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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Changes	Three months ended 31 December		Changes
	2015 RMB'000 (Audited)	2014 RMB'000 (Audited)		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)	
Revenue	769,625	475,769	+61.8%	237,089	138,703	+70.9%
Profit attributable to equity holders of the Company	114,351	97,641	+17.1%	17,925	29,496	-39.2%
Non-IFRS adjusted net profit*	159,974	144,481	+10.7%	30,208	38,179	-20.9%
Attributable to equity holders of the Company	162,266	144,479	+12.3%	32,500	38,179	-14.9%
Attributable to non-controlling interests	(2,292)	2	-114,700.0%	(2,292)	—	—

* Non-IFRS adjusted net profit was derived from the audited profit for the year excluding (i) share-based compensation expense; and (ii) expenses relating to the listing of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2014.

	Year ended			Three months ended		
	31 December		Changes	31 December		Changes
	2015	2014		2015	2014	
<i>RMB'000</i>	<i>RMB'000</i>		<i>RMB'000</i>	<i>RMB'000</i>		
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
PC games revenue						
Self-developed PC games						
— Texas Hold'em	172,735	117,066	+47.6%	64,780	30,775	+110.5%
— Mahjong	90,652	90,738	-0.1%	24,975	23,828	+4.8%
— Fight the Landlord	40,328	39,657	+1.7%	10,709	9,858	+8.6%
— Other self-developed games	22,088	27,886	-20.8%	5,005	6,238	-19.8%
Self-developed games total	325,803	275,347	+18.3%	105,469	70,699	+49.2%
Licensed games	12,564	18,125	-30.7%	2,748	4,285	-35.9%
Third-party operated games	7,600	12,288	-38.2%	3,395	3,208	+5.8%
Total PC games revenue	345,967	305,760	+13.1%	111,612	78,192	+42.7%
Mobile games revenue						
— Texas Hold'em	38,284	38	+100,647.4%	10,589	38	+27,765.8%
— Mahjong	66,652	40,310	+65.3%	15,841	15,044	+5.3%
— Fight the Landlord	228,434	104,044	+119.6%	54,491	34,517	+57.9%
— Other games	16,149	9,001	+79.4%	3,908	24	+16,183.3%
Total mobile games revenue	349,519	153,393	+127.9%	84,829	49,623	+70.9%
Total games revenue	695,486	459,153	+51.5%	196,441	127,815	+53.7%
Others⁽¹⁾	74,139	16,616	+346.2%	40,648	10,888	+273.3%
Total revenue	769,625	475,769	+61.8%	237,089	138,703	+70.9%

⁽¹⁾ Others mainly represent miscellaneous revenue derived from game tournaments organized by the Group, which include sponsorship income received.

OPERATIONAL HIGHLIGHTS

	Year ended		Changes	Three months ended		Changes
	31 December			31 December		
	2015	2014		2015	2014	
	RMB'000	RMB'000		RMB'000	RMB'000	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Monthly active users (“MAUs”)						
(in thousands):						
Self-developed PC games						
— Texas Hold'em	216	111	+94.6%	256	119	+115.1%
— Mahjong	2,132	2,018	+5.6%	2,335	2,108	+10.8%
— Fight the Landlord	3,532	3,578	-1.3%	3,702	3,510	+5.5%
— Other self-developed games	4,175	4,691	-11.0%	3,987	4,510	-11.6%
Mobile games						
— Texas Hold'em	370	24	+1,441.7%	402	96	+318.8%
— Mahjong	2,814	2,541	+10.7%	2,705	2,821	-4.1%
— Fight the Landlord	14,291	12,705	+12.5%	13,302	13,975	-4.8%
— Other games	1,470	145	+913.8%	1,302	423	+207.8%
Total	29,000	25,813	+12.3%	27,991	27,562	+1.6%
Monthly paying users (“MPUs”)						
(in thousands):						
Self-developed PC games						
	372	324	+14.8%	393	336	+17.0%
Mobile games ⁽¹⁾	1,420	615	+130.9%	1,331	859	+54.9%
Total	1,792	939	+90.8%	1,724	1,195	+44.3%
Monthly average revenue per paying user (“ARPPU”)						
(in RMB):						
Self-developed PC games						
	73.0	70.8	+3.1%	89.5	70.0	+27.9%
Mobile games ⁽¹⁾	20.5	19.6	+4.6%	21.2	19.3	+9.8%

⁽¹⁾ The calculation of MPUs and ARPPU of mobile games does not include mobile games on non-smart devices and third-party operated mobile games, for which data are not available.

BUSINESS REVIEW

The board (the “**Board**”) of directors (the “**Directors**”) of Ourgame International Holdings Limited (the “**Company**” or “**Ourgame**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2015. The annual results have been reviewed by the Company’s audit committee.

2015 has been a year of breakthrough achievements for the Company. While maintaining rapid growth on our online games portfolio, we secured major control points and building blocks of our mind-sports eco-system and made significant progress in becoming a global mind-sports industry leader. We have entered into a long-term cooperation contract with the Board and Card Games Administrative Center of the General Administration of Sports (國家體育總局棋牌運動管理中心), pursuant to which we were granted all commercial development rights in respect of all internet-related aspects (including PC, WEB, mobile-internet and any future internet-related business models and media based on digital technology) for the term of the contract, thus becoming the partner of choice for the Board and Card Games Administrative Center for their Internet Plus transformation. As the Company’s first major step of oversea expansion, we have acquired 100% of the world-renowned World Poker Tour (or “**WPT**”), thus owning one of the crown jewels of global poker entertainment, together with its television production, brand licensing, online service and tour management services and capabilities. We continued to build out the network of “Go-to Places for the Internet Generation” by creating and launching the first WangYu E-Sports Arena (網魚電競館) and again led on the leading edge of e-sports which is an important part of mind-sports.

For the year ended 31 December 2015, we achieved substantial growth on almost all major financial and operational metrics compared with the same period in 2014. The revenue of the Company increased by 61.8% from RMB475.8 million for the year ended 31 December 2014 to RMB769.6 million for the year ended 31 December 2015. The non-IFRS adjusted net profit increased by 10.7% from RMB144.5 million for the year ended 31 December 2014 to RMB160.0 million for the year ended 31 December 2015. In the meantime, the overall MAUs increased by 12.3% from 25.8 million for the year ended 31 December 2014 to 29.0 million for the year ended 31 December 2015. The overall MPUs increased by 90.8% from 0.9 million for the year ended 31 December 2014 to 1.8 million for the year ended 31 December 2015. The PC ARPPUs increased by 3.1% from RMB70.8 for the year ended 31 December 2014 to RMB73.0 for the year ended 31 December 2015.

Due to continued enhancement of user experiences, the solid execution of our integrated online/offline strategy, the escalating penetration and reach of our content broadcasting, the revenue of our PC games increased by 13.1% from RMB305.8 million for the year ended 31 December 2014 to RMB346.0 million for year ended 31 December 2015. The MPUs increased by 14.8% from 324,000 for the year ended 31 December 2014 to 372,000 for the year ended 31 December 2015. The ARPPU increased by 3.1% from RMB70.8 for the year ended 31 December 2014 to RMB73.0 for the year ended 31 December 2015. Among which, the revenue and MAUs of Texas Hold’em achieved significant growth, with an amount of RMB172.7 million and 216,000, respectively, representing an increase of 47.6% and 94.6% compared with the same period of 2014. The strong growth of Texas Hold’em was indicative of the effectiveness of our whole eco-system strategy whereby continuous product enhancement, highly

targeted and effective online/offline user acquisition through our world-class tournaments including WPT National Korea and the WPT National China Sanya, and the effective integration of WPT, all come together to contribute to the growth.

