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)

KEY FINDINGS OF THE INVESTIGATION AND THE INTERNAL CONTROL REVIEW

This announcement is made by Ourgame International Holdings Limited (the "**Company**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 27 March 2024, 28 March 2024, 19 April 2024, 10 May 2024, 21 May 2024, 27 June 2024, 28 June 2024, 11 August 2024, 13 August 2024, 30 August 2024, 19 September 2024, 27 September 2024, 5 December 2024, 27 December 2024, 27 March 2025, 27 June 2025 and 7 July 2025 (collectively, the "**Announcements**"). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

BACKGROUND

As disclosed in the Announcements, Grant Thornton, the former Auditor, has issued the Letters to the Audit Committee setting out the Key Matters. In response to the above, the Board has resolved to establish the Special Investigation Committee comprising all the independent non-executive Directors, namely Mr. Ma Shaohua, Mr. Zhang Li and Mr. Dai Bing, to undertake an investigation into the Key Matters as raised in the Letters. The Special Investigation Committee has engaged (a) Baker Tilly to carry out the Investigation to investigate the Key Matters and (b) HLB to conduct the Internal Control Review of the Group with a focus on the Key Matters. The Board is pleased to announce that the Investigation and the Internal Control Review have been completed, and the Special Investigation

Committee has made recommendations to the Board after discussing with each of Baker Tilly and HLB and reviewing the Investigation Report and the Internal Control Review Report, details of which are set out in this announcement below.

SUMMARY OF KEY FINDINGS OF THE INVESTIGATION

Baker Tilly has completed the Investigation, and the key findings of the Investigation are set out below:

1. The Expenses Payment Transactions ("Key Matter 1")

Key Matter 1 relates to (i) approximately RMB8.38 million payments made by the Former CEO on behalf of the Company for certain business purposes (the "**Payments On Behalf Of Company**"); and (ii) two consultancy agreements entered with a consultancy service company (the "**Consultancy Firm**"), that occurred in FY2021 and FY2022 but were not properly recorded in the Group's books and records for FY2021 and FY2022 (the "**Consultancy Agreements**").

1.1 *Payments On Behalf Of Company*

(i) *Details of the matter*

The Payments On Behalf Of Company amounted to approximately RMB8.38 million, which were paid by the Former CEO. Such amounts mainly represented legal fees aggregated to approximately RMB5.58 million (the "**Legal Fees**") and severance payments aggregated to approximately RMB2.80 million (the "**Severance Payments**").

The Legal Fees include payments to several lawyers and law firms, which relate to various matters of the Group. The Severance Payments were made to two former directors of AGAE as compensation for their departure from AGAE.

All the Legal Fees and the Severance Payments were paid by the Former CEO on behalf of the Company during the period from March 2021 to August 2022 since, in the opinion of the Former CEO, the Former CEO considered it was at the best interest of the Company to settle those expenses on behalf of the Company back then first as the Group (excluding the bank balances held at AGAE, which is placed in USA) was tight. The Former CEO did not report such Payments On Behalf Of Company to the finance department of the Company in FY2021 and FY2022, except for legal fees of approximately RMB374,000. Such legal fees of approximately RMB374,000 were made and recorded in the consolidated financial statements of the Group during FY2022. For the Severance Payments and the remaining Legal Fees, the Former CEO reported to the finance department of the Company before year end of FY2023 after the cash flow position of the Group improved. As a result, such amounts were only recognised in the consolidated financial statements of the Group during FY2023.

Based on the investigation by Baker Tilly, among the Legal Fees, there was an amount in the sum of RMB200,000 with insufficient evidence as the Former CEO did not maintain sufficient documentation in relation to such legal fee. The Former CEO had expressed willingness to bear the cost personally and had repaid the amount of RMB200,000 to the Group in FY2025.

(ii) *Recommendations and measures implemented*

Baker Tilly has noticed that the arrangement of the Payments On Behalf Of Company did not follow the internal control policies of the Group, and that there was a lack of internal control policy governing the process for determining service fees by service providers and communication after entering into contract and recording of expenses. Baker Tilly recommends the Management to comply with its internal control policy on the vendor selection process and establish clear procedures for fee determination, and expenses monitoring, along with appropriate documentation requirements.

