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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 2024

#### FINANCIAL HIGHLIGHTS

|  | Six months ended 30 June      |                               | Changes        |
|--|-------------------------------|-------------------------------|----------------|
|  | 2024                          | 2023                          |                |
|  | <i>RMB'000</i><br>(Unaudited) | <i>RMB'000</i><br>(Unaudited) |                |
| Revenue  | 50,155                        | 47,515                        | 5.6%           |
| Loss for the period attributable to equity holders of the Company                                  | <u>(19,770)</u>               | <u>(66,436)</u>               | (70.2%)        |
| Loss per share attributable to equity holders of the Company<br>(expressed in RMB cents per share) |                               |                               |                |
| From continuing and discontinued operations:   |                               |                               |                |
| Basic loss per share   | <u>(1.84)</u>                 | <u>(6.20)</u>                 | <u>(70.3%)</u> |
| Diluted loss per share   | <u>(1.84)</u>                 | <u>(6.20)</u>                 | <u>(70.3%)</u> |
| From continuing operations:  |                               |                               |                |
| Basic loss per share   | <u>(1.84)</u>                 | <u>(1.96)</u>                 | <u>(6.1%)</u>  |
| Diluted loss per share   | <u>(1.84)</u>                 | <u>(1.96)</u>                 | <u>(6.1%)</u>  |

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 2024.

## **BUSINESS REVIEW**

During the six months ended 30 June 2024, despite intensifying competition in the gaming market, the Company proactively addressed challenges by focusing on the optimization and development of its core businesses. We continued to advance our strategic transformation and innovation, achieving progress in areas such as the ecosystem development of card and board games, tournament content livestream operations, and the exploration of new markets. Throughout the reporting period, the Company maintained overall operational stability and laid a crucial foundation for development in the second half of the year.

Within our core card and board games segment, the gaming platform (Ourgame Hall) implemented minor innovations to gameplay mechanics, enhancing engagement and retention of existing users. Concurrently, we optimized activity planning, user re-engagement strategies, and payment conversion guidance, thereby improving operational efficiency. From January to June 2024, user activity levels remained stable, user stickiness continued to improve, and both the payment conversion rate and ARPU demonstrated a steady upward trend. As the “anchor business” of the Company, this core segment successfully achieved its goal of “steady growth with incremental improvement and efficiency optimization” in the first half of the year, providing solid support and assurance for overall business development and the exploration of new projects.

The Company entered into a significant strategic collaboration with China Mobile Migu Company (中國移動咪咕公司), jointly committing resources to develop a “Guandan (攢蛋)” game to capture emerging market opportunities. Leveraging Ourgame’s extensive experience in card and board game research and development and operations, combined with Migu’s substantial advantages in user base, channel distribution, and content ecosystem, both parties are dedicated to creating a high-quality, competitive “Guandan” game products. The project has completed preliminary market research and gameplay design and has now entered the substantive development phase. It is expected to officially launch and commence operations in the second half of 2025, with the goal of becoming a new growth engine.

The Company’s pioneering Professional-Generated Content (PGC) centered on card and board tournaments has continued to expand its influence across major livestreaming platforms (including Douyin, Kuaishou, Huya, etc.). Tournament content is also being continuously enriched, covering diverse competitive rules such as Sichuan Bloody Mahjong (血戰川麻), Huansanzhang (換三張), and Yaoji Mahjong (幺雞麻將), catering to varied user viewing preferences. Key metrics, including livestream exposure, viewership, and topic popularity have shown significant growth, with increasing user attention. To explore the commercial value of tournament content and pursue business diversification, the Company is actively exploring opportunities. We have partnered with Queyou, a leading domestic premium mahjong table brand, to create new participatory mahjong competition scenarios, jointly promoting the healthy development and recognition of mahjong as a sport.

Key priorities for the second half of the year and beyond include continuously optimizing the core card and board product experience and operational efficiency to consolidate our fundamental business, while achieving diversified platform ecosystem development and enhanced user value through external collaborations. The Company is actively exploring new domestic market opportunities and potential overseas markets. We are examining the possibilities of “Card & Board +”, such as integrating AI technology, exploring metaverse concepts, and promoting regional card and board cultures. This involves seeking valuable strategic partnerships, investments, or mergers and acquisitions opportunities to expand business boundaries, enrich the business ecosystem, and open new growth avenues for the Company.

In the first half of 2024, the Company maintained fundamental business stability amidst a complex environment and achieved positive progress in strategic core areas. Our management is confident in the future development and will continue to actively pursue and implement valuable strategic partnerships and innovative business models, striving to create sustainable value for shareholders.

Meanwhile, the current board of directors and the management of the Company continued to persistently recover the nonperforming assets generated by the former management, including but not limited to Mr. Ng Kwok Leung Frank, such as overdue receivables and historical investments, by taking various measures, including but not limited to recovering in person, engaging third-party consultants, service agencies and debt collection agencies, as well as taking legal means such as arbitration or litigation. Through these efforts, a large number of assets have been recovered. The current management of the Company will continue to make every effort and try every possible way to recover relevant assets and pursue legal responsibility with relevant parties, thereby continuously safeguarding the interests of the Company and all Shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### 1. *Overview*

The loss attributable to equity holders of the Company amounted to RMB19.8 million for the six months ended 30 June 2024, as compared with RMB66.4 million for the six months ended 30 June 2023.

#### 2. *Revenue*

For the six months ended 30 June 2024, revenue of the Group amounted to RMB50.2 million, representing an increase of RMB2.7 million or 5.6% as compared with RMB47.5 million for the corresponding period of 2023. The increase was mainly due to the revenue generated from the cooperation with China Mobile's Migu and the increase in revenue from Ourgame Hall during the period.