The mobile game business grew strongly on all financial and operational metrics. The revenue of our mobile games increased by 127.9% from RMB153.4 million for the year ended 31 December 2014 to RMB349.5 million for the year ended 31 December 2015. The MAUs increased by 22.9% from 15.4 million for the year ended 31 December 2014 to 18.9 million for the year ended 31 December 2015. The MPUs increased by 130.9% from 615,000 for the year ended 31 December 2014 to 1,420,000 for the year ended 31 December 2015. The ARPPU for the year ended 31 December 2015 reached RMB20.5, while paying ratio for the year ended 31 December 2015 reached 7.5%, representing an increase of 4.6% and 3.5% respectively over the same period in 2014. The outstanding performance was mainly driven by the precise execution of our online/offline strategy, continued upgrading of our games and closer cooperation with mobile carriers and channel partners. In 2015 we started for the first time to design online/offline events specifically for our mobile portfolio and achieved very good results. For example we held the Fight the Landlord Golden League semi-finals tournaments in Beijing, Nanjing, and Guangzhou and with the final in Tianjin that integrated mobile online and offline tournaments. The tournament final was broadcasted in TV live, achieved record breaking viewer rating and attracted large number and high quality users to our mobile products.

In June 2015, Ourgame announced the 100% acquisition of WPT and completed the transaction in the same month. Integration of WPT into the Ourgame family has been smooth and swift. Ourgame's technical and product know-hows were transplanted to WPT while WPT's media, production and other capabilities were infused into the Ourgame system. On this basis, WPT events proved especially successful in 2015, having held 69 WPT-related tournaments which garnered a 17% increase in total number of entrants compared with 2014. With more than 5,000 players, WPT 500 Las Vegas set a record for most entrants in a single WPT event. Drawing 888 participants coming from all over the world, the WPT National China Sanya Tournament achieved another record by attracting approximately 2 million streaming viewers online per day during the competition. WPT's television episodes continued to have stellar ratings and were distributed in more than 20 countries while its global digital footprint continued to expand through You Tube, Twitch, Pluto, Hulu, Roku, and Sky Sports.

In the fourth quarter of 2015, we sponsored and co-hosted with Mahjong International League the 2015 World Mahjong Sports Games in Sanya. The 2015 World Mahjong Sports Games attended by 16 national and regional teams with more than 300 participants was the largest mahjong international competition in history. With Mahjong International League on its path of becoming an official member of IMSA (International Mind Sports Association), Ourgame once again proved itself not only a global leader in mind sports but also a promoter of Chinese culture to the world.

In November 2015, we had the grand opening of the first Wangyu E-Sports Arena in Beijing. The Wangyu E-Sports Arena with its central location in the entertainment district in Beijing and world-class recording and broadcasting capability will capture and feed everything live in 4K high resolution to TV and Internet streaming, and with the upscale equipment and facility, it will serve as the best venue for e-sports tournaments, product launch venues for various companies, venue for online mind-sports

education and certification examinations, and a chic place to hangout for youth in general. This is a brand new format and the embodiment of our goal of creating the “Go-to Places for the Internet Generation” — we believe that it will become a very important component of our eco-system.

FUTURE PROSPECTS

Building on the momentum of 2015, we expect continued growth and strengthening of our eco-system in 2016 and more synergy and benefits from various eco-system components will be realized.

We expect to have more innovative products and business models to be released in 2016. Our PC and mobile portfolio will continue to be upgraded with new products and features. WPT will be releasing a series of brand new games products globally, including mobile, in 2016. And the cooperation with the Board and Card Games Administrative Center will also see its first series of products and platforms released. The release of new products will continue to drive the overall growth of the Company.

We expect our overseas expansion to continue. WPT will lead our way for global expansion and continue to expand our oversea product portfolio and geographic reach.

We will accelerate our pace of securing strategic assets and partnerships. We will be seeking for and forming strategic partners and alliances to build Wangyu E-sports Arena into a leading global network of premier locations for e-sports tournaments. Effective from 5 February 2016, Irena Group Co., Ltd. (體育之窗) (a company listed on the National Equities Exchange and Quotations System in the People’s Republic of China (the “**PRC**”). stock code: 834358), which became the largest shareholder of Ourgame. Irena Group Co., Ltd., would brings in unmatched expertise and capability in sports tournament management, sports leisure services, and sports marketing in more than 40 cities throughout the PRC. The expertise will provide significant synergy and help accelerate Ourgame’s transformation as a global sports and entertainment company, and further strengthen its competitive position.

We will continue to innovate and leverage our core expertise and eco-system to create new business models and opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

1. *Overview*

In 2015, profit attributable to equity holders of the Company increased significantly and amounted to RMB114.4 million, representing an increase of RMB16.7 million from 2014. Non-IFRS adjusted net profit* attributable to equity holders of the Company amounted to RMB162.3 million, representing a significant increase of RMB17.8 million as compared with RMB144.5 million in 2014.

2. *Revenue*

In 2015, revenue of the Group amounted to RMB769.6 million, representing an increase of RMB293.9 million or 61.8% as compared with RMB475.8 million in 2014. The increase was due to a significant increase in revenue from self-developed mobile games.

In 2015, the revenue from self-developed PC games amounted to RMB325.8 million, representing an increase of RMB50.5 million or 18.3% as compared with RMB275.3 million in 2014. Revenue from mobile games amounted to RMB349.5 million for the year ended 31 December 2015, representing a significant increase of RMB196.1 million or 127.9% as compared with RMB153.4 million in 2014. The increase in self-developed PC games and mobile games was primarily driven by steady growth in MAUs and strong growth in their corresponding MPUs and ARPPU. For the year ended 31 December 2015, MPUs for self-developed PC games and mobile games were approximately 372,000 and 1,420,000, respectively, as compared with 324,000 and 615,000 in 2014. For the year ended 31 December 2015, ARPPU for self-developed PC games and mobile games were RMB73.0 and RMB20.5, respectively, as compared with RMB70.8 and RMB19.6 in 2014.

3. *Cost of Revenue and Gross Profit Margin*

In 2015, cost of revenue of the Group amounted to RMB310.2 million, representing an increase of RMB128.9 million or 71.1% as compared with RMB181.3 million in 2014. The resulting gross profit ratios remained relatively stable at 59.7% and 61.9% for 2015 and 2014, respectively.

4. *Other Income*

In 2015, other income of the Group amounted to RMB25.0 million, representing an increase of RMB1.6 million or 6.8% as compared with RMB23.4 million in 2014. This was primarily due to an increase of RMB10.8 million in interest income offset by a decrease of RMB7.3 million in exchange gains as the Company changed its functional currency from United States dollars to

* Non-IFRS adjusted net profit was derived from the audited profit for the year excluding (i) share-based compensation expense; and (ii) expenses relating to the listing of the Company on the Stock Exchange in 2014.

Renminbi starting from 1 January 2015 and therefore was no longer subject to foreign exchange differences on its Renminbi bank deposits held in Hong Kong during the year ended 31 December 2015.

5. *Selling and Marketing Expenses*

In 2015, selling and marketing expenses of the Group amounted to RMB141.3 million, representing an increase of RMB70.8 million or 100.6% from RMB70.4 million in 2014. The increase in selling and marketing expenses for the year was mainly due to consolidation of the operating results of Peerless Media Limited and its subsidiaries (the “**Peerless Group**”) commencing from the Groups’ acquisition of it at the end of June 2015 and due to additional costs incurred for the increase in marketing activities and personnel expenses.

6. *Administrative Expenses*

In 2015, administrative expenses of the Group amounted to RMB103.6 million, representing an increase of RMB32.6 million or 46.0% compared with RMB71.0 million in 2014. The increase in administrative expenses for the year was mainly due to consolidation of the operating results of the Peerless Group since its acquisition by the Group and due to the increase in office rental for expansion of office space, professional fees and personnel expenses.