In the internal control review, HLB has noticed internal control deficiencies which are consistent with the findings of Baker Tilly as set out above. HLB is of the view that there are internal control deficiencies in terms of (a) inadequacies in the policy of expenses management procedure; (b) absence of internal control process for determining the vendor selection; and (c) inadequacies in the policy of expenses recognise procedures. HLB has made recommendations to improve the internal control of the Group. The Management agrees to the said recommendations and has already adopted necessary improvement measures to enhance the internal control system of the Group. For details of internal control deficiencies and implementation of remedial actions, please refer to the section headed "INTERNAL CONTROL REVIEW" for further information.

(iii) *Impact on financial statements*

The Payments On Behalf Of Company shall be recorded at the time when such services were provided or when the relevant events happened. Since the Payments On Behalf Of Company also covered events happening in FY2021 and FY2022, adjustments will be made to the consolidated financial statements of the Group as prior year adjustments for the relevant amounts.

(iv) *Conclusion*

As stated in the Investigation Report, Baker Tilly is of the view that the Former CEO was acting in good faith and was for the overall benefit of the Group after considering the actual circumstances of the Company at the time. However, due to his unique position within the Group, and despite valid reasons for not disclosing certain information, Baker Tilly also considers that the Key Matter 1 was caused by management override of control by the Former CEO, and the failure in complying with the internal control policies was also due to the identity and role of the Former CEO. Since the matters underlying the Key Matter 1 were resolved and the Former CEO resigned from all positions within the Group during FY2024, coupled with the current management's recognition of the importance of sound corporate governance, Baker Tilly is of the view that the likelihood of it occurring again is minimal.

The Special Investigation Committee and the Board are of the view that appropriate actions and measures were taken and implemented in response to the recommendations made by Baker Tilly and HLB.

1.2 *The Consultancy Agreements*

(i) *Details of the matter*

The Consultancy Agreements comprise two agreements entered into between the Group and the Consultancy Firm, one in October 2021 (the "**2021 Consultancy Agreement**") and the other in October 2022 (the "**2022 Consultancy Agreement**"). The Consultancy Agreements relate to investment consulting and management services.

The Consultancy Firm provided its services as stipulated under the two Consultancy Agreements throughout the period from October 2021 to September 2023. However, the Consultancy Firm did not issue invoices on a monthly basis. The finance department of the Company only recorded the service fees of the Consultancy Firm based on the actual timing in which the invoices were received and did not make adjustments to reflect the cut-off differences. During the course of the Independent Investigation, it is noted that both the 2021 Consultancy Agreement and the 2022 Consultancy Agreement have been approved in the Company's contract approval system and the Group has recorded such expenses based on the invoices received in the audited results in both FY2021 and FY2022.

However, in order to provide accruals to properly record the services received timely properly reflect the expenses in the relevant financial year based on the accrual basis, the finance department of the Company has made adjustments to rectify the cut-off error of the consultancy fees. Based on the accounting record of the Company, the consultancy fees pursuant to the Consultancy Agreements have been recorded during each of FY2021, FY2022 and FY2023 as follows:

Year	**Records per Company's accounts**	**Adjustments**	**Adjusted amounts as disclosed in the consolidated financial statements for FY2023**
	RMB'000	*RMB'000*	*RMB'000*
FY2021	600	Nil	600
FY2022	1,000	901	1,901
FY2023	1,440	(241)	1,199

(ii) *Recommendations and measures implemented*

Baker Tilly has noticed that the arrangement of recording the consultancy fees paid to the Consultancy Firm only when the invoices were received did not comply with the accrual basis of accounting and the Group's internal control policy.

In the internal control review, HLB has noticed that there are internal control deficiencies in terms of (a) inadequacies in the policy of expense recognize procedure; (b) absence of internal control process for determining the vendor selection; and (c) inadequacies in the policy of expense management procedure. HLB has made recommendations to improve the internal control of the Group. The Management agrees to the recommendations made by HLB and has already adopted improvement measures to enhance the internal control system of the Group. For details of internal control deficiencies and implementation of remedial actions, please refer to the section headed "INTERNAL CONTROL REVIEW" for further information.

(iii) *Impact on financial statement*

The consultancy fees under the Consultancy Agreements shall be recognised in a straight line basis when the services were provided. As mentioned above, adjustments were made to the relevant consolidated financial statements of the Group for FY2023 in this regard.

(iv) *Conclusion*

The Special Investigation Committee and the Board are of the view that appropriate actions and measures were taken and implemented in response to the recommendations made by Baker Tilly and HLB.