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

For the six months ended 30 June 2024, cost of revenue of the Group amounted to RMB23.2 million, representing a decrease of RMB0.6 million or 2.6% as compared with RMB23.8 million for the corresponding period of 2023. The gross profit margin of the Group increased from 50.0% for the six months ended 30 June 2023 to 53.8% for the six months ended 30 June 2024. The increase in the Group's gross profit margin was mainly due to the increase in revenue from Ourgame Hall and higher gross profit of its business during the period.

#### 4a. *Other Income*

For the six months ended 30 June 2024, other income of the Group amounted to RMB2.8 million, representing a decrease of RMB2.1 million or 42.9% as compared with RMB4.9 million for the corresponding period of 2023. This was primarily due to the decrease in license fee income and revenue from sales of software during the period.

#### 4b. *Other Gains and Losses*

For the six months ended 30 June 2024, other losses of the Group amounted to RMB0.2 million, representing a decrease of RMB4.0 million as compared with the gains of RMB3.8 million for the corresponding period in 2023. This was primarily due to the gain on deemed acquisition of interest in an associate in 2023, while no such situation occurred during the period.

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

For the six months ended 30 June 2024, selling and marketing expenses of the Group amounted to RMB6.0 million, representing a decrease of RMB1.0 million or 14.7% as compared with RMB7.0 million for the corresponding period of 2023. 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 2024, administrative expenses of the Group amounted to RMB15.3 million, representing a decrease of RMB0.9 million or 5.3% as compared with RMB16.2 million for the corresponding period of 2023. This was primarily due to the cost reduction and efficiency improvement in the operation and management of the Group.

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

For the six months ended 30 June 2024, research and development expenses of the Group amounted to RMB3.7 million, representing a decrease of RMB6.7 million or 64.2% as compared with RMB10.4 million for the corresponding period of 2023. The decrease was mainly due to lower development efforts on new or updated versions of online games and in associated research and development activities during the period.

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

For the six months ended 30 June 2024, the loss in fair value changes of financial assets at FVTPL of the Group amounted to RMB10.2 million, representing a decrease of RMB0.6 million or 5.6% as compared with RMB10.8 million for the corresponding period of 2023. The losses recorded for the six months ended 30 June 2024, and the six months ended 30 June 2023, was mainly due to unexpected changes in the market environment and some of our investee companies also suffered from loss.

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

The loss attributable to equity holders of the Company amounted to RMB19.8 million for the six months ended 30 June 2024, as compared with RMB66.4 million for the six months ended 30 June 2023.

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

For the six months ended 30 June 2024, the Group had no income tax expense, as compared with RMB0.2 million for the corresponding period of 2023.

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

As at 30 June 2024, the Group's total bank balances and cash increased by 13.3% from RMB35.5 million as at 31 December 2023 to RMB40.2 million as at 30 June 2024. The increase was mainly due to new bank borrowings. As at 30 June 2024, the current assets of the Group amounted to RMB82.7 million, including bank balances and cash of RMB40.2 million and other current assets of RMB42.5 million. Current liabilities of the Group amounted to RMB38.9 million, of which RMB22.4 million were trade and other payables and deferred revenue and other current liabilities were RMB16.5 million. As at 30 June 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 2.13 as compared to 2.21 as at 31 December 2023. 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 2024 was 7.6% (31 December 2023: nil).

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

Save as disclosed in this announcement, the Group did not have any material investments during the six months ended 30 June 2024.

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

Save as disclosed in this announcement, the Group did not have any material acquisitions during the six months ended 30 June 2024.

## **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 2024, the Group's financial assets at fair value through profit or loss amounted to RMB14.2 million as included as non-current assets (31 December 2023: RMB26.5 million, included as non-current assets).

As at 30 June 2024, the Group's investments in unlisted equity investments amounted to RMB14.2 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/<br/>Private Equity Funds</b>                           | <b>Amount of<br/>Capital<br/>Contributed by<br/>the Group</b> | <b>Percentage of<br/>Shareholding</b> | <b>Principal<br/>Business</b> |
|---|---|---------------------------------------|-------------------------------|
| Tong Xiang Juli Fengyuan Equity<br>Investment Fund Management<br>Partnership (L.P.) | RMB20,000,000   | 64.52%                                | Investment/<br>management     |
| All In Asia Culture and Tourism<br>Development Company Limited                      | RMB19,574,700   | 20%                                   | Tourism culture               |
| Beijing Lianzhong Zhihe<br>Technology Co., Ltd.                                     | RMB200,000  | 10%                                   | Mobile games                  |

For the six months ended 30 June 2024, 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 2024.

### *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 2024 are set out below:

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

#### **Unlisted equity investments RMB'000**

|   |                      |
|---|----------------------|
| Balance as at 1 January 2024                    | 26,469               |
| Disposal  | (2,044)              |
| Fair value changes recognized in profit or loss | <u>(10,210)</u>      |
| Fair value as at 30 June 2024                   | <u><u>14,215</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 2024.

#### **16. *Pledge of Assets***

As at 30 June 2024, none of the Group's assets was pledged (31 December 2023: nil).

#### **17. *Contingent Liabilities***

The Group had no material contingent liabilities as at 30 June 2024 (31 December 2023: nil).

#### **18. *Foreign Exchange Exposure***

During the six months ended 30 June 2024, the Group mainly operated in the PRC, and the majority of its transactions were settled in Renminbi ("RMB"), being the functional currencies of the Group entities to which the transactions relate. As at 30 June 2024, the Group did not have significant foreign currency exposure from its operations.

#### **19. *Employees' Remuneration and Policy***

As at 30 June 2024, the Group had 67 employees, which were responsible for games development and operation or general administration in the PRC (including Hong Kong). The total remuneration expenses (including share-based compensation expense) for the six months ended 30 June 2024 were RMB13.1 million, representing an increase of 12.0% as compared to the corresponding period of 2023.



**20. *Events Occurred Since the End of the Six Months Ended 30 June 2024***

Save as disclosed in this announcement, the Group did not have any material events occurred since the end of the six months ended 30 June 2024.

