OURGAME INTERNATIONAL HOLDINGS LIMITED

聯眾國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6899)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

	Six months ended 30 June			**Three months ended 30 June**		
	2015	2014	Changes	**2015**	2014	Changes
	RMB'000	*RMB'000*		***RMB'000***	*RMB'000*	
	(Unaudited)	(Unaudited)		**(Unaudited)**	(Unaudited)	
Revenue	**325,068**	207,285	+56.8%	**160,919**	114,296	+40.8%
Profit attributable to equity holders of the Company	**62,545**	33,203	+88.4%	**34,326**	11,651	+194.6%
Non-IFRS adjusted net profit*	**84,379**	62,635	+34.7%	**44,054**	32,455	+35.7%
Attributable to equity holders of the Company	**84,379**	62,633	+34.7%	**44,054**	32,455	+35.7%
Attributable to non-controlling interests	**—**	2	—	**—**	—	—

* *Non-IFRS adjusted net profit was derived from the unaudited profit for the period 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 (if any).*

	Six months ended 30 June			Three months ended 30 June		
	2015	2014	Changes	**2015**	2014	Changes
	RMB'000	*RMB'000*		***RMB'000***	*RMB'000*	
	(Unaudited)	(Unaudited)		**(Unaudited)**	(Unaudited)	
PC games revenue						
Self-developed PC games						
— Texas Hold'em	**62,504**	56,060	+11.5%	**35,960**	27,859	+29.1%
— Mahjong	**44,340**	43,804	+1.2%	**23,918**	21,368	+11.9%
— Fight the Landlord	**19,994**	19,029	+5.1%	**10,963**	9,631	+13.8%
— Other self-developed games	**11,626**	13,825	–15.9%	**6,108**	7,369	–17.1%
Self-developed games total	**138,464**	132,718	+4.3%	**76,949**	66,227	+16.2%
Licensed games	**7,523**	10,332	–27.2%	**2,803**	4,137	–32.2%
Third-party operated games	**2,835**	6,201	–54.3%	**1,207**	4,163	–71.0%
Total PC games revenue	**148,822**	149,251	–0.3%	**80,959**	74,527	+8.6%
Mobile games revenue						
— Texas Hold'em	**18,368**	—	+100%	**8,013**	—	+100%
— Mahjong	**33,799**	9,976	+238.8%	**15,519**	7,010	+121.4%
— Fight the Landlord	**114,747**	36,008	+218.7%	**52,375**	26,736	+95.9%
— Other games	**8,098**	8,977	–9.8%	**3,826**	3,901	–1.9%
Total mobile games revenue	**175,012**	54,961	+218.4%	**79,733**	37,647	+111.8%
Total games revenue	**323,834**	204,212	+58.6%	**160,692**	112,174	+43.3%
Total revenue[(1)]	**325,068**	207,285	+56.8%	**160,919**	114,296	+40.8%

(1) Total revenue includes income from sponsorship and third-party advertising income.

OPERATIONAL HIGHLIGHTS

	Six months ended 30 June			Three months ended 30 June		
	2015	2014	Changes	**2015**	2014	Changes
	(Unaudited)	(Unaudited)		**(Unaudited)**	(Unaudited)	
Monthly active users ("MAUs") (in thousands):						
Self-developed PC games						
— Texas Hold'em	**123**	108	+13.9%	**136**	108	+25.9%
— Mahjong	**2,005**	1,938	+3.5%	**2,103**	1,989	+5.7%
— Fight the Landlord	**3,452**	3,556	–2.9%	**3,492**	3,758	–7.1%
— Other self-developed games	**4,255**	4,627	–8.0%	**4,309**	4,766	–9.6%
Mobile games						
— Texas Hold'em	**357**	—	+100%	**309**	—	+100%
— Mahjong	**2,829**	2,342	+20.8%	**2,633**	2,469	+6.6%
— Fight the Landlord	**14,777**	11,930	+23.9%	**13,200**	12,012	+9.9%
— Other games	**1,530**	—	+100%	**1,420**	—	+100%
Total	**29,328**	24,501	+19.7%	**27,602**	25,102	+10.0%
Monthly paying users ("MPUs") (in thousands):						
Self-developed PC games	**333**	312	+6.7%	**351**	317	+10.7%
Mobile games(1)	**1,449**	415	+249.2%	**1,384**	570	+142.8%
Total	**1,782**	727	+145.1%	**1,735**	887	+95.6%
Monthly average revenue per paying user ("ARPPU") (in RMB):						
Self-developed PC games	**69.0**	70.7	–2.4%	**73.1**	69.6	+5.0%
Mobile games(1)	**20.4**	18.5	+10.3%	**19.2**	19.8	–3.0%

