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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)

### BUSINESS UPDATE

### FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

The board of directors (the “**Board**”) of Ourgame International Holdings Limited (the “**Company**” or “**Ourgame**”) is pleased to provide an update on certain financial and operational information of the Company and its subsidiaries (collectively, the “**Group**”) for the nine months ended 30 September 2017. This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

#### FINANCIAL HIGHLIGHTS

	Three months ended 30 September			Three months ended		
	2017	2016	Changes	30 September 2017	30 June 2017	Changes
	RMB'000	RMB'000		RMB'000	RMB'000	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
<b>Revenue</b>	<b>142,253</b>	227,414	-37.4%	<b>142,253</b>	152,682	-6.8%
PC games revenue	<b>65,706</b>	93,334	-29.6%	<b>65,706</b>	71,384	-8.0%
Mobile games revenue	<b>64,975</b>	102,603	-36.7%	<b>64,975</b>	64,280	+1.1%
Others	<b>11,572</b>	31,477	-63.2%	<b>11,572</b>	17,018	-32.0%
<b>(Loss)/Profit attributable to equity holders of the Company</b>	<b>(5,087)</b>	47,583	-110.7%	<b>(5,087)</b>	(23,700)	-78.5%
<b>Non-IFRS adjusted net (Loss)/profit</b>	<b>(2,079)</b>	56,497	-103.7%	<b>(2,079)</b>	(20,028)	-89.6%
Attributable to equity holders of the Company	<b>(240)</b>	57,480	-100.4%	<b>(240)</b>	(15,714)	-98.5%
Attributable to non-controlling interests	<b>(1,839)</b>	(983)	+87.1%	<b>(1,839)</b>	(4,314)	-57.4%

## REVENUE BY GEOGRAPHICAL AREAS

	Three months ended			Three months ended		
	30 September		Changes	30 September		30 June
	2017	2016		2017	2017	
	RMB'000	RMB'000		RMB'000	RMB'000	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Revenue from the People's Republic of China (the "PRC") <sup>(1)</sup>	122,656	197,416	-37.9%	122,656	130,604	-6.1%
Revenue outside the PRC <sup>(2)</sup>	19,597	29,998	-34.7%	19,597	22,078	-11.2%
<b>Total revenue</b>	<b>142,253</b>	<b>227,414</b>	<b>-37.4%</b>	<b>142,253</b>	<b>152,682</b>	<b>-6.8%</b>

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

(2) The revenue outside the PRC was primarily derived from Peerless Media Limited and its subsidiaries (the "Peerless Group") which were acquired by the Group at the end of June 2015. The Peerless Group is engaged in the business of television production, brand licensing, online service and tour management and producing poker and online entertainment content under the World Poker Tour ("WPT") global brand.

## OPERATIONAL HIGHLIGHTS

	Three months ended			Three months ended		
	30 September		Changes	30 September		30 June
	2017	2016		2017	2017	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
<b>Monthly active users (in thousands):</b>						
Self-developed games	21,882	32,217	-32.1%	21,882	22,589	-3.1%
<b>Monthly paying users (in thousands):</b>						
Self-developed games	1,453	2,054	-28.9%	1,453	1,447	+0.4%
<b>Monthly average revenue per paying user (in RMB):</b>						
Self-developed games	30	31	-3.2%	30	31	-3.2%

## SUMMARY

In the third quarter of 2017, we continue to make progress on the revamping of our China domestic card and board game business and the Group's other core businesses.

In the third quarter of 2017, we have focused on upgrading and redeveloping our core games products. More engaging user features, payment methods and options and more online tournaments were added into our products. In particular, we have completed the redevelopment of our core mobile games products with primarily weChat, Alipay and other third-party payment options and have started to launch them by the end of the quarter to replace our existing games products that were charged based on mobile carrier payment methods. We expect that within the fourth quarter of 2017, we would have completed the launch of our new third-party payment based mobile games products into most of our key distribution channels and the majority of our mobiles games income will be through weChat, Alipay and other third-party payment channels. Our new third-party payment based mobile products will bring significantly better payment channel stability and enhanced margin to our mobile businesses going forward.

Our eSports business Allied eSports (“AES”) launched its Shenzhen eSports Arena in September 2017 with partner Shenzhen SaiGe (賽格股份) and the new arena already hosted Blizzard's Overwatch Open (OWOD) championship tournament. AES's own Legend Series tournaments in Europe have attracted more than 6,000 onsite attendees and more than 1.5 million online viewers. AES's Las Vegas flagship arena in MGM Luxor is under construction and is expected to open in the first quarter of 2018. With the rapidly expanding arena venue network, branded tournaments and content production, AES continued to solidify its leadership position in the eSports space and will be actively seeking strategic partners to accelerate its growth.

WPT entered into the Brazil market in August 2017 with the first ever WPT Brazil tournament that attracted more than 3,000 participating players. WPT will be entering into the India and Japan markets in the fourth quarter of 2017 to continue its geographic expansion. WPT renewed sponsorship relationship with Hublot Watch, Dr. Pepper and other sponsors and added the world's largest private jet community JetSmarter as its newest sponsor.

We have also significantly streamlined our organization for cost savings and operational efficiency. We have further improved on the profit bottom line on a quarter-to-quarter basis and the benefits will continue and be further realized going forward.

In September 2017, the Company has announced the entering into of share subscription agreements with each of (i) the entity controlled by our key management members, namely Mr. Yang Eric Qing, our executive Director, chairman of the Board and co-chief executive officer, Mr. Ng Kwok Leung Frank, our executive Director and co-chief executive officer and Mr. Zhang Peng, our senior management (the “**Management Subscriber**”), (ii) Irena Group Co., Ltd., our substantial shareholder (the “**Connected Subscriber**”) and (iii) Noumena Innovations (BVI) LTD., a wholly-controlled entity of KongZhong Corporation, our existing shareholder (the “**Independent Subscriber**”). Pursuant to the share subscription agreements, the Management Subscriber, the Connected Subscriber and the

Independent Subscriber have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 89,189,189 shares, 64,690,848 shares and 71,351,351 shares of the Company, respectively. The subscriptions by the Management Subscriber, the Connected Subscriber and the Independent Subscriber demonstrated their confidence in the prospects and future development of the Company and will provide the Company with additional funds to support and continue the Group's growth plan upon completion. For details of such subscriptions, please refer to the circular of the Company dated 13 October 2017.

**The Board wishes to remind investors that the above business update is based on the Group's unaudited management accounts and internal records. Investors are reminded not to unduly rely on such information and are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 28 November 2017

*As at the date of this announcement, the Board comprises Mr. Yang Eric Qing and Mr. Ng Kwok Leung Frank as executive Directors; Mr. Liu Jiang, Ms. Fu Qiang, Mr. Fan Tai and Mr. Chen Xian as non-executive Directors; and Mr. Ge Xuan, Mr. Lu Zhong and Mr. Cheung Chung Yan David as independent non-executive Directors.*

\* *For identification purpose only*