**21. *Future Plans for Material Investment or Capital Assets***

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

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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

### 1. Compliance with the Corporate Governance Code

During the six months ended 30 June 2024, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for deviation from code provision C.2.1 which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Following the resignation of Mr. Liu Xueming as the acting chairman of the Board and the appointment of Mr. Lu Jingsheng as the chairman of the Board with effect from 7 May 2024, Mr. Lu served as both the chairman of the Board and the chief executive officer. Despite deviating from the Corporate Governance Code, Mr. Lu will provide solid and continuous leadership to the Group with his extensive experience and knowledge in management and the support of other members of the Board. Moreover, the Board believes that having the same individual in both roles as the chairman of the Board and the chief executive officer will ensure that the Group has consistent leadership and the ability to make and implement the overall strategy of the Group effectively. Subsequently, Ms. Xu Jin was appointed as the executive Director and the chief executive officer of the Company with effect from 1 March 2025. Mr. Lu Jingsheng was redesignated from chief executive officer of the Company to chief financial officer of the Company on the same date, and continued to serve as an executive Director and the chairman of the Board. Since then, the roles of chairman and chief executive officer have been separated.

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

### 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**") as set out in Appendix C3 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 2024.

### 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 comprises three members, namely, Mr. Zhang Li, Mr. Ma Shaohua and Mr. Dai Bing. All of them are independent non-executive Directors. Mr. Zhang Li is the chairman of the Audit Committee.

The Company's external auditor, Moore CPA Limited, had carried out a review of the condensed consolidated financial statements of the Group for the six months ended 30 June 2024 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

The Audit Committee has reviewed the unaudited interim results and interim report of the Group for the six months ended 30 June 2024.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares, if any) of the Company.

As at 30 June 2024, the Company did not hold treasury shares.

### 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 291,919,848 shares of the Company, representing approximately 27.08% 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. In early June 2025, a significant court hearing was held recently but no judgment has been made. During the said hearing, representatives of the Company and relevant witnesses attended the court hearing and provided testimony. Despite requests from the relevant parties, GMHL did not notify the key personnel who led and participated in the aforementioned loans to attend this court hearing and the relevant representatives of GMHL claimed that Ms. Fu Qiang and Mr. Chen Yibiao led and orchestrated the aforementioned loans. Furthermore, according to the preliminary investigation of the Company, the relevant individuals involved in and assisting in handling the aforementioned loans on behalf of GMHL may also have violated relevant foreign exchange regulations in the PRC. 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 the plaintiff) 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 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, 24 August 2023, 11 December 2023, 12 February 2025 and 10 June 2025, 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).

On 24 November 2023, the Company filed an application for enforcement of the ICC Arbitral Award at relevant court in Korea and the application was accepted by the court (the “**Execute Program**”). In May 2024, the Korean court issued a ruling in writing granting recognition and enforcement of the arbitration award. The Company has received the judgment relating to enforcement from the Korean court. After that, the Korean court has further made a determination of public disclosure of assets against Spoville and its related parties upon the Company’s application. As of the date of this announcement, the Korean court is conducting further property investigation upon the Company’s application. The Company will apply for enforcement based on the results of the property investigation.

Please refer to the announcements of the Company dated 23 March 2023, 26 May 2024, 6 August 2024 and 12 February 2025 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 2024.

## **6. Interim Dividend**

The Board does not declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

|   | Notes | Six months ended 30 June |                          |
|---|-------|--------------------------|--------------------------|
|   |       | 2024                     | 2023                     |
|   |       | RMB'000                  | RMB'000                  |
|   |       | (Unaudited)              | (Unaudited and restated) |
| <b>CONTINUING OPERATIONS</b>  |       |                          |                          |
| <b>Revenue</b>  | 3     | <b>50,155</b>            | 47,515                   |
| Cost of revenue   |       | <u>(23,158)</u>          | <u>(23,780)</u>          |
| <b>Gross profit</b>   |       | <b>26,997</b>            | 23,735                   |
| Other income  | 4     | <b>2,842</b>             | 4,869                    |
| Other gains and losses  | 5     | <b>(192)</b>             | 3,772                    |
| Selling and marketing expenses  |       | <b>(5,952)</b>           | (6,981)                  |
| Administrative expenses   |       | <b>(15,349)</b>          | (16,204)                 |
| Share-based compensation expense  |       | <b>(78)</b>              | (774)                    |
| Research and development expenses   |       | <b>(3,719)</b>           | (10,381)                 |
| Finance costs   |       | <b>(132)</b>             | (221)                    |
| Share of losses of associates, net  |       | <b>(14,517)</b>          | (5,327)                  |
| Fair value changes of financial assets  |       |                          |                          |
| at fair value through profit or loss ("FVTPL")  |       | <b>(10,210)</b>          | (10,820)                 |
| Fair value changes of investment properties   |       | <b>(230)</b>             | —                        |
| Impairment losses under expected credit loss ("ECL") model, net                                       |       | <u><b>(242)</b></u>      | <u>(173)</u>             |
| <b>Loss before income tax</b>   |       | <b>(20,782)</b>          | (18,505)                 |
| Income tax expenses   | 6     | <u>—</u>                 | <u>(163)</u>             |
| <b>Loss for the period from continuing operations</b>   |       | <u><b>(20,782)</b></u>   | <u>(18,668)</u>          |
| <b>DISCONTINUED OPERATIONS</b>  |       |                          |                          |
| Loss for the period from discontinued operations  | 7     | <u>—</u>                 | <u>(43,957)</u>          |
| <b>Loss for the period</b>  | 8     | <u><b>(20,782)</b></u>   | <u>(62,625)</u>          |
| <b>Other comprehensive income (loss) for the period</b>   |       |                          |                          |
| Items that may be subsequently reclassified to profit or loss:  |       |                          |                          |
| Exchange difference on translation of associates' foreign operation                                   |       | <b>1,095</b>             | 7,334                    |
| Reclassification of cumulative other reserve upon discontinued operation                              |       | —                        | (26,933)                 |
| Reclassification of cumulative translation reserve upon discontinued operations of foreign operations |       | <u>—</u>                 | <u>(25,676)</u>          |
|   |       | <u><b>1,095</b></u>      | <u>(45,275)</u>          |
| <b>Total comprehensive loss for the period</b>  |       | <u><b>(19,687)</b></u>   | <u>(107,900)</u>         |