2. Certain prepayment amounts by the Group to another third party being offset against amount due to the Former CEO under the Expenses Payment Transactions ("Key Matter 2")

Key Matter 2 relates to the arrangement of prepayment being offset against amounts due to the Former CEO (the "**Offsetting Arrangement**").

(i) *Details of the matter*

The prepayment relates to an amount paid to a marketing company (the "**Marketing Company**") of RMB8 million for the promotion of a mobile game in social media and short-form online video platform in the PRC which the Group originally expected to be launched during FY2022 (the "**Promotion Prepayment**"). The Marketing Company was a third party independent from the Group, and is a one-stop integrated media centre operation service provider in the PRC, specialising in internet user engagement and new media mobile app operations. However, such game was unable to be launched due to unforeseen reasons such as adjustments made to the social media and short-form online video platform's internal policies. Accordingly, the Promotion Prepayment was unable to be utilized and therefore should be refunded to the Company in accordance with the contract signed with the Marketing Company. The Group therefore negotiated with the Marketing Company for the termination of the promotion services and refund of the Promotion Prepayment.

As a result of the Payments On Behalf Of Company set out above, the Group had to repay the amounts to the Former CEO. The directors of the Company considered it is in the best interest and most cost efficient for the Group to enter into an offsetting agreement among the Group, the Marketing Company and an independent company in the PRC which acted as an agent designated by the Former CEO (the "**Designated Agent**"), such that the amount due to the Former CEO and the prepayment to the Marketing Company could be offset directly. Accordingly, the relevant agreement for the Offsetting Arrangement was entered into on 31 December 2023 (the "**Debt Transfer Agreement**"), based on which the prepayment to the Marketing Company and the amount due to the Former CEO has been offset.

To further protect the interests of the Company, the Former CEO has provided an indemnification to the Company to, among other things, indemnify the Group against any losses arising from disputes related to the Debt Transfer Agreement.

(ii) ***Recommendations and measures implemented***

Baker Tilly is of the view that the Management should strengthen the Group's internal control policy especially on prepaid service status such as regular meetings with Management to update the status of prepaid services and any potential hurdle foresee, in order to facilitate the Management to make appropriate decision and follow up action to protect the interest of the Group. There were deficiencies in internal control of the Group governing (i) the process for determining service fees; and (ii) the communication after entering into contract and recording of expenses. Baker Tilly recommends the Management to comply with its internal control policy on the vendor selection process and establish clear procedures for fee determination, and expenses monitoring, along with appropriate documentation requirements.

HLB has noticed internal control deficiencies of the Group, (i) absence of internal control process for determining the vendor selection; and (ii) lack of proper documentation for monitoring prepayment to suppliers. HLB has made recommendations to improve the internal control of the Group. The Management agrees to the recommendations made by HLB and has already adopted necessary improvement measures to enhance the internal control system of the Group. For details of internal control deficiencies and implementation of remedial actions, please refer to the section headed "INTERNAL CONTROL REVIEW" for further information.

(iii) ***Impact on financial statements***

Following the execution of the Debt Transfer Agreement, the Promotion Prepayment and an amount of RMB8 million of payable to the Designated Agent were set off and disclosed as non-cash transactions in the consolidated financial statements for FY2023.

(iv) ***Conclusion***

The Special Investigation Committee and the Board are of the view that appropriate actions and measures were taken and implemented in response to the recommendations made by Baker Tilly and HLB.

3. Cash advance made by the Group to the Former CEO ("Key Matter 3")

Key Matter 3 relates to cash advance to the Former CEO with an outstanding balance of approximately RMB2.64 million as of 31 December 2023 (the "**Cash Advances**").

(i) *Details of the matter*

The Former CEO was an executive director (from 30 June 2020 to 31 March 2022), an acting chief executive officer (from 30 June 2020 to 1 May 2021) and a non-executive director (from 31 March 2022 to 30 September 2022) of the Company. From 30 September 2022 and up to 22 October 2024, the Former CEO was the head of strategy responsible for overseas business development, a member of the management team of the Company and a general manager of a subsidiary of the Company.

The Cash Advances were provided to the Former CEO for the purpose of future settlement of business development and travelling related expenses (the "**Business Development Expenses**") to be incurred when performing his duties at the Group. Such Cash Advances were unsecured, interest free and without specified repayment term, and would be offset by Business Development Expenses incurred by the Former CEO, or would be refunded by the Former CEO to the Company when there was no anticipated need to incur Business Development Expenses in the near future. For the avoidance of doubt, such amounts were not provided as a loan to the Former CEO.