7. *Research and Development Expenses*

In 2015, research and development expenses of the Group amounted to RMB50.6 million, representing an increase of RMB14.8 million or 41.5% compared with RMB35.8 million in 2014. The increase in research and development expenses for the year was mainly due to the preparation for overseas expansion and new mobile games and due to additional costs incurred in research and development activities and related personnel expenses.

8. *Profit Attributable to Equity Holders of the Company*

In 2015, profit attributable to equity holders of the Company amounted to RMB114.4 million, representing an increase of RMB16.7 million or 17.1% compared with RMB97.6 million in 2014. The increase was primarily due to a significant increase in revenue offset by an increase in selling and marketing expenses and administrative expenses for our business expansion.

9. *Non-IFRS Measure — Adjusted Net Profit**

To supplement this annual results announcement which is presented in accordance with the International Financial Reporting Standards (“**IFRS**”), we also use unaudited non-IFRS adjusted net profit* attributable to equity holders of the Company as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business.

* Non-IFRS adjusted net profit was derived from the audited profit for the year excluding (i) share-based compensation expense; and (ii) expenses relating to the listing of the Company on the Stock Exchange in 2014.

In 2015, unaudited non-IFRS adjusted net profit attributable to equity holders of the Company amounted to RMB162.3 million, representing an increase of RMB17.8 million or 12.3% as compared with RMB144.5 million in 2014. This was primarily due to the significant increase in revenue offset by an increase in selling and marketing expenses and administrative expenses for our business expansion. Our unaudited non-IFRS adjusted net profit attributable to equity holders of the Company for 2015 and 2014 were derived from profit attributable to equity holders of the Company for the year excluding their share of (i) share-based compensation expense of RMB47.9 million (2014: RMB29.1 million); and no expenses relating to the listing of the Company on the Stock Exchange (2014: RMB17.7 million).

10. *Income Tax Expense*

In 2015, income tax expense of the Group amounted to RMB27.1 million, representing an increase of RMB13.1 million or 94.1% as compared with RMB14.0 million in 2014. The increase was mainly due to the increase in profit before income tax.

11. *Liquidity and Source of Funding and Borrowing*

As at 31 December 2015, the Group's total bank balances and cash decreased by 51.5% from RMB719.0 million as at 31 December 2014 to RMB348.7 million. The decrease of total bank balances and cash during the year primarily resulted from the cash payment for the acquisition of the Peerless Group and investment activities during the year, and the payment of 2014 final dividend for approximately RMB50.3 million.

As at 31 December 2015, the current assets of the Group amounted to RMB652.7 million, including RMB368.7 million in bank balances and cash and available-for-sale financial assets, and other current assets of RMB284.0 million. Current liabilities of the Group amounted to RMB124.1 million, of which RMB52.3 million were trade payables and deferred revenue, and other current liabilities of RMB71.8 million. As at 31 December 2015, the current ratio (the current assets to current liabilities ratio) of the Group was 5.3 as compared with 11.6 as at 31 December 2014.

Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group does not have any bank borrowings and other debt financing obligations as at 31 December 2015 and the resulting gearing ratio is nil (2014: nil). The Group currently intends to finance its expansion, investments and business operations primarily with internal resources.

12. *Material Investments*

During the year ended 31 December 2015, the Group completed the acquisition of the remaining 5.7143% equity interest in each of Shanghai Wangyu Information Technology Company Limited (上海網魚信息科技有限公司) and Shanghai Wangyu Network Development Company Limited (上海網魚網絡發展有限公司) for an aggregate consideration of RMB20.0 million. The completion of the acquisition took place in January 2015.

13. *Material Acquisitions*

During the year ended 31 December 2015, the Group entered into an agreement for the acquisition of the Peerless Group for an aggregate cash consideration of approximately RMB222.5 million. The acquisition was completed at the end of June 2015. For details of the acquisition, please refer to the Company's announcement dated 22 June 2015 or Note 15 to the consolidated financial statements.

14. *Material Disposals*

The Group did not have any material disposals of subsidiaries or associated companies during the year ended 31 December 2015.

15. *Pledge of Assets*

As at 31 December 2015, none of the Group's assets were pledged (2014: nil).

16. *Contingent Liabilities*

The Group had no material contingent liabilities as at 31 December 2015 (2014: nil).

17. *Foreign Exchange Exposure*

During the year ended 31 December 2015, the Group mainly operated in China and the majority of its transactions were settled in RMB, the functional currency of the Company and its primary subsidiaries. As at 31 December 2015, the Group did not have significant foreign currency exposure from its operations.

18. *Employee's Remuneration and Policy*

As at 31 December 2015, the Group had 795 employees (including WPT Staff), 359 of which were responsible for game development and maintenance, 222 for game operation and offline events organization, 55 for TV shows and content production, 102 for general administration and corporate management and 57 for WPT production. The total remuneration expenses, excluding share-based compensation expenses, for the year ended 31 December 2015 were RMB128.5 million, representing an increase of 55.4% as compared to the previous year.

We provide external and internal training programs to our employees. As required by PRC law, we participate in various employee benefit plans, including housing pension, medical, basic pension and unemployment benefit plans, occupational injury and maternity leave insurance. Pursuant to the share option scheme adopted on 19 November 2014 (the "**2014 Share Option Scheme**"), 70,560,000 share options were granted to directors, senior management and key employees of the Group during the year ended 31 December 2015.

Accordingly, the Group's share-based compensation expense for the year ended 31 December 2015 amounted to RMB47.9 million, representing an increase of RMB18.8 million as compared with RMB29.1 million in 2014.

19. *Change in Functional Currency*

In prior years, the Directors regarded United States dollars (“USD”) as the functional currency of the Company. Following the completion of the group reorganization and the listing of the Company on the Stock Exchange in 2014, the Company has deposited substantially all of its net proceeds from the listing into bank deposits denominated in Renminbi (“RMB”) for continual expansion in both the PRC and abroad. Since then, the Company's primary sources of revenues are interest income derived from bank deposits primarily denominated in RMB and dividend income in RMB to be derived from the operation of its major subsidiaries operating in the PRC, whose functional currency is RMB. Accordingly, the Directors had determined the change of the functional currency of the Company from USD to RMB starting from 1 January 2015. As in prior years, the Company will continue to present its financial statements in RMB. The change in functional currency of the Company has no material effect on the consolidated financial statements, and has been accounted for prospectively since 1 January 2015.

20. *Events Occurred since the end of the year ended 31 December 2015*

On 8 January 2016, 7,840,000 options were granted to the Directors under the 2014 Share Option Scheme. The exercise price of the share options is HK\$5.506 per share.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company is committed to maintaining and promoting stringent corporate governance. 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”).

Compliance with the Code on Corporate Governance Practices

During the year ended 31 December 2015 and up to the date of this announcement, the Company has adopted and complied with the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), except for a deviation from code provision A.2.1 which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Yang Eric Qing is the Chairman and Co-Chief Executive Officer of the Company. Mr. Yang Eric Qing joined our Group in December 2010 and is responsible for general operation, investment, strategy and information technology of the Company and is instrumental to the Company's growth and business expansion. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is

ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises two executive Directors (including Mr. Yang Eric Qing), four non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

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

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules to govern securities transactions by its Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they strictly complied with the required standard set out in the Model Code during the year ended 31 December 2015 and up to the date of this announcement.

Audit Committee

The Company has established an audit committee (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 auditors. The Audit Committee comprises three members, namely, Mr. Cheung Chung Yan David (independent non-executive Director), Mr. Fan Tai (non-executive Director) and Mr. Ge Xuan (independent non-executive Director). Mr. Cheung Chung Yan David is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 December 2015. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

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

During the year ended 31 December 2015 and up to the date of this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

Material Litigation

During the year ended 31 December 2015, the Group was not involved in any material litigation or arbitration. Nor were the Directors aware of any material litigation or claims that were pending or threatening against the Group.

Final Dividend

The Board does not recommend the payment of any final dividend to the Shareholders for the year ended 31 December 2015 (2014: RMB0.064 per share).