|  | <b>Six months ended 30 June</b> |                                 |
|--|---------------------------------|---------------------------------|
|  | <b>2024</b>                     | <b>2023</b>                     |
| <i>Notes</i>   | <b>RMB'000</b>                  | <b>RMB'000</b>                  |
|  | <b>(Unaudited)</b>              | <b>(Unaudited and restated)</b> |
| <b>Loss for the period attributable to:</b>                            |                                 |                                 |
| Owners of the Company  |                                 |                                 |
| — from continuing operations   | (19,770)                        | (21,010)                        |
| — from discontinued operations   | —                               | (45,426)                        |
|  | <u>(19,770)</u>                 | <u>(66,436)</u>                 |
| Loss for the period attributable to owners of the Company              | <u>(19,770)</u>                 | <u>(66,436)</u>                 |
| Non-controlling interests  |                                 |                                 |
| — from continuing operations   | (1,012)                         | 2,342                           |
| — from discontinued operations   | —                               | 1,469                           |
|  | <u>(1,012)</u>                  | <u>3,811</u>                    |
| (Loss)/Profit for the period attributable to non-controlling interests | <u>(1,012)</u>                  | <u>3,811</u>                    |
|  | <u>(20,782)</u>                 | <u>(62,625)</u>                 |
| <b>Total comprehensive loss attributable to:</b>                       |                                 |                                 |
| Owners of the Company  | (18,675)                        | (111,711)                       |
| Non-controlling interests  | (1,012)                         | 3,811                           |
|  | <u>(19,687)</u>                 | <u>(107,900)</u>                |
| <b>Total comprehensive loss attributable to owners of the Company:</b> |                                 |                                 |
| — from continuing operations   | (18,675)                        | (66,285)                        |
| — from discontinued operations   | —                               | (45,426)                        |
|  | <u>(18,675)</u>                 | <u>(111,711)</u>                |
| <b>Loss per share</b><br>(expressed in RMB cents per share)            |                                 |                                 |
| <b>From continuing and discontinued operations:</b>                    |                                 |                                 |
| Basic loss per share   | (1.84)                          | (6.2)                           |
| Diluted loss per share   | <u>(1.84)</u>                   | <u>(6.2)</u>                    |
| <b>From continuing operations</b>                                      |                                 |                                 |
| Basic loss per share   | (1.84)                          | (1.96)                          |
| Diluted loss per share   | <u>(1.84)</u>                   | <u>(1.96)</u>                   |

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# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

|  |       | As at<br>30 June<br>2024 | As at<br>31 December<br>2023 |
|--|-------|--------------------------|------------------------------|
|  | Notes | RMB'000<br>(Unaudited)   | RMB'000<br>(Audited)         |
| <b>ASSETS AND LIABILITIES</b>                |       |                          |                              |
| <b>Non-current assets</b>                    |       |                          |                              |
| Property, plant and equipment                |       | 272                      | —                            |
| Right-of-use assets                          |       | 4,948                    | —                            |
| Investment properties                        |       | 1,310                    | 1,540                        |
| Interests in associates                      | 11    | 73,006                   | 86,028                       |
| Intangible assets                            |       | —                        | —                            |
| Financial assets at FVTPL                    |       | 14,215                   | 26,469                       |
| Deferred tax assets                          |       | <u>10</u>                | <u>10</u>                    |
|  |       | <u>93,761</u>            | <u>114,047</u>               |
| <b>Current assets</b>                        |       |                          |                              |
| Inventories                                  |       | 480                      | 478                          |
| Trade and other receivables                  | 12    | 41,995                   | 37,468                       |
| Cash and cash equivalents                    |       | <u>40,176</u>            | <u>35,462</u>                |
|  |       | <u>82,651</u>            | <u>73,408</u>                |
| <b>Current liabilities</b>                   |       |                          |                              |
| Trade and other payables                     | 13    | 22,431                   | 27,502                       |
| Contract liabilities                         |       | 3,933                    | 3,696                        |
| Lease liabilities                            |       | 2,445                    | 1,922                        |
| Bank loan                                    | 14    | 10,000                   | —                            |
| Income tax liabilities                       |       | <u>50</u>                | <u>50</u>                    |
|  |       | <u>38,859</u>            | <u>33,170</u>                |
| <b>Net current assets</b>                    |       | <u>43,792</u>            | <u>40,238</u>                |
| <b>Total assets less current liabilities</b> |       | <u>137,553</u>           | <u>154,285</u>               |

|  |              | As at<br><b>30 June<br/>2024</b><br><i>RMB'000</i><br><b>(Unaudited)</b> | As at<br>31 December<br>2023<br><i>RMB'000</i><br>(Audited) |
|--|--------------|--|---|
|  | <i>Notes</i> |  |   |
| <b>Non-current liabilities</b>                       |              |  |   |
| Lease liabilities                                    |              | <b>6,366</b>   | 3,377   |
| Deferred tax liabilities                             |              | <b>2</b>   | 2   |
| Other payables                                       | <i>13</i>    | <u><b>17</b></u>   | <u>17</u>   |
|  |              | <u><b>6,385</b></u>  | <u>3,396</u>  |
| <b>Net assets</b>                                    |              | <u><b>131,168</b></u>  | <u>150,889</u>  |
| <b>EQUITY</b>  |              |  |   |
| Share capital  |              | <b>335</b>   | 335   |
| Reserves   |              | <u><b>142,900</b></u>  | <u>161,497</u>  |
| Equity attributable to equity holders of the Company |              | <b>143,235</b>   | 161,832   |
| Non-controlling interests                            |              | <u><b>(12,067)</b></u>   | <u>(10,943)</u>   |
| <b>Total equity</b>                                  |              | <u><b>131,168</b></u>  | <u>150,889</u>  |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### Application of amendments to IFRSs Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRSs Accounting Standards, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

|                                |   |
|--------------------------------|---|
| Amendments to IFRS 16          | Lease Liability in a Sale and Leaseback                 |
| Amendments to IAS 1            | Classification of Liabilities as Current or Non-current |
| Amendments to IAS 1            | Non-current Liabilities with Covenants                  |
| Amendments to IAS 7 and IFRS 7 | Supplier Finance Arrangements                           |