In addition, in view of the role of the Former CEO as the head of strategy, the Former CEO was entitled to a monthly welfare fee of RMB100,000 (the "**Monthly Welfare Fee**") starting from January 2023. Such amount of Monthly Welfare Fee would be granted monthly and deducted from the balance of the Cash Advances. As at 31 December 2023, the net balance of the Cash Advances, i.e. after deducting the amounts of Business Development Expenses incurred, amounts refunded and the Monthly Welfare Fee, amounted to approximately RMB2.64 million. The Company has followed up with the Former CEO regarding the Cash Advances during the course of the Investigation, and the Former CEO was unable to provide the necessary supporting documents relating to the Business Development Expenses incurred because of the difficulties to sort out such documents for expenses of almost two years ago. In view of this and in order to protect the interests of the Group and to reduce the burden of the Group's finance department associated with verifying his expenses, the Former CEO has therefore repaid the whole outstanding balance of the Cash Advances to the Group during FY2024.

(ii) ***Recommendations and measures implemented***

Baker Tilly noted that there was an internal control deficiency in monitoring the cash advance process, including recording of supporting documents, verification of cash usage and proper approval of the cash advance. Baker Tilly recommends the Company to strengthen its internal control procedures and policies related to the approval of cash advances to all staff, including senior management, and to enhance and strengthen the existing expense management policy.

In the internal control review, HLB has noticed internal control deficiencies which are consistent with the findings of Baker Tilly as set out above. HLB is of the view that there are internal control deficiencies in terms of (a) ineffective implementation of internal control procedures; and (b) inadequate documentation, monitoring and oversight procedure for cash advance. HLB has made recommendations to improve the internal control of the Group. The Management agrees to the recommendations made by HLB and has already adopted necessary internal control measures to enhance the internal control system of the Group. For details of internal control deficiencies and implementation of remedial actions, please refer to the section headed "INTERNAL CONTROL REVIEW" for further information.

(iii) ***Impact on financial statements***

The Cash Advances were recorded as amounts due from the Former CEO on the consolidated financial statements of the Group as at 31 December 2023. Following the repayment of the full balance of the Cash Advances by the Former CEO, such amounts were recorded as repaid with nil balance subsequently in the upcoming consolidated financial statements.

(iv) ***Conclusion***

The Special Investigation Committee and the Board are of the view that appropriate actions and measures were taken and implemented in response to the recommendations made by Baker Tilly and HLB.

4. The Debt Collection Transactions (“**Key Matter 4**”)

Key Matter 4 relates to the engagements of debt collection agencies (the “**Debt Collection Agencies**”) for the collection of three loans (referred to as “**Loan A**”, “**Loan B**” and “**Loan C**”) which were granted out by the former management of the Group.

4.1 *Loan A*

(i) *Details of the matter*

Loan A amounted to RMB8.5 million and was made pursuant to two loan agreements and a pledge agreement dated 26 January 2018 and two supplemental loan agreements and a supplemental pledge agreement dated 18 April 2019.

In order to recover Loan A, the Company had engaged a debt collection agency (“**Debt Collector A**”) for debt collection services, with a service fee of 50% of the recovered amount. The debt collection services were carried out by Debt Collector A and its business consultant partner (the “**Consultant**”).

Loan A of RMB8.5 million was subsequently recovered during FY2022 and Debt Collector A was entitled to a debt collection fee of 50% of the recovered amount, i.e. RMB4.25 million. However, the service invoice for the recovery of RMB8.5 million has not been received by the Company as of 31 December 2022 and no accrual of such services has been properly recorded during the preparation of the Group’s consolidated financial statements for FY2022. Also, out of the RMB8.5 million amount recovered, RMB2 million was settled directly to Debt Collector A, and no reversal of impairment losses of such amount had been made during the preparation of the Group’s consolidated financial statements for FY2022. Adjustments were made to reflect the cut-off error of the debt collection fee. The service fee to Debt Collector A in relation to Loan A was fully settled by the Group.

(ii) *Recommendations and measures implemented*

As set out in the Investigation Report, Baker Tilly noted that the lack of inquiries from the finance department in validating the work done progress of the Debt Collection Agencies and the Consultant by detail supporting indicated finance department did not fully adhere to the established expense management procedures. The Group did not follow its internal control policy on the vendor selection process and related documentation requirements; there is also a lack of internal control policy governing (i) the process for determining service fees; and (ii) the monitoring of prepaid expenses and debt collection. Therefore, Baker Tilly recommends the Management to establish clear procedures for vendor selection, fee determination, and expenses monitoring, along with appropriate documentation requirements.