(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

On 30 June 2015, Ourgame International Holdings Limited (the "**Company**") celebrated its first anniversary of listing on the Main Board of the Stock Exchange. Although it has not been a year without challenges, it has also been a year of rapid growth and breakthrough achievements, firmly establishing the Company as an industry leader. We would like to take this opportunity to express our gratitude to investors for their support in the past year.

The revenue of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2015 amounted to RMB325.1 million, representing an increase of 56.8% over the same period in 2014. Our net profit for the six months ended 30 June 2015 reached RMB62.5 million, which represents an increase of 88.4% compared with the same period in 2014. Our non-IFRS adjusted net profit* for the six months ended 30 June 2015 reached RMB84.4 million, representing an increase of 34.7% compared with the same period in 2014. Our MAUs for the six months ended 30 June 2015 amounted to 29.3 million, which represents an increase of 19.7% over the MAUs for the same period in 2014. Our MPUs reached 1.8 million, which represents an increase of 145.1% over the MPUs for the same period in 2014. The ARPPU for both PC games and mobile games reached RMB69.0 and RMB20.4, respectively, representing a decrease of 2.4% and an increase of 10.3%, respectively, over the same period in 2014.

In the first half of 2015, revenue from the PC platform for the six months ended 30 June 2015 amounted to RMB148.8 million, representing a 0.3% decrease over the same period in 2014. Our MPUs from the PC platform for the six months ended 30 June 2015 reached approximately 333,000, representing a 6.7% growth compared to the same period in 2014. The paying ratio from PC games is 3.4%, representing a 10.6% increase over the same period in 2014. As our major online/offline tournament events are mostly scheduled in the second half of the year, PC games' stable growth in the first half of 2015 was mainly driven and supported by our eco-system components. In Texas Hold'em for example, we have explored promotion in Texas Hold'em vertical media, launched a series of eye-catching short videos and reality shows featuring Texas Hold'em stars, including China Poker Show which has been very successful in reaching the targeted user segment, attracting quality traffic and further accelerating user acquisition.

Our mobile game business for the six months ended 30 June 2015 reached RMB175.0 million, which represents a 218.4% increase over the six months ended 30 June 2014. The MAUs reached 19.5 million, representing an increase of 36.6% over the same period in 2014. The MPUs amounted to 1.4 million, an increase of 249.2% compared with the six months ended 30 June 2014. The ARPPU reached RMB20.4, representing a 10.3% increase over the same period in 2014. The paying ratio reached 7.4% for the six months ended 30 June 2015. The outstanding performance can be attributed to the continued enhancement of our games, closer cooperation with mobile phone manufacturers and the precise execution of our online/offline model. For instance, Fight the Landlord Golden League is one of the important offline events of the Company. The online portion of the event was previously mostly geared toward our PC users, but is now also opened to our mobile users. We have drawn approximately

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

200,000 new users from just one major mobile phone manufacturer in one week's time by co-promoting the event. In addition, the MPUs for Fight the Landlord as of 30 June 2015 reached 1.1 million, representing a 239.3% increase over the same period in 2014, thanks to the synergy of the online/offline business model. Some mobile