The application of the amendments to IFRSs Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 2. RESTATEMENTS

As disclosed in the Group’s consolidated financial statements for the year ended 31 December 2023:

1. the directors of the Company have concluded that the Company has lost control over Allied Gaming & Entertainment Inc. (“**AGAE**”), a company listed on the Nasdaq Stock Exchange in the United States of America (“**USA**”) as of 1 January 2023 following multiple events occurred. Accordingly, the results and operations for eSports business through AGAE Group for the six months ended 30 June 2023 has been separately presented as discontinued operations in the condensed consolidated statement of profit or loss and other comprehensive income.; and
2. The Group has disposed of 40% equity interest in a non-wholly owned subsidiary 北京聯眾智合科技有限公司 (Beijing Lianzhong Zhihe Technology Co., Ltd., for identification purpose only, “**ZTech**”) to AGAE Group at a consideration of USD7,000,000. Ztech is engaged in the development and distribution of casual mobile games in Mainland China with its major source of revenue from online advertising services income through displaying advertisements to game players in its mobile games. Following the disposal, the Group retained 10% of equity interest in ZTech. Accordingly, the results and operations for Ztech’s operations for the six months ended 30 June 2023 have been separately presented as discontinued operations in the condensed consolidated statement of profit or loss and other comprehensive income.

Details on the discontinued operations are set out in note 7.

### 3. REVENUE AND SEGMENT INFORMATION

#### Revenue

Disaggregation of revenue from contracts with customers by major products or service lines of customers from continuing operations are detailed as follows:

|                                       | <b>Six months ended 30 June</b> |                                 |
|---------------------------------------|---------------------------------|---------------------------------|
|                                       | <b>2024</b>                     | <b>2023</b>                     |
|                                       | <b>RMB'000</b>                  | <b>RMB'000</b>                  |
|                                       | <b>(Unaudited)</b>              | <b>(Unaudited and restated)</b> |
| <b>Continuing operations</b>          |                                 |                                 |
| — Online games income                 | <b>44,302</b>                   | 40,002                          |
| — Online advertising services income  | <b>5,853</b>                    | 7,513                           |
|                                       | <b>50,155</b>                   | 47,515                          |
| <b>Timing of revenue recognition:</b> |                                 |                                 |
| At a point in time                    | <b>44,496</b>                   | 42,623                          |
| Over time                             | <b>5,659</b>                    | 4,892                           |
|                                       | <b>50,155</b>                   | 47,515                          |

#### Segment information

Information reported to the board of directors of the Company, being the Chief Operating Decision Maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Since there is no other discrete financial information is provided other than the Group’s results and financial position as a whole within the continuing operations, accordingly, only entity-wide disclosures, major customers and geographic information are presented.

#### Geographical information

Information about the Group’s revenue from continuing operations from external customers is presented based on the location of the operations.

|     | <b>Revenue</b>                  |                                 |
|-----|---------------------------------|---------------------------------|
|     | <b>Six months ended 30 June</b> | <b>Six months ended 30 June</b> |
|     | <b>2024</b>                     | <b>2023</b>                     |
|     | <b>RMB'000</b>                  | <b>RMB'000</b>                  |
|     | <b>(Unaudited)</b>              | <b>(Unaudited and restated)</b> |
| PRC | <b>50,155</b>                   | 47,515                          |

## Information about major customers

The Group has a large number of game players, no revenue from any individual game player or customer exceeded 10% or more of the Group's revenue during the six months ended 30 June 2024 and 2023.

### 4. OTHER INCOME

|  | Six months ended 30 June       |  |
|--|--------------------------------|--|
|  | 2024<br>RMB'000<br>(Unaudited) | 2023<br>RMB'000<br>(Unaudited<br>and restated) |
| <b>Continuing operations</b>                             |                                |  |
| License fee income from discontinued operations          | 127                            | 1,264  |
| Sales of software to discontinued operations             | —                              | 1,981  |
| Loan interest income                                     | 165                            | 220  |
| Bank interest income                                     | 318                            | 9  |
| Government grants  | 6                              | 139  |
| Income from provision of venues for card and board games | 2,212                          | 1,256  |
| Sundry income  | 14                             | —  |
|  | <u>2,842</u>                   | <u>4,869</u>                                   |

### 5. OTHER GAINS AND LOSSES

|  | Six months ended 30 June       |  |
|--|--------------------------------|--|
|  | 2024<br>RMB'000<br>(Unaudited) | 2023<br>RMB'000<br>(Unaudited<br>and restated) |
| <b>Continuing operations</b>                           |                                |  |
| Net foreign exchange gain                              | 110                            | 10   |
| Impairment loss on prepayments                         | (302)                          | —  |
| Gain on deemed acquisition of interest in an associate | —                              | 3,762  |
|  | <u>(192)</u>                   | <u>3,772</u>                                   |

## 6. INCOME TAX EXPENSE

|                           | Six months ended 30 June |              |
|---------------------------|--------------------------|--------------|
|                           | 2024                     | 2023         |
|                           | RMB'000                  | RMB'000      |
|                           | (Unaudited)              | (Unaudited)  |
| Current tax               |                          |              |
| PRC enterprise income tax |                          |              |
| — Current period          | <u>—</u>                 | <u>(163)</u> |

## 7. DISCONTINUED OPERATIONS

### (a) Deemed disposal of AGAE Group

As disclosed in Note 2, the directors of the Company have concluded that the Group has lost control over AGAE as of 1 January 2023 following multiple events occurred, accordingly, AGAE and its subsidiaries' ("AGAE Group") business has been separately presented as discontinued operations and the deemed disposal was considered as of 1 January 2023.