In terms of internal control, HLB noted that there were internal control deficiencies regarding the engagement with the Debt Collection Agencies, including inadequate policy on contract management procedures and inadequate documentation and record-keeping. Regarding Loan A, HLB noted internal control deficiencies including (a) lack of approval process for credit policy; (b) lack of expenses management procedures; (c) absence of standardized vendor selection process; and (d) inadequacies in the policy of expenses recognize procedure. HLB has made recommendations to improve the internal control of the Group. The Management agrees to the recommendations made by HLB and has already adopted necessary improvement measures to enhance the internal control system of the Group. For details of internal control deficiencies and implementation of remedial actions, please refer to the section headed "INTERNAL CONTROL REVIEW" for further information.

(iii) *Impact on financial statements*

Loan A was fully recovered in FY2022, and therefore adjustments will be made to the consolidated financial statements of the Group as prior year adjustments for the relevant amounts.

(iv) *Conclusion*

The Special Investigation Committee and the Board are of the view that appropriate actions and measures were taken and implemented in response to the recommendations made by Baker Tilly and HLB.

4.2 *Loan B*

(i) *Details of the matter*

Loan B related to the amount received from Spoville and Mr. SEUNG HO, which was also granted out by the former management of the Group.

On 14 March 2022, the Company initiated arbitration against Spoville and Mr. SEUNG HO at the International Court of Arbitration regarding the Spoville Subscription Agreements (the "**Spoville Arbitration**"). A final award was granted on 20 March 2023 (the "**Final Award**"), requiring Spoville and Mr. SEUNG HO to jointly pay the Company KRW2,184,541,667, plus 1% annual interest from 19 August 2019 to 18 March 2023, and to cover RMB727,468 legal costs and USD85,000 ICC arbitration fees, along with simple interest on these amounts until full payment is made.

In order to recover Loan B, the Company had engaged Debt Collector A for the debt collection services in relation to Loan B, and the Group made a payment of USD430,000 (equivalent to RMB3,087,000) to Debt Collector A. Such amount represented the service fee paid to Debt Collector A and the Consultant for the work in sorting out the outstanding loans previously granted out by the former management of the Group during

2021 to 2023. Accordingly, the directors of the Company has considered the whole amount of USD430,000 should be charged to the profit or loss for FY2023 given the services had been provided already.

(ii) *Recommendations and measures implemented*

As set out in the Investigation Report, Baker Tilly noted that the lack of inquiries from the finance department in validating the work done progress of the Debt Collection Agencies and the Consultant by detail supporting indicated finance department did not fully adhere to the established expense management procedures. There is also a lack of internal control policy governing (i) the process for determining service fees; and (ii) communication after entering into contract and recording of expenses. Therefore, Baker Tilly recommends the Management to comply with its internal control policy on the vendor selection process and establish clear procedures for fee determination, and expenses monitoring, along with appropriate documentation requirements.

Regarding Loan B, HLB noted internal control deficiencies including (a) lack of approval process for credit policy; (b) lack of expense recognize procedures; and (c) absence of standardized vendor selection process. HLB has made recommendations to improve the internal control of the Group. The Management agrees to the recommendations made by HLB and has already adopted necessary improvement measures to enhance the internal control system of the Group. For details of internal control deficiencies and implementation of remedial actions, please refer to the section headed "INTERNAL CONTROL REVIEW" for further information.

(iii) *Impact on financial statements*

Since the amount of USD430,000 was paid to Debt Collector A and the Consultant for the work in sorting out the outstanding loans previously granted out by the former management of the Group during 2021 to 2023. Accordingly, the directors of the Company has considered the whole amount of USD430,000 should be charged to the profit or loss for FY2023. However, the Company is unable to measure the amounts for the cut-off adjustments of the relevant expenses due to the practical difficulty in measuring the amount of work performed for the debt collection service over different periods of time. The whole amount of the expenses to Debt Collector A in relation to Loan B was recorded in FY2023. As the whole amount of the expense has been recognised in FY2023, it will no longer has any impact to the consolidated financial statements of the Group in subsequent years.

(iv) *Conclusion*

The Special Investigation Committee and the Board are of the view that appropriate actions and measures were taken and implemented in response to the recommendations made by Baker Tilly and HLB.