Annual General Meeting

The annual general meeting (“**AGM**”) of the Company will be held in the Conference Room, 16th Floor, Tower B, Fairmont, No.1 Building, 33# Community, Guangshun North Street, Chaoyang District, Beijing, China on 13 May 2016. A notice of the AGM will be issued and delivered to the Shareholders in due course.

Scope of work of the Auditors

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2015 have been agreed by the Company’s auditors, Grant Thornton Hong Kong Limited (the “**Auditors**”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditors on the preliminary announcement.

ANNUAL RESULTS

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

		2015	2014
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	769,625	475,769
Cost of revenue		<u>(310,189)</u>	<u>(181,269)</u>
Gross profit		459,436	294,500
Other income	4	24,978	23,398
Selling and marketing expenses		(141,258)	(70,416)
Administrative expenses		(103,612)	(70,986)
Share-based compensation expense		(47,915)	(29,141)
Research and development expenses		(50,589)	(35,756)
Finance costs	5	(663)	—
Share of loss of associates		<u>(1,232)</u>	<u>—</u>
Profit before income tax		139,145	111,599
Income tax expense	6	<u>(27,086)</u>	<u>(13,956)</u>
Profit for the year	5	<u>112,059</u>	<u>97,643</u>
Other comprehensive income/(loss)			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		<u>14,194</u>	<u>(3,379)</u>
Total comprehensive income for the year		<u>126,253</u>	<u>94,264</u>
Profit/(Loss) for the year attributable to:			
Equity holders of the Company		114,351	97,641
Non-controlling interests		<u>(2,292)</u>	<u>2</u>
		<u>112,059</u>	<u>97,643</u>

	<i>Notes</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Company		128,545	94,262
Non-controlling interests		<u>(2,292)</u>	<u>2</u>
		<u>126,253</u>	<u>94,264</u>
Earnings per share attributable to ordinary equity holders of the Company (expressed in RMB cents per share)			
Basic	8	<u>14.57</u>	<u>16.26</u>
Diluted	8	<u>13.69</u>	<u>14.18</u>

Consolidated Statement of Financial Position

As at 31 December 2015

	<i>Notes</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		56,573	12,061
Intangible assets	<i>9</i>	234,577	47,942
Goodwill	<i>15</i>	97,412	—
Available-for-sale financial assets		63,453	15,435
Interest in associates		13,768	13,682
Loans to a third party	<i>10</i>	42,990	—
Other non-current receivable	<i>13</i>	29,895	—
Deferred tax assets		583	104
		539,251	89,224
Current assets			
Inventories		1,928	1,581
Trade and other receivables	<i>11</i>	278,856	130,522
Current portion of other non-current receivable	<i>13</i>	3,241	—
Available-for-sale financial assets		20,000	25,000
Bank balances and cash		348,669	718,979
		652,694	876,082
Current liabilities			
Trade and other payables	<i>12</i>	71,536	44,581
Current portion of other non-current payable	<i>13</i>	3,241	—
Deferred revenue		30,060	20,798
Income tax liabilities		19,309	10,011
		124,146	75,390
Net current assets		528,548	800,692
Total assets less current liabilities		1,067,799	889,916

	<i>Notes</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Non-current liabilities			
Other non-current payable	<i>13</i>	29,895	—
Deferred tax liabilities		<u>10,637</u>	<u>—</u>
		<u>40,532</u>	<u>—</u>
Net assets		<u><u>1,027,267</u></u>	<u><u>889,916</u></u>
EQUITY			
Share capital	<i>14</i>	240	238
Reserves		<u>1,019,758</u>	<u>889,588</u>
Equity attributable to equity holders of the Company		1,019,998	889,826
Non-controlling interests		<u>7,269</u>	<u>90</u>
Total equity		<u><u>1,027,267</u></u>	<u><u>889,916</u></u>

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Equity attributable to equity holders of the Company							Sub-total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share/Paid- in capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Share option reserve RMB'000	Other reserve RMB'000	Accumulated profits RMB'000			
Balance at 1 January 2014	72,061	1,266	6,140	—	—	23,853	45,808	149,128	88	149,216
Total comprehensive income for the year										
Profit for the year	—	—	—	—	—	—	97,641	97,641	2	97,643
Other comprehensive loss for the year										
Currency translation differences	—	—	—	(3,379)	—	—	—	(3,379)	—	(3,379)
	—	—	—	(3,379)	—	—	97,641	94,262	2	94,264
Transactions with owners										
Issuance of Series A Preferred Shares	24	299,976	—	—	—	—	—	300,000	—	300,000
Capitalisation issue	93	(93)	—	—	—	—	—	—	—	—
Issuance of new shares in connection with the listing of the Company's shares	60	661,147	—	—	—	—	—	661,207	—	661,207
Share issuance expenses	—	(41,998)	—	—	—	—	—	(41,998)	—	(41,998)
Share-based compensation	—	—	—	—	25,233	3,908	—	29,141	—	29,141
Appropriation to statutory reserve	—	—	12,743	—	—	—	(12,743)	—	—	—
Reorganization	(72,000)	(1,266)	—	—	—	73,266	—	—	—	—
Share repurchased and not yet cancelled	—	(1,916)	—	—	—	—	—	(1,916)	—	(1,916)
Dividends paid (Note 7)	—	(296,498)	—	—	—	—	(3,500)	(299,998)	—	(299,998)
Total transactions with owners	(71,823)	619,352	12,743	—	25,233	77,174	(16,243)	646,436	—	646,436
Balance at 31 December 2014 and at 1 January 2015	238	620,618	18,883	(3,379)	25,233	101,027	127,206	889,826	90	889,916
Total comprehensive income/ (loss) for the year										
Profit/(Loss) for the year	—	—	—	—	—	—	114,351	114,351	(2,292)	112,059
Other comprehensive income for the year										
Currency translation differences	—	—	—	14,194	—	—	—	14,194	—	14,194
	—	—	—	14,194	—	—	114,351	128,545	(2,292)	126,253
Transactions with owners										
Change in functional currency (Note 1)	1	(3,414)	—	3,379	(110)	—	144	—	—	—
Share-based compensation	—	—	—	—	44,252	3,663	—	47,915	—	47,915
Exercise of share options (Note 14(ii))	1	7,792	—	—	(3,808)	—	—	3,985	—	3,985
Transfer upon forfeiture of share options	—	—	—	—	(26)	(878)	904	—	—	—
Appropriation to statutory reserve	—	—	13,625	—	—	—	(13,625)	—	—	—
Capital contribution from non- controlling shareholders	—	—	—	—	—	—	—	—	9,471	9,471
Dividends paid (Note 7)	—	(50,273)	—	—	—	—	—	(50,273)	—	(50,273)
Total transactions with owners	2	(45,895)	13,625	3,379	40,308	2,785	(12,577)	1,627	9,471	11,098
Balance at 31 December 2015	240	574,723	32,508	14,194	65,541	103,812	228,980	1,019,998	7,269	1,027,267