The loss for the period from the discontinued AGAE Group's operation is set out below.

|                       | Six months<br>ended<br>30 June 2023<br>RMB'000 |
|-----------------------|--|
| Loss on disposal AGAE | <u>(46,895)</u>                                |

### (b) Disposal of Ztech

On 16 August 2023, the Group entered into a sale agreement to dispose 40% of its interest in a non-wholly owned subsidiary, Ztech, to AGAE Group at a consideration of USD7,000,000. The disposal was completed on 31 October 2023, on which date control of Ztech has passed to AGAE. The Group retained 10% of equity interest in Ztech following the disposal.

Ztech is engaged in the development and distribution of casual mobile games in Mainland China with its major source of revenue from online advertising services income through displaying advertisements to game players in its mobile games. Accordingly, the results and operations for Ztech's operations for the six months ended 30 June 2023 have been separately presented as discontinued operations in the condensed consolidated statement of profit or loss and other comprehensive income.

The profit for the period from the discontinued Ztech's operation is set out below.

|  | Six months<br>ended<br>30 June 2023<br>RMB'000 |
|--|--|
| Profit for the period from Ztech's operation | <u>2,938</u>                                   |

The results of Ztech for the six months ended 30 June 2023, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

|  | Six months<br>ended<br>30 June 2023<br>RMB'000 |
|--|--|
| Revenue  | 82,773   |
| Cost of revenue  | <u>(73,515)</u>                                |
| Gross profit   | 9,258  |
| Other income   | 234  |
| Administrative expenses                                  | (1,228)  |
| Research and development expenses                        | (5,446)  |
| Reversal of impairment loss under ECL model, net         | <u>120</u>                                     |
| Profit before income tax                                 | 2,938  |
| Income tax expenses                                      | <u>—</u>                                       |
| Profit for the period                                    | <u>2,938</u>                                   |
| Profit for the period from Ztech includes the following: |  |
| Staff costs (including directors' emoluments):           |  |
| — Salaries, allowances and other benefits                | <u>(3,473)</u>                                 |
| Cash flows from Ztech:                                   |  |
| Net cash from operating activities                       | 3,056  |
| Net cash from investing activities                       | 17   |
| Net cash from financing activities                       | <u>—</u>                                       |

## 8. LOSS FOR THE PERIOD

Loss for the period from continuing operations is arrived at after charging/(crediting):

|   | <b>Six months ended 30 June</b> |                                 |
|---|---------------------------------|---------------------------------|
|   | <b>2024</b>                     | <b>2023</b>                     |
|   | <b>RMB'000</b>                  | <b>RMB'000</b>                  |
|   | <b>(Unaudited)</b>              | <b>(Unaudited and restated)</b> |
| <b>Continuing operations</b>  |                                 |                                 |
| Lease charges related to short-term leases                              | <b>124</b>                      | 176                             |
| Depreciation:   |                                 |                                 |
| Property, plant and equipment   | <b>13</b>                       | 939                             |
| Right-of-use assets   | <b>461</b>                      | 1,677                           |
|   | <u><b>474</b></u>               | <u>2,616</u>                    |
| Total depreciation  | <u><b>474</b></u>               | <u>2,616</u>                    |
| <b>Staff costs (including directors' emoluments):</b>                   |                                 |                                 |
| Salaries, allowances and other benefits                                 | <b>10,363</b>                   | 7,828                           |
| Retirement benefits   | <b>2,595</b>                    | 2,513                           |
| Severance payments  | <b>73</b>                       | 597                             |
| Equity-settled share-based payments                                     | <b>78</b>                       | 774                             |
|   | <u><b>13,109</b></u>            | <u>11,712</u>                   |
| Amortisation of intangible assets (included in administrative expenses) | <u><b>—</b></u>                 | <u>624</u>                      |

## 9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: nil).



## 10. LOSS PER SHARE

### From continuing operations

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

|  | <b>Six months ended 30 June</b> |                             |
|--|---------------------------------|-----------------------------|
|  | <b>2024</b>                     | 2023                        |
|  | <b>RMB'000</b>                  | <b>RMB'000</b>              |
|  | <b>(Unaudited)</b>              | (Unaudited<br>and restated) |
| Loss for the period attributable to owners of the Company<br>for the purpose of basic loss per share | (19,770)                        | (66,436)                    |
| Less: Loss for the period from discontinued operations   | <u>—</u>                        | <u>45,426</u>               |
| Loss for the purpose of basic loss per share from continuing operations                              | <u><b>(19,770)</b></u>          | <u><b>(21,010)</b></u>      |
|  | <b>2024</b>                     | 2023                        |
|  | <b>'000</b>                     | <b>'000</b>                 |
| Weighted average number of ordinary shares<br>for the purpose of basic loss per share                | <u><b>1,072,197</b></u>         | <u><b>1,071,447</b></u>     |

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

|  | <b>Six months ended 30 June</b> |                             |
|--|---------------------------------|-----------------------------|
|  | <b>2024</b>                     | 2023                        |
|  | <b>RMB'000</b>                  | <b>RMB'000</b>              |
|  | <b>(Unaudited)</b>              | (Unaudited<br>and restated) |
| Loss for the period attributable to owners of the Company<br>for the purpose of basic loss per share | <u><b>(19,770)</b></u>          | <u><b>(66,436)</b></u>      |

The denominators used are the same as those detailed above for basic loss per share from continuing operations.