4.3 *Loan C*

(i) *Details of the matter*

Loan C related to the outstanding loan and interest payable by Mr. Ng, the former executive director and former chief executive office of the Company and, also the former director and chief executive of AGAE, with gross amount of RMB6,905,000, which was granted out by the Company when Mr. Ng was the executive director and chief executive office of the Company.

Loan C had not been repaid and therefore the Group engaged the Debt Collection Agencies for recovery of Loan C.

In July 2023, an instruction letter was issued by Mr. Ng to AGAE via email (the "**Instruction Letter**"). Pursuant to which, Mr. Ng instructed AGAE to pay Debt Collector A the amount of US$1,000,000 (which represented the outstanding severance payment to Mr. Ng from AGAE), less any taxes that were required to be withheld and deducted to Debt Collector A. In late July 2023, the Company also has entered with Debt Collector A and Mr. Ng a settlement agreement (the "**Settlement Agreement**") such that approximately US$645,000 (equivalent to approximately HK$5 million) received by Debt Collector A, would offset the outstanding amount of approximately HK$5 million of the Loan. Out of this settlement, Debt Collector A was entitled to 50% of the settlement as debt collection service fee.

However, the Company was later being notified that, in October 2023, Mr. Ng has filed an arbitration case (the "**Arbitration**") with the American Arbitration Association ("**AAA**") for the outstanding payment of US$1,000,000 against AGAE. In April 2024, Mr. Ng filed a motion to include a cause of action of fraud with the AAA, claiming that Mr. Ng's email account used in the communications with AGAE about the settlement and the Instruction Letter and the Settlement Agreement purportedly signed by Mr. Ng were fraudulent. Following Mr. Ng's motion, AGAE had submitted a reply to oppose Mr. Ng's motion to AAA and as at the date of this announcement, the Arbitration is currently still in the process of discovery, with the evidentiary hearing to be scheduled in early November 2025. In 2024, given the Arbitration is still in progress, the approximately US$645,000 previously received and collected were transferred to an escrow account until the Arbitration is concluded.

(ii) *Recommendations and measures implemented*

As set out in the Investigation Report, Baker Tilly noted that the lack of inquiries from the finance department in validating the work done progress of the Debt Collection Agencies and the Consultant by detail supporting indicated finance department did not fully adhere to the established expense management procedures. Also, the Group lacks internal control policy governing (i) the process for determining service fees; and (ii) the monitoring of expenses, especially those expenses paid related to debt collection. Therefore, Baker Tilly recommends the Management to establish clear procedures for vendor selection, fee determination, and expenses monitoring, along with appropriate documentation requirements.

Regarding Loan C, HLB noted internal control deficiencies including (a) lack of approval process for credit policy; (b) inadequacies in the policy of expenses recognize procedure; and (c) absence of standardized vendor selection. HLB has made recommendations to improve the internal control of the Group. The Management agrees to the recommendations made by HLB and has already adopted necessary improvement measures to enhance the internal control system of the Group. For details of internal control deficiencies and implementation of remedial actions, please refer to the section headed "INTERNAL CONTROL REVIEW" for further information.

(iii) *Impact on financial statements*

Due to the on-going arbitration case on Loan C, the management of the Group, considered that there is uncertainty on Loan C and hence has made full impairment, and the Group did not recognise the service fee payable to the Debt Collection Agencies.

(iv) *Conclusion*

The Special Investigation Committee noted that Baker Tilly has carried out independent investigation into the Key Matter 4. In particular, an IT forensic investigation was also performed on the devices of the key staff and management. Based on the discussion with Baker Tilly and the Investigation Report, the Special Investigation Committee understands that there were no evidence found by Baker Tilly which may lead them to conclude that the Settlement Agreement was falsified by the management of the Company.

The Special Investigation Committee and the Board are of the view that appropriate actions and measures were taken and implemented in response to the recommendations made by Baker Tilly and HLB.

5. Two complaint letters issued to the Stock Exchange ("Key Matter 5")

In May 2024, two complaint letters (the "**Compliant Letters**") were issued to the Stock Exchange, raising a number of allegations against AGAE and/or its subsidiaries. The investigation on Key Matter 5 comprised the Investigation by Baker Tilly and an internal investigation by the Group. Based on such investigation, the Board is of the view that, save for those matters which have been covered in other Key Matters, the allegations contained in the Complaint Letters are false, inaccurate and without any substance.

