Advances to employees	2,140	1,421
Loan to an ex-director of a subsidiary	4,722	4,722
Interest receivable from certificate of deposits	<u>10,826</u>	<u>4,690</u>
	76,869	72,480
Less: ECL allowance	<u>(9,524)</u>	<u>(9,964)</u>
	<u>67,345</u>	<u>62,516</u>
	<u>79,289</u>	<u>74,701</u>

The directors of the Group considered that the fair values of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

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:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	<b>As at 31 December 2022 RMB'000 (Audited)</b>
0–30 days	<b>8,984</b>	3,164
31–60 days	<b>2,806</b>	8,232
61–90 days	<b>28</b>	132
91–180 days	<b>28</b>	744
181–365 days	<b>53</b>	148
Over 1 year	<b>838</b>	854
	<b><u>12,737</u></b>	<b><u>13,274</u></b>

The movement in the ECL allowance is as follows:

	<b>Six months ended 30 June 2023 RMB'000 (Unaudited)</b>	<b>Year ended 31 December 2022 RMB'000 (Audited)</b>
At the beginning of the period/year	<b>1,089</b>	943
ECL allowance recognized	<b>61</b>	201
Amount written off during the period/year	<b>(357)</b>	(55)
At the end of the period/year	<b><u>793</u></b>	<b><u>1,089</u></b>

The Group applies the simplified approach to provide for expected credit losses prescribed in IFRS 9. Provision for or reversal of impaired receivables have been included in “Impairment of assets” in the consolidated statement of profit or loss and other comprehensive income.

## 16. TRADE AND OTHER PAYABLES

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
<b>Trade payables</b>		
To third parties	<u>11,356</u>	<u>13,679</u>
<b>Other payables</b>		
Other payables and accrued charges	23,882	17,471
Staff costs and welfare accruals	<u>13,739</u>	<u>15,218</u>
	<u>37,621</u>	<u>32,689</u>
	<u><u>48,977</u></u>	<u><u>46,368</u></u>

All amounts are short-term and hence the carrying values of trade and other payables as at 30 June 2023 and 31 December 2022 were considered to be a reasonable approximation of their fair values.

The credit terms granted to the Group are usually 30 to 90 days.

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

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
0–30 days	7,899	7,804
31–60 days	327	2,360
61–90 days	—	222
91–180 days	73	237
181–365 days	1	501
Over 1 year	<u>3,056</u>	<u>2,555</u>
	<u><u>11,356</u></u>	<u><u>13,679</u></u>

## 17. COMMITMENTS

### Lease commitments

At the reporting date, the lease commitments for short term leases are as follows:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	<b>As at 31 December 2022 RMB'000 (Audited)</b>
Within one year	<b><u>32</u></b>	<b><u>207</u></b>

This interim results announcement has been published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.lianzhong.com](http://www.lianzhong.com). The interim report of the Group for the six months ended 30 June 2023 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Shareholders in due course.

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

Hong Kong, 31 August 2023

*As at the date of this announcement, the Board comprises Mr. Lu Jingsheng as executive Director; Mr. Liu Xueming, Ms. Gao Liping, Mr. Hua Yumin, Ms. Yu Bing, Ms. Wang Ruyuan, Mr. Wang Runqun and Ms. Xiao Yundan as non-executive Directors, and Mr. Ma Shaohua, Mr. Zhang Li, Mr. Guo Yushi and Mr. Dai Bing as independent non-executive Directors.*

\* *For identification purpose only*