### **From discontinued operations**

For the six months ended 30 June 2023, basic earnings per share for the discontinued operation is RMB0.14 cents per share (2024: N/A), based on the earnings for the period attributable to owners of the Company from the discontinued operations of RMB1,469,000 (2024: N/A) and the denominators used are the same as those detailed above for basic loss per share from continuing operations.

For the six months ended 30 June 2024 and 2023, the computation of diluted earnings/loss per share does not assume the exercise of the Company's options/warrants because the exercise price of those options/warrants was higher than the average market price for shares for both periods.

## **11. INTEREST IN ASSOCIATES**

As at 30 June 2024, mainly included in interest in associate of RMB69,847,000 (31 December 2023: RMB82,153,000) represented 32.6% ownership interest in Allied Gaming & Entertainment Inc. (“AGAE”), a company listed on the Nasdaq Stock Exchange in the United States of America (“USA”). The decrease in interest in AGAE during the current interim period was a result of the share of losses of AGAE based on equity method.

The fair value of AGAE, based on the quoted market bid price multiplied by the quantity of AGAE's shares held by the Group as at 30 June 2024 was approximately RMB110,596,000 (31 December 2023: RMB89,827,000).

## 12. TRADE AND OTHER RECEIVABLES

|  |             | As at<br>30 June<br>2024<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2023<br>RMB'000<br>(Audited) |
|--|-------------|--|--|
|  | <i>Note</i> |  |  |
| <b>Trade receivables</b>   |             |  |  |
| From third parties   | (a)         | 2,353  | 1,486  |
| Less: ECL allowance  |             | <u>(717)</u>                                       | <u>(723)</u>   |
|  |             | <u>1,636</u>                                       | <u>763</u>   |
| <b>Prepayments</b>   |             |  |  |
| Prepaid expenses   |             | 4,965  | 3,834  |
| Prepaid advertising expenses   |             | <u>6,200</u>                                       | <u>5,800</u>   |
|  |             | 11,165   | 9,634  |
| Less: Impairment losses  |             | <u>(829)</u>                                       | <u>(527)</u>   |
|  |             | <u>10,336</u>                                      | <u>9,107</u>   |
| <b>Other receivables and deposits</b>  |             |  |  |
| Advances to the former acting chief executive officer and<br>former non-executive director of the Company<br>(the “Former Acting CEO”) |             | 2,839  | 2,839  |
| Deposit paid to supplier   |             | 8  | 8  |
| Advance to employees   |             | 2,826  | 1,225  |
| Amount due from an associate   |             | 2,133  | 1,553  |
| Value-added tax (“VAT”) recoverable  |             | 1,944  | 1,570  |
| Others   |             | <u>4,897</u>                                       | <u>4,944</u>   |
|  |             | 14,647   | 12,139   |
| Less: ECL allowance  |             | <u>(2,477)</u>                                     | <u>(2,394)</u>                                       |
|  |             | <u>12,170</u>                                      | <u>9,745</u>   |
| <b>Loan and interest receivables</b>   |             |  |  |
| Loan and interest receivables  |             | 63,468   | 63,468   |
| Loan and interest to Mr. Ng (as defined in Note 15)  |             | <u>7,070</u>                                       | <u>6,905</u>   |
|  |             | 70,538   | 70,373   |
| Less: ECL allowance  |             | <u>(52,685)</u>                                    | <u>(52,520)</u>                                      |
|  |             | <u>17,853</u>                                      | <u>17,853</u>  |
| Trade and other receivables  |             | <u><u>41,995</u></u>                               | <u><u>37,468</u></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.

*Note:*

- (a) 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:

|              | As at<br><b>30 June</b><br><b>2024</b><br><i>RMB'000</i><br>(Unaudited) | As at<br>31 December<br>2023<br><i>RMB'000</i><br>(Audited) |
|--------------|---|---|
| 0–30 days    | 1,601   | 578   |
| 31–60 days   | 5   | 99  |
| 61–90 days   | —   | 20  |
| 91–180 days  | —   | 18  |
| 181–365 days | —   | 43  |
| Over 1 year  | <u>747</u>  | <u>728</u>  |
|              | <u><b>2,353</b></u>   | <u><b>1,486</b></u>   |

### 13. TRADE AND OTHER PAYABLES

|  | As at<br><b>30 June</b><br><b>2024</b><br><i>RMB'000</i><br>(Unaudited) | As at<br>31 December<br>2023<br><i>RMB'000</i><br>(Audited) |
|--|---|---|
| <b>Trade payables</b>                    |   |   |
| To third parties                         | <u>3,259</u>  | <u>4,137</u>  |
| <b>Other payables</b>                    |   |   |
| Other payables and accrued charges       | 10,692  | 7,067   |
| Staff costs and welfare accruals         | 3,058   | 4,654   |
| Amounts due to associates                | 2,853   | 4,328   |
| Accrued debt collection services fee     | —   | 2,250   |
| Accrued consultancy services fee         | —   | 656   |
| Accrued research and development expense | 688   | 462   |
| Accrued legal and professional fee       | 3,390   | 2,064   |
| VAT and other tax payables               | <u>1,344</u>  | <u>1,884</u>  |
|  | <u><b>19,172</b></u>  | <u><b>23,365</b></u>  |
|  | <u><b>22,431</b></u>  | <u><b>27,502</b></u>  |

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

|              | As at<br><b>30 June</b><br><b>2024</b><br><i>RMB'000</i><br>(Unaudited) | As at<br>31 December<br>2023<br><i>RMB'000</i><br>(Audited) |
|--------------|---|---|
| 0–30 days    | 3,057   | 961   |
| 31–60 days   | 17  | 36  |
| 61–90 days   | 7   | 30  |
| 91–180 days  | 111   | 23  |
| 181–365 days | 65  | 15  |
| Over 1 year  | <u>2</u>  | <u>3,072</u>  |
|              | <u><b>3,259</b></u>   | <u><b>4,137</b></u>   |

#### 14. BANK LOAN

|                        | As at<br><b>30 June</b><br><b>2024</b><br><i>RMB'000</i> | As at<br>31 December<br>2023<br><i>RMB'000</i> |
|------------------------|--|--|
| <b>Current portion</b> |  |  |
| Bank loan              | <u><b>10,000</b></u>                                     | <u>—</u>                                       |

As at 30 June 2024, the bank loans were unsecured, unguaranteed and interest-bearing at a fixed rate of 3.0% per annum and repayable within one year. The amount is denominated in RMB.