INTERNAL CONTROL REVIEW

HLB has completed the Internal Control Review, and the key findings of the Internal Control Review are set out below:

Key Findings	**Rectification Recommendation**	**Management response and/or status of implementation of remedial actions**
Key Matter 1		
Inadequacies in the policy of expenses management procedure: — Absence of formal invoice submission procedures — Delay in invoice submission — Lack of communication with finance department	Management should: — Establish documented policy and procedure of formal invoice submission procedure — Implement a standardized invoice submission policy — Develop a communication channel between the directors and the finance department	Management has implemented the recommendation
Absence of internal control process for determining the vendor selection	Management should: — Mandate the creation and storage of written documentation for all vendor selection activities — Create a formal process for obtaining quotations — Require that all analysis and decision-making related to vendor selection be documented	Management has implemented the recommendation

Key Findings	**Rectification Recommendation**	**Management response and/or status of implementation of remedial actions**
Accounting record errors in prior year	— Management should establish a policy stating that all expenses must be claimed within a reasonable timeframe — The finance department should review claims for accuracy and compliance with the Company's policies	Management has implemented the recommendation
Key Matter 2		
Absence of internal control process for determining the vendor selection	Management should: — Mandate the creation and storage of written documentation for all vendor selection activities — Create a formal process for obtaining quotations — Require that all analysis and decision-making related to vendor selection be documented	Management has implemented the recommendation
Lack of proper documentation for monitoring prepayment to suppliers	Management should: — Develop and implement a formal prepayment monitoring policy — Schedule regular reviews of prepayment accounts to assess the status of outstanding prepayments — Designate a specific team or individual responsible for monitoring prepayments	Management has implemented the recommendation

Key Findings	Rectification Recommendation	Management response and/or status of implementation of remedial actions
Key Matter 3		
Ineffective implementation of internal control procedures	Management should standardize approval processes to ensure that all updates to internal control procedures are circulated and approved by the relevant department	Management has implemented the recommendation
Inadequate documentation, monitoring and oversight procedure for cash advance — Lack of supporting documentation — Inadequate monitoring and oversight procedure	Management should: — Mandate that all cash advances must be accompanied by complete supporting documentation — Prohibit disbursement of funds without prior approval from authorized personnel — Appoint a dedicated team or individual to review and monitor all cash advance requests to ensure compliance with the Company's policies	Management has implemented the recommendation
Key Matter 4		
Lack of approval process for credit policy	Management should: — Establish a formal process for evaluating the creditworthiness of loan applicants — Implement a risk assessment framework that categorizes borrowers based on their creditworthiness and potential risks — Establish a structured approval process that requires multiple levels of review — Establish a pre-assessment verification for loan applicants to confirm the loan's intended use aligns with the Company's business operations	Management has implemented the recommendation

Key Findings	Rectification Recommendation	Management response and/or status of implementation of remedial actions
Lack of expenses management procedure — Absence of formal invoice submission procedures — Delay in invoice submission — Lack of communication with finance department	Management should: — Establish documented policy and procedure of formal invoice submission procedure — Implement a standardized invoice submission policy — Develop a communication channel between the directors and the finance department	Management has implemented the recommendation
Absence of standardized vendor selection process	Management should: — Mandate the creation and storage of written documentation for all vendor selection activities — Create a formal process for obtaining quotations — Require that all analysis and decision-making related to vendor selection be documented	Management has implemented the recommendation
Accounting records errors in prior year	— Management should establish a policy stating that all expenses must be claimed within a reasonable timeframe — The finance department should review claims for accuracy and compliance with the Company's policy	Management has implemented the recommendation

VIEW OF THE SPECIAL INVESTIGATION COMMITTEE

1. The Investigation

The Special Investigation Committee was established to undertake an investigation into the Key Matters raised by the former Auditor of the Company, Grant Thornton, as set out in the Letters to the Audit Committee. To facilitate such investigation, the Special Investigation Committee has engaged Baker Tilly, the independent Investigator, to carry out the Investigation. The Special Investigation Committee has reviewed the Investigation Report and discussed with Baker Tilly the details of the findings in the Investigation. The Special Investigation Committee considers that:

(i) Investigation has been carried out for all the Key Matters raised in the Letters, and has been properly conducted in accordance with the objectives, scope and methodology agreed with Baker Tilly. The findings and conclusion reached are supported with sufficient factual basis, analysis and/or search results. None of the existing management and the Former CEO have been found to be acting in a dishonest, bad faith or such manner otherwise than in the interests of the Company as a whole;