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	<i>Notes</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Cash flows from operating activities			
Profit before income tax		139,145	111,599
Adjustments for:			
Depreciation of property, plant and equipment		13,377	6,134
Amortisation of intangible assets		36,787	12,604
Interest expense		663	—
Bank interest income		(19,962)	(12,165)
Interest income from loans to a third party		(2,990)	—
Provision for doubtful trade receivables		151	2,155
Write off of intangible assets		—	92
Loss on disposal of property, plant and equipment		15	—
Share of loss of associates		1,232	—
Share-based compensation expense		47,915	29,141
Currency translation adjustment		—	(3,375)
		216,333	146,185
Operating profit before working capital changes		216,333	146,185
Increase in inventories		(70)	(412)
Increase in trade and other receivables		(137,235)	(69,997)
Increase in trade and other payables		12,253	15,559
Decrease in deferred revenue		(215)	(8,669)
		91,066	82,666
Cash generated from operations		91,066	82,666
Interest received		20,125	7,951
Income tax paid		(21,411)	(5,375)
		89,780	85,242
Net cash from operating activities			
Cash flows from investing activities			
Placement of time deposit with maturity over three months		(193,057)	(351,636)
Withdrawal of time deposit with maturity over three months		351,636	—
Purchase of property, plant and equipment		(49,075)	(8,222)
Proceeds from disposal of property, plant and equipment		274	—
Purchase of intangible assets		(40,184)	(4,158)
Addition in development costs through internal development		(27,894)	(12,777)
Acquisition of subsidiaries, net of cash acquired	<i>15</i>	(213,805)	—
Investments in associates		(7,455)	(6,682)
Purchase of available-for-sale financial assets		(61,881)	(40,435)
Proceeds from disposal of available-for-sale financial assets		25,000	5,000
Repayment in loans to shareholders		—	25,000
Loan granted to a related party		(8,217)	—
Loans granted to a third party		(40,000)	—
		(264,658)	(393,910)
Net cash used in investing activities			

	<i>Notes</i>	2015 RMB'000	2014 RMB'000
Cash flows from financing activities			
Dividends paid		(50,273)	(299,998)
Interest paid		(663)	—
Proceeds from short-term bank borrowings		145,910	—
Repayment of short-term bank borrowings		(145,910)	—
Proceeds from issuance of shares upon exercise of share options		3,985	—
Proceeds from issuance of Series A Preferred Shares		—	300,000
Proceeds from issuance of new shares in connection with the listing of the Company's shares		—	661,207
Payment of share issuance expenses		—	(41,998)
Payment for repurchase of shares	<i>14</i>	—	(1,916)
Capital contribution from non-controlling shareholders		9,471	—
Net cash (used in)/from financing activities		(37,480)	617,295
Net (decrease)/increase in cash and cash equivalents		(212,358)	308,627
Cash and cash equivalents at beginning of year		367,343	58,716
Effect of foreign exchange rate changes on cash and cash equivalents held		627	—
Cash and cash equivalents at end of year		155,612	367,343

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

1. GENERAL INFORMATION

Ourgame International Holdings Limited was incorporated in the Cayman Islands on 4 December 2013 as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited since 30 June 2014 (the "Listing").

The Company is an investment holding company and the Group is principally engaged in the development and operation of online card and board games, organising and broadcasting online to offline mind-sports events, tournaments, TV shows and contents (collectively, the "**Group's Game Business**") in the PRC. As detailed in Note 15, the Group's Game Business has expanded to outside PRC, primarily in the United States (the "**US**") and Gibraltar, upon completion of the acquisition of Peerless Group during the year ended 31 December 2015.

At 31 December 2015, the Directors consider the ultimate controlling party of the Company to be Mr. Zhang Rongming, Mr. Liu Jiang, Mr. Shen Dongri and Ms. Long Qi (collectively, the "Controlling Shareholders") through their respective wholly-owned companies, namely Elite Vessels Limited, Sonic Force Limited, Blink Milestones Limited ("**Blink Milestones**"), Prosper Macrocosm Limited and Golden Liberator Limited (the "Shareholders' Companies").

The Group's Game Business in PRC was carried out by Beijing Lianzhong Co., Ltd. (北京聯眾互動網絡股份有限公司, "**Beijing Lianzhong**") and its subsidiaries (collectively the "**Lianzhong Group**") which were under the control of the Controlling Shareholders. Pursuant to the applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in an entity conducting online game business and are restricted to conduct value-added telecommunications services. In order to enable investments be made into the Group's Game Business, the Company established a subsidiary, Beijing Lianzhong Garden Network Technology Co., Ltd (北京聯眾家園網絡科技有限責任公司, "**WFOE**"), which is a wholly foreign owned enterprise incorporated in the PRC.

In 2014, WFOE has entered into a series of contractual arrangements (the "Contractual Arrangements") with Beijing Lianzhong and their respective equity holders, which enable WFOE and the Group to:

- exercise effective financial and operational control over Beijing Lianzhong;
- exercise equity holders' voting rights of Beijing Lianzhong;
- receive substantially all of the economic interest returns generated by Beijing Lianzhong and its subsidiaries in consideration for the business support, technical and consulting services provided by WFOE, at WFOE's discretion;
- obtain an irrevocable and exclusive right to purchase all or part of equity interest in and/or assets of Beijing Lianzhong from the respective equity holders at a minimum purchase price permitted under the PRC laws and regulations. WFOE may exercise such options at any time until it has acquired all equity interests and/or all assets of Beijing Lianzhong;
- obtain a pledge over the entire equity interest of Beijing Lianzhong from their respective equity holders as collateral security for all of Beijing Lianzhong's payments due to WFOE and to secure performance of Beijing Lianzhong's obligations under the Contractual Arrangements.

The details of the Contractual Arrangements are set out in the prospectus issued by the Company dated 18 June 2014 (the “**Prospectus**”).

The Group does not have any equity interest in Beijing Lianzhong and its subsidiaries. However, as a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement with Beijing Lianzhong and has the ability to affect those returns through its power over Beijing Lianzhong and is considered to control Beijing Lianzhong and hence the Lianzhong Group. Consequently, the Company regards the Lianzhong Group as consolidated structured entities under International Financial Reporting Standards (“**IFRSs**”). The Group has consolidated the financial position and results of the Lianzhong Group in the consolidated financial statements.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the Lianzhong Group and uncertainties presented by the PRC legal system could impede the Group’s beneficiary rights of the results, assets and liabilities of the Lianzhong Group. The Directors, based on the advice of its legal counsel, consider that the Contractual Arrangements are in compliance with relevant PRC laws and regulations and are legally enforceable.

The consolidated financial statements are presented in RMB, unless otherwise stated.

Change in functional currency

In prior years, the Directors regarded USD as the functional currency of the Company. Following the completion of the group reorganization in preparation of the Listing (“**Reorganization**”) and the Listing in 2014, the Company has deposited substantially all of its net proceeds from the Listing into bank deposits denominated in RMB for continual expansion in both the PRC and abroad. Since then, the Company’s primary sources of revenues are interest income derived from bank deposits primarily denominated in RMB and dividend income in RMB to be derived from the operation of its major subsidiaries operating in the PRC, whose functional currency is RMB. Accordingly, the Directors have determined the change of the functional currency of the Company from USD to RMB starting from 1 January 2015. As in prior years, the Company will continue to present its financial statements in RMB. The change in functional currency of the Company has no material effect on these consolidated financial statements, and has been accounted for prospectively since 1 January 2015.

2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with applicable IFRSs. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Group.

Amended standards adopted by the Group

The Group has applied all the amendments to standards which are mandatory for the financial year beginning 1 January 2015. The adoption had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

3. REVENUE

The Group's principal activities are disclosed in Note 1. The Group's revenue from external customers recognised during the year is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
PC games	345,967	305,760
Mobile games	349,519	153,393
Others (<i>note</i>)	<u>74,139</u>	<u>16,616</u>
	<u>769,625</u>	<u>475,769</u>

Note: Others mainly represent miscellaneous revenue derived from game tournaments organised by the Group, which includes sponsorship income received.

4. OTHER INCOME

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Other revenue		
Bank interest income	19,962	12,165
Interest income from loans to a third party	<u>2,990</u>	<u>—</u>
	<u>22,952</u>	<u>12,165</u>
Other net income		
Subsidy income from government (<i>note</i>)	1,781	3,488
Net foreign exchange gain	—	7,301
Sundry income	<u>245</u>	<u>444</u>
	<u>2,026</u>	<u>11,233</u>
	<u>24,978</u>	<u>23,398</u>

Note: Subsidy income mainly relates to cash subsidies in respect of operating and development activities from governments which are either unconditional grants or grants with conditions having been satisfied.

5. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Finance costs		
Interest charges on bank borrowings	<u>663</u>	<u>—</u>
Employee benefit expenses		
Salaries, bonus and allowances	110,473	69,204
Retirement benefit scheme contributions	15,321	13,028
Severance payments	2,689	439
Share-based compensation expense	<u>47,915</u>	<u>29,141</u>
	<u>176,398</u>	<u>111,812</u>
Other items		
Auditors' remuneration	1,837	1,443
Listing-related expenses	—	17,697
Depreciation of property, plant and equipment	13,377	6,134
Amortisation of intangible assets	36,787	12,604
Provision for doubtful trade receivables	151	2,155
Net foreign exchange loss/(gain)	5,760	(7,301)
Operating lease charges on office premises	<u>15,027</u>	<u>11,057</u>
6. INCOME TAX EXPENSE		
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Current tax		
Current year	29,793	13,756
Under-provision in respect of prior year	<u>812</u>	<u>146</u>
	<u>30,605</u>	<u>13,902</u>
Deferred tax		
Origination and reversal of temporary differences	(3,514)	54
Effect on deferred tax balances at 1 January 2015 resulting from a change in tax rate	<u>(5)</u>	<u>—</u>
	<u>(3,519)</u>	<u>54</u>
Income tax expense	<u>27,086</u>	<u>13,956</u>

The difference between the actual income tax charge in the consolidated statement of comprehensive income and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Profit before income tax	<u>139,145</u>	<u>111,599</u>
Tax on profit before income tax, calculated at the statutory rates applicable to profits in the tax jurisdiction concerned	33,583	34,748
Tax effect on non-deductible expenses	6,255	1,587
Tax effect of deductible temporary differences not recognised	879	54
Tax effect on preferential income tax rates applicable to a subsidiary	(14,954)	(20,979)
Tax effect of unused tax losses not recognised	2,576	—
Tax effect on super deduction in research and development activities	—	(1,600)
Effect on deferred tax balances at 1 January 2015 resulting from a change in tax rate	(5)	—
Under-provision in respect of prior year	812	146
Others	<u>(2,060)</u>	<u>—</u>
Income tax expense	<u>27,086</u>	<u>13,956</u>

Notes:

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) Hong Kong profits tax

Hong Kong profits tax rate is 16.5% for the years ended 31 December 2015 and 2014. Hong Kong profits tax has not been provided as the Group had no estimated assessable profits in Hong Kong for the years ended 31 December 2015 and 2014.

(c) PRC enterprise income tax

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year based on the existing legislation, interpretations and practices in respect thereof. The applicable income tax rate is 25%.

Pursuant to the relevant laws and regulations in the PRC, Beijing Lianzhong has renewed and obtained its qualification as a High and New Technology Enterprise (“**HNTE**”) in 2014 for the three-year period commencing from October 2014. Beijing Lianzhong was also accredited as a “Key Software Enterprise within National Planning Layout” (國家規劃佈局內重點軟件企業) in 2013 and enjoyed a preferential income tax rate of 10% for the year ended 31 December 2014. In 2015, Beijing Lianzhong enjoyed preferential income tax rate of 15%.

According to relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 150% of the research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“Super Deduction”). Beijing Lianzhong has made its best estimate for the Super Deduction to be claimed in ascertaining their assessable profits for the years ended 31 December 2015 and 2014.

(d) US profits tax

Subsidiaries operating in the US are subject to US federal and state tax on its assessable profits. The applicable tax rate for federal tax is 34% whilst the tax rate for state tax of California, the principal place of business of the Company’s major US subsidiaries is 8.84%. US profits tax has not been provided as the Group incurred a loss for taxation purposes for the year ended 31 December 2015.

(e) Gibraltar profits tax

Gibraltar profits tax has been provided at the rate of 10% on the estimated assessable profits for the year ended 31 December 2015.

(f) PRC withholding tax

According to the relevant laws and regulations in the PRC, the Group is also liable to a 10% withholding tax on dividends to be distributed from the Group’s foreign-invested enterprises in the PRC in respect of its profits generated from 1 January 2008. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

7. DIVIDENDS

	<i>Notes</i>	2015 <i>RMB’000</i>	2014 <i>RMB’000</i>
Dividend declared and paid by the Company			
— Special dividend 2014	<i>(a)</i>	—	296,498
— Final dividend 2014	<i>(b)</i>	50,273	—
Dividend declared and paid by Beijing Lianzhong	<i>(c)</i>	<u>—</u>	<u>3,500</u>
		<u>50,273</u>	<u>299,998</u>

Notes:

- (a) A special dividend amounting to RMB296,498,000 (equivalent to US\$48,566,000) has been proposed, approved and paid to the ordinary shareholders of the Company during the year ended 31 December 2014. The preferred shareholders of the Company and Blink Milestones have waived their entitlement to the special dividend. Blink Milestones is a company wholly owned and controlled by Mr. Liu Jiang, a controlling shareholder of the Company. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of these financial statements.

- (b) During the year ended 31 December 2015, a final dividend for the year ended 31 December 2014 of RMB0.064 per share has been declared and approved by the shareholders at the annual general meeting of the Company. The 2014 final dividend was paid in Hong Kong dollars at HK\$0.0812 per share, amounting to approximately RMB50,273,000.
- (c) Dividends disclosed during the year ended 31 December 2014 represented dividends declared before the Contractual Arrangements were entered and paid by Beijing Lianzhong to its then shareholders. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of these financial statements.
- (d) The Directors do not recommend the payment of a final dividend for the year ended 31 December 2015.

8. EARNINGS PER SHARE

Earnings per share attributable to ordinary equity holders of the Company

(a) *Basic earnings per share*

Basic earnings per share for the year is calculated by dividing the profit attributable to equity holders of the Company of RMB114,351,000 (2014: RMB97,641,000) by the weighted average number of ordinary shares of 784,949,124 shares (2014: 600,346,342 shares) in issue during the year, excluding the ordinary shares purchased by the Company and held as treasury shares in prior year and cancelled in 2015 (Note 14(i)).

(b) *Diluted earnings per share*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2015, the Company has one category of dilutive ordinary shares, being the share option schemes of the Company (Management Pre-IPO Share Option Scheme and the 2014 Share Option Scheme), but not on the share options granted in July 2015 under the 2014 Share Option Scheme which are considered as anti-dilutive as the average market price of the ordinary shares of the Company is less than the exercise price of these share options. For the year ended 31 December 2014, the Company has two categories of dilutive ordinary shares, the Series A Preferred Shares and the Management Pre-IPO Share Option Scheme.

Diluted earnings per share for the year is calculated by dividing the profit attributable to equity holders of the Company of RMB114,351,000 (2014: RMB97,641,000) by the weighted average number of ordinary shares of 835,461,634 shares (2014: 688,673,471 shares) in issue during the year, calculated as follows:

	2015	2014
Weighted average number of ordinary shares for the purpose		
of basic earnings per share	784,949,124	600,346,342
Adjustment for Series A Preferred Shares	—	67,660,274
Adjustment for share option schemes	<u>50,512,510</u>	<u>20,666,855</u>
Weighted average number of ordinary shares for the purpose		
of diluted earnings per share	<u><u>835,461,634</u></u>	<u><u>688,673,471</u></u>

9. INTANGIBLE ASSETS

	Computer software <i>RMB'000</i>	Game intellectual properties, trademark and licenses <i>RMB'000</i>	Brand name <i>RMB'000</i>	Programmes and film rights <i>RMB'000</i>	Unfinished contracts <i>RMB'000</i>	Development costs <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2014							
Cost	6,586	51,118	—	—	—	5,677	63,381
Accumulated amortisation and impairment losses	(2,452)	(17,611)	—	—	—	—	(20,063)
Net book amount	<u>4,134</u>	<u>33,507</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,677</u>	<u>43,318</u>
Year ended 31 December 2014							
Opening net book amount	4,134	33,507	—	—	—	5,677	43,318
Transfers	—	8,665	—	—	—	(8,665)	—
Additions	2,176	2,367	—	—	—	12,777	17,320
Written off	—	(92)	—	—	—	—	(92)
Amortisation	(1,326)	(11,278)	—	—	—	—	(12,604)
Closing net book amount	<u>4,984</u>	<u>33,169</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,789</u>	<u>47,942</u>
At 31 December 2014 and 1 January 2015							
Cost	8,762	61,176	—	—	—	9,789	79,727
Accumulated amortisation and impairment losses	(3,778)	(28,007)	—	—	—	—	(31,785)
Net book amount	<u>4,984</u>	<u>33,169</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,789</u>	<u>47,942</u>
Year ended 31 December 2015							
Opening net book amount	4,984	33,169	—	—	—	9,789	47,942
Transfers	—	14,812	—	—	—	(14,812)	—
Additions	1,236	8,409	—	30,539	—	27,894	68,078
Acquisition of subsidiaries (<i>Note 15</i>)	376	—	93,303	25,266	28,166	—	147,111
Amortisation	(1,961)	(14,671)	(6,374)	(5,501)	(8,280)	—	(36,787)
Exchange difference	22	—	5,550	1,137	1,524	—	8,233
Closing net book amount	<u>4,657</u>	<u>41,719</u>	<u>92,479</u>	<u>51,441</u>	<u>21,410</u>	<u>22,871</u>	<u>234,577</u>
At 31 December 2015							
Cost	10,397	84,397	99,093	57,092	29,914	22,871	303,764
Accumulated amortisation and impairment losses	(5,740)	(42,678)	(6,614)	(5,651)	(8,504)	—	(69,187)
Net book amount	<u>4,657</u>	<u>41,719</u>	<u>92,479</u>	<u>51,441</u>	<u>21,410</u>	<u>22,871</u>	<u>234,577</u>

10. LOANS TO A THIRD PARTY

The loans to a third party are interest-bearing at 12% per annum, wholly repayable in 2018 and secured by unlisted equity interest in a company incorporated in the PRC. The carrying amount of the amounts due approximate its fair value.

11. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2015 RMB'000	2014 <i>RMB'000</i>
Trade receivables	<i>(a)</i>		
From third parties		165,235	100,259
Less: provision for impairment of trade receivables		<u>(2,889)</u>	<u>(2,738)</u>
		<u>162,346</u>	<u>97,521</u>
Other receivables			
Deposits, prepayments and other receivables		91,366	27,846
Advances to employees		12,376	1,324
Amounts due from shareholders		—	17
Amount due from an associate		1,500	600
Loan to a related party		8,217	—
Interest receivables		<u>4,051</u>	<u>4,214</u>
		117,510	34,001
Less: provision for impairment of other receivables		<u>(1,000)</u>	<u>(1,000)</u>
		<u>116,510</u>	<u>33,001</u>
		<u>278,856</u>	<u>130,522</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.

(a) **Trade receivables**

Trade receivables were mainly arising from the operation of online card and board games. The credit terms of trade receivables granted to distribution channels and payment vendors are usually 30 to 90 days. Ageing analysis based on recognition date of the gross trade receivables at the reporting dates is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
0–30 days	40,426	15,729
31–60 days	20,240	16,303
61–90 days	15,474	13,013
91–180 days	32,029	23,622
181–365 days	44,833	28,944
Over 1 year	<u>12,233</u>	<u>2,648</u>
	<u><u>165,235</u></u>	<u><u>100,259</u></u>

12. TRADE AND OTHER PAYABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
	<i>Notes</i>	
Trade payables		
To third parties	22,021	25,769
To an associate	<u>258</u>	<u>20</u>
	<i>(a)</i>	
	<u><u>22,279</u></u>	<u><u>25,789</u></u>
Other payables		
Receipts in advance	1,291	428
Other payables and accrued charges	25,901	6,693
Other tax liabilities	3,100	3,103
Staff costs and welfare accruals	18,202	8,235
Deferred income related to government grants	<u>763</u>	<u>333</u>
	<u><u>49,257</u></u>	<u><u>18,792</u></u>
	<u><u>71,536</u></u>	<u><u>44,581</u></u>

All amounts are short-term and hence the carrying values of trade and other payables as at 31 December 2015 and 2014 were considered to be a reasonable approximation of its fair value.

(a) **Trade payables**

Trade payables primarily related to the purchase of services for server custody, outsourcing game development and the revenue sharing of licensed and third-party operated PC games and which is payable to cooperated game developers according to respective cooperation agreements.

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
0–30 days	12,092	10,986
31–60 days	4,452	10,043
61–90 days	2,783	1,440
91–180 days	822	1,329
181–365 days	448	1,750
Over 1 year	<u>1,682</u>	<u>241</u>
	<u><u>22,279</u></u>	<u><u>25,789</u></u>

13. OTHER NON-CURRENT RECEIVABLE/PAYABLE

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Non-current receivable		
Current portion	3,241	—
Non-current portion	<u>29,895</u>	<u>—</u>
	<u><u>33,136</u></u>	<u><u>—</u></u>
Non-current payable		
Current portion	3,241	—
Non-current portion	<u>29,895</u>	<u>—</u>
	<u><u>33,136</u></u>	<u><u>—</u></u>

In 2015, the Group has acquired the non-current receivable and payable through the acquisition of Peerless Group (Note 15). Other non-current payable represents a contingent consideration payable to a third party by Peerless and a subsidiary of bwin.party digital entertainment plc (“bwin.party”) for the then acquisition of the WPT brand in 2009 and subsequent buy-out in 2012 of the contingent revenue share element. Subject to certain conditions, including subsequent changes in legislation in the US, the maximum aggregate contingent consideration payable by Peerless and bwin.party’s subsidiary amounted to US\$6,500,000 (equivalent to approximately RMB42,208,000).

As at 31 December 2015, other non-current payable represents the Directors' current best estimate of the amount payable which they consider is likely to be paid within and after twelve months from the reporting date, after the effects of discounting at the effective interest rate of 10.3%. The Directors consider that the fair values are not materially different from their carrying amounts. As at 31 December 2015, there has been no change in the amount recognised since its acquisition (except for unwinding of the discount and exchange differences of approximately RMB1,330,000 and RMB1,859,000 respectively) and the non-discounted book value for the contingent consideration amounted to approximately US\$6,119,000 (equivalent to approximately RMB39,734,000).

Pursuant to the relevant share purchase agreement, the selling shareholder of Peerless Group (the “**Seller**”) and bwin.party (the “**Seller’s Guarantor**”, a company listed on the London Stock Exchange) had contractually agreed to indemnify the Group against any loss and undertake the repayment of all liabilities in connection with the contingent consideration payable as detailed above. In this respect, the Group has recognised an indemnification asset as other non-current receivable at an amount equivalent to the fair value of the indemnified liability.

14. SHARE CAPITAL

The capital as at 1 January 2014 represented the Group's share of nominal value of the paid-in capital of the companies comprising the Group after elimination of investments in subsidiaries.

With the completion of the Reorganization on 28 January 2014, the capital as at 31 December 2014 represents the issued share capital of the Company. The difference between the nominal value of the Company's shares and the then consolidated net assets of the subsidiaries being acquired at the time of the Reorganization was treated as capital contributions from the controlling shareholders and included in other reserve. Details of the Reorganization are set out in the Prospectus.

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

	<i>Notes</i>	Number of shares	Nominal value of shares US\$'000	Equivalent nominal value of shares RMB'000
Authorised:				
<i>Ordinary shares of the Company:</i>				
At 1 January 2014		50,000	50	
Share sub-division		999,950,000	—	
Re-designation and reclassification on 30 January 2014		(85,714,284)	(4)	
Re-designation and reclassification on 30 June 2014		176,400,000	9	
Increase in authorised share capital		<u>8,909,314,284</u>	<u>445</u>	
At 31 December 2014 and 2015		<u>10,000,000,000</u>	<u>500</u>	
<i>Non-redeemable convertible Series A Preferred Shares of the Company:</i>				
At 1 January 2014		—	—	
Re-designation and reclassification on 30 January 2014		85,714,284	4	
Increase in authorised share capital		90,685,716	5	
Re-designation and reclassification on 30 June 2014		<u>(176,400,000)</u>	<u>(9)</u>	
At 31 December 2014 and 2015		<u>—</u>	<u>—</u>	
Issued and fully paid:				
<i>Ordinary shares:</i>				
At 1 January 2014		10,000	10	61
Share sub-division		199,990,000	—	—
Issuance of shares upon capitalisation issue		211,600,000	10	65
Issuance of new shares in connection with the listing of the Company's shares		196,000,000	10	60
Conversion of Series A Preferred Shares		<u>176,400,000</u>	<u>9</u>	<u>52</u>
At 31 December 2014		784,000,000	39	238
Change in functional currency		—	—	1
Repurchased shares cancelled	<i>(i)</i>	(910,000)	—	—
Exercise of share option	<i>(ii)</i>	<u>3,822,624</u>	<u>—</u>	<u>1</u>
At 31 December 2015		<u>786,912,624</u>	<u>39</u>	<u>240</u>
<i>Non-redeemable convertible Series A Preferred Shares:</i>				
At 1 January 2014		—	—	—
Issuance of shares on 31 January 2014		85,714,284	4	24
Issuance of shares upon capitalisation issue		90,685,716	5	28
Conversion of Series A Preferred Shares		<u>(176,400,000)</u>	<u>(9)</u>	<u>(52)</u>
At 31 December 2014 and 2015		<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2015		<u>786,912,624</u>	<u>39</u>	<u>240</u>
At 31 December 2014		<u>784,000,000</u>	<u>39</u>	<u>238</u>

(i) Repurchase of shares

During the year ended 31 December 2014, the Company repurchased its own ordinary shares on the Stock Exchange as follows:

Month of repurchase	Number of shares repurchased	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration paid <i>HK\$'000</i>	Equivalent aggregate consideration paid <i>RMB'000</i>
December 2014	<u>910,000</u>	<u>2.82</u>	<u>2.57</u>	<u>2,418</u>	<u>1,916</u>

As at 31 December 2014, the 910,000 shares repurchased were recognised as treasury shares and were cancelled on 19 January 2015.

(ii) Exercise of share option

During the year ended 31 December 2015, options were exercised to subscribe for 3,822,624 ordinary shares of the Company at a consideration of RMB3,985,000, of which approximately RMB1,000 was credited to share capital and the balance of RMB3,984,000 was credited to the share premium account. As a result of the exercise of options, RMB3,808,000 has been transferred from the share option reserve to the share premium account.

15. ACQUISITION OF SUBSIDIARIES

- (a) On 25 June 2015, the Group acquired 100% of the issued share capital of Peerless and its subsidiaries at a total cash consideration of US\$35,940,000 (equivalent to RMB222,541,000). The transaction was made as part of the Group's strategy to expand its development and operation of online card and board games in the US and elsewhere.

The following summarises the consideration paid for Peerless Group and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value of net identifiable assets and liabilities acquired RMB'000
Property, plant and equipment	8,644
Intangible assets	147,111
Inventories	277
Trade and other receivables	2,933
Bank balances and cash	9,167
Trade and other payables	(14,696)
Deferred revenue	(9,467)
Other non-current payable (<i>Note 13</i>)	(29,947)
Deferred tax liabilities	<u>(12,961)</u>
Net identifiable assets acquired	101,061
An indemnification asset (<i>Note 13</i>)	29,947
Goodwill	<u>91,533</u>
	<u><u>222,541</u></u>
Satisfied by:	
Cash	<u><u>222,541</u></u>

Goodwill arose in the above business combination as the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill of RMB91,533,000 arising from the acquisition is attributable to the development and operation of online card and board games, organising and broadcasting online to offline mind-sports events, tournaments, TV shows and contents outside PRC, primarily in the US and Gibraltar. None of the goodwill arising on this acquisition is expected to be deductible for tax purposes. The Group incurred transaction costs of approximately RMB3,387,000 for this acquisition.

An analysis of the cash flows in respect of the acquisition is as follows:

	2015 <i>RMB'000</i>
Cash consideration paid	222,541
Less: Bank balances and cash acquired	<u>(9,167)</u>
Net outflow of cash and cash equivalents included in the cash flows from investing activities	<u><u>213,374</u></u>

The revenue and profit included in the consolidated statement of comprehensive income since 25 June 2015 contributed by the Peerless Group was RMB77,723,000 and RMB20,625,000 respectively.

Had the combination taken place on 1 January 2015, the revenue and profit of the Group for the year ended 31 December 2015 would have been RMB830,216,000 and RMB142,048,000 respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operation of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor are they intended to be a projection of future results.

- (b) During the year ended 31 December 2015, in addition to the above acquisition of subsidiaries, the Group has also acquired 100% equity interests in Guangzhou Zhongge Information Technology Co., Ltd. (廣州中戈資訊科技有限公司) and Feilaer Fashion (Beijing) Technology Co., Ltd. (費拉爾時尚(北京)科技有限公司) for an aggregate consideration of RMB431,000. These transactions were made as part of the Group's strategy to expand its development and operation of online card and board games in the PRC.

The following summarises the consideration paid for these companies and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value of net identifiable assets and liabilities acquired <i>RMB'000</i>
Net identifiable assets acquired:	
Trade and other receivables	231
Goodwill	<u>200</u>
	<u><u>431</u></u>
Satisfied by:	
Cash	<u><u>431</u></u>

The Directors assessed that the differences between fair values and carrying amounts of the trade and other receivables are insignificant. Goodwill arose in the above business combinations as the cost of combination included a control premium. In addition, the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill of RMB200,000 arising from the acquisitions

are attributable to the development and operation of online card and board games, organising and broadcasting online to offline mind-sports events, tournaments, TV shows and contents in the PRC. None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

The business acquired did not make any significant contribution to the revenue or profit of the Group for the period between the acquisition date/beginning period date and 31 December 2015.

16. SUBSEQUENT EVENTS

The following significant events took place subsequent to 31 December 2015:

(a) Share options granted in 2016

On 8 January 2016, 7,840,000 options were granted by the Company to certain directors of the Company under the 2014 Share Option Scheme with estimated total fair value of approximately RMB16,772,000. The exercise price of the share options granted is HK\$5.506 per share. The share options are valid for a period of 10 years and subject to a vesting scale in equal proportions of 25% on every anniversary date of the date of grant, starting from the first anniversary date until the fourth.

(b) Change in controlling shareholders

Following to the completion of the share transfer transaction entered into between the Controlling Shareholders and an independent third party, the Controlling Shareholders ceased to have control over the Company with effect from 5 February 2016. For details, please refer to the Company's announcement dated 5 February 2016.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement has been published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ourgame.com. The annual report of the Group for the year ended 31 December 2015 will be published on the aforesaid websites and will be dispatched to the Shareholders on or before 30 April 2016.

By order of the Board
Ourgame International Holdings Limited
YANG Eric Qing
Chairman and Executive Director

Hong Kong, 29 March 2016

As at the date of this announcement, the executive Directors are Mr. YANG Eric Qing and Mr. NG Kwok Leung Frank; the non-executive Directors are Mr. LIU Jiang, Mr. HUA Guanfa, Mr. FAN Tai and Mr. CHEN Xian; the independent non-executive Directors are Mr. GE Xuan, Mr. LU Zhong and Mr. CHEUNG Chung Yan David.

* *For identification purpose only*