#### 15. OTHER LITIGATIONS/ARBITRATIONS

##### Arbitration from Mr. Ng Kwok Leung Frank (“Mr. Ng”) against AGAE

There was an outstanding loan and interest payable by Mr. Ng, the former executive director and former chief executive officer of the Company and, also the former director and chief executive of AGAE, with gross amount of RMB6,905,000 as at 31 December 2023 (the “**Loan**”), which was granted out by the Company when Mr. Ng was the executive director and chief executive officer of the Company.

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 Mr. Ng 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 into 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, the Instruction Letter and the Settlement Agreement were fraudulent and purportedly signed by Mr. Ng. Following Mr. Ng’s motion, AGAE had submitted a reply to oppose Mr. Ng’s motion to AAA and up to the date of approval of this consolidated financial statements, 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 amount of US\$645,000 previously received and collected by the Company were transferred to an escrow account until the Arbitration is concluded.

#### **Litigation from Knighted Pastures, LLC (“Knighted”)**

On 7 March 2024, Knighted, the second largest shareholder of AGAE, filed a complaint in the Court of Chancery of the State of Delaware (the “**Court**”) against AGAE (as a nominal defendant), the directors of AGAE, Primo Vital Limited (subsidiary of the Company which directly held AGAE) and Elite Fun Entertainment Co. (“**Elite Fun**”), an independent third party, (the “**Knighted Action**”). The complaint alleged, among other things, that the directors of AGAE breached their fiduciary duty in connection with (1) the approval of a share purchase agreement that AGAE entered into on or around 28 December 2023, (2) the approval and adoption of certain amendments to AGAE’s Bylaws on or around 5 January 2024, and (3) the approval and adoption of a rights agreement (in relation to AGAE declared a dividend of one preferred share purchase right for each outstanding share of AGAE’s common stock, where the right has the right to purchase a newly designated preferred share of AGAE) on or around 9 February 2024. The Knighted Action sought both injunctive reliefs and money damages.

On 20 June 2024, following expedited discovery and entry of resolutions by the directors of AGAE addressing issues raised by the Knighted Action, the Court entered an order granting in part AGAE and the directors of AGAE’s motion to dismiss the Knighted Action as moot. The Court therefore cancelled the trial in the Knighted Action. The Court ordered the parties to submit further filings on Knighted’s claim for attorneys’ fees and costs and any other issues required to bring the Knighted Action to a final conclusion. On 2 August 2024, Knighted filed a motion for an attorney’s fee award based on the purported corporate benefit its case provided to AGAE and its other shareholder (including Primo Vital Limited).

On 28 August 2024, the Court granted Knighted an attorney's fee award of US\$3 million which was paid by AGAE on 11 September 2024. On 4 October 2024 and 30 October 2024, AGAE received reimbursements of US\$0.6 million and US\$3.1 million, respectively, from its directors' and officers' insurance carrier representing the attorney fee award and its defense costs in excess of the policy's retention amount.

On 12 November 2024, Knighted filed a complaint in the Court against AGAE, the directors of AGAE, Primo Vital Limited (subsidiary of the Company which directly held AGAE's shares) and certain additional defendants (the "**Second Knighted Action**"). Knighted filed the Second Knighted Action alleging breach of fiduciary duty in connection with approving the recent strategic investment with Yellow River Capital group ("**Yellow River**") and the securities purchase agreement with Blue Planet New Energy Technology Ltd, an affiliate of Yellow River. The Second Knighted Action seeks both injunctive relief and money damages. AGAE believed the claims in the Second Knighted Action lack merit and intends to defend against them vigorously.

On 25 April 2025, AGAE approved resolutions addressing issues raised by the Second Knighted Action. On that date, AGAE and the directors of AGAE defendants filed a motion to dismiss the complaint as moot, or in the alternative stay the action pending the outcome of AGAE's 2024/2025 combined annual meeting ("**AGAE's Annual Meeting**"). On 29 April 2025, the Court granted the motion with modifications, continued the trial without rescheduling any date, and staying the case pending the outcome of the combined annual meeting.

On 11 June 2025, AGAE filed a complaint in the United States District Court for the Central District of California alleging Knighted and its Managing Partner, Roy Choi, as well Naomi Choi, Mr. Choi's mother, and Yiu-Ting So, a long time business partner of Mr. Choi acted as an undisclosed "group" in violation of Section 13(d) of the Securities Exchange Act of 1934, failing to disclose to stockholders that Naomi Choi and Yiu-Ting So's are acting in coordination with Mr. Choi to support Knighted's bid to replace AGAE's board of directors with its hand-picked designees. On 1 August 2025, the United States District Court for the Central District of California issued an order that AGAE's Annual Meeting not be postponed and enjoining any vote regarding changes to the composition of AGAE's board of directors at the AGAE's Annual Meeting. As such, AGAE's Annual Meeting held on 4 August 2025, but no vote any of the changes to the composition of AGAE's board of directors.

Since AGAE is unable to reasonably estimate the amount of the loss, or range of loss, related to the Second Knighted Action, no accrual for this contingency has been included in both the condensed consolidated financial statements of the Company and AGAE's consolidated financial statements.

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 2024 will be published on the aforesaid websites of the Stock Exchange and the Company and will be sent to the Shareholders in due course.

## **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.**

By Order of the Board  
**Ourgame International Holdings 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*