(ii) the existing management and the Former CEO have/had always been acting in the proper purpose to facilitate the Group's business operations;

(iii) there are deficiencies identified in the Investigation and also the Internal Control Review in relation to the internal control policies of the Group. The Special Investigation Committee had suggested to the Board to improve the internal control of the Group and appropriate measures have already been implemented;

(iv) based on the discussion with HLB and review of the Internal Control Review Report, HLB is of the view that necessary improvements to the internal control policies of the Group have been made and the current internal control policies of the Group will be able to prevent those deficiencies identified during the Internal Control Review; and

(v) although the Former CEO was acting in the proper purpose to facilitate the Group's business operations, certain arrangements made by the Former CEO results in breach of the internal control policies of the Group. The Former CEO has resigned from all of his positions within the Group during FY2024 and the likelihood of relevant Key Matters occurring again is minimal.

Having taken into account the above, the Special Investigation Committee considers that (i) the Investigation conducted is adequate to find out the relevant facts, address all the Key Matters raised in the Letters and meet its objectives; and (ii) there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's existing management and/or any persons with substantial influence over the Company's management and operations, and the issues underlying the Key Matters have been resolved.

2. The Internal Control Review

The Special Investigation Committee has reviewed and discussed with HLB regarding the findings from the Internal Control Review, and noted that (a) HLB has reviewed the relevant internal control policies associated with each of the Key Matters; (b) there are internal control deficiencies identified by HLB and in respond to each of such deficiencies, HLB has made corresponding suggestions to address each of the deficiencies; and (c) the management of the Group has agreed and adopted the relevant necessary measures as recommended by HLB. The Special Investigation Committee understands that HLB has also performed a follow-up review on the remedial actions taken by the Group. Based on the Internal Control Review (including the follow-up review on the remedial actions taken by the Group), HLB is of the view that the Group has successfully revised its policies and procedures as per its recommendations; and the relevant internal control weaknesses or deficiencies have been remediated.

Accordingly, the Special Investigation Committee considers that the internal control deficiencies have been addressed, and the Group has in place an adequate internal control system and procedures to comply with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:07 a.m. on Thursday, 28 March 2024, and will remain suspended until the Company meets all resumption guidance, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange's satisfaction. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"AGAE"	Allied Gaming & Entertainment Inc., a Delaware corporation whose shares are listed on Nasdaq
"Audit Committee"	the audit committee of the Company
"Board"	board of Directors
"CEO"	chief executive officer
"Company"	Ourgame International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6899)

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Deconsolidation"	the deconsolidation of AGAE, details of which are contained in the Company's announcement dated 5 December 2024
"Director(s)"	director(s) of the Company
"FY2019"	the year ended 31 December 2019
"FY2020"	the year ended 31 December 2020
"FY2021"	the year ended 31 December 2021
"FY2022"	the year ended 31 December 2022
"FY2023"	the year ended 31 December 2023
"FY2024"	the year ended 31 December 2024
"FY2025"	the year ending 31 December 2025
"Group"	the Company and its subsidiaries
"Internal Control Review"	the internal control review by HLB regarding the internal control policies relating to the Key Matters
"Internal Control Review Report"	the report regarding the Internal Control Review to be issued by HLB
"Investigation"	the investigation by Baker Tilly regarding the Key Matters
"Investigation Report"	the report regarding the Investigation to be issued by Baker Tilly
"KRW"	Korean Won, the lawful currency of Korea
"Macau"	Macau, a special administrative region of the PRC
"Mr. Ng"	Mr. Ng Kwok Leung Frank (伍國樑), former CEO of the Company resigned on 30 August 2019 and former CEO of AGAE resigned on 13 July 2021
"NED"	non-executive Director
"PRC"	the People's Republic of China
"RMB"	Renminbi

"Share(s)"	share(s) of the Company
"Spoville"	Spoville Co., Ltd., a company established in the Republic of Korea
"USA"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD"	United States dollars, the lawful currency of the United States

By Order of the Board
Ourgame International Holding Limited
Lu Jingsheng
Chairman and executive Director

Hong Kong, 10 September 2025

As at the date of this announcement, the Board comprises Mr. Lu Jingsheng and Ms. Xu Jin as executive Directors; Ms. Gao Liping and Ms. Yu Bing as non-executive Directors, and Mr. Ma Shaohua, Mr. Zhang Li and Mr. Dai Bing as independent non-executive Directors.

* *For identification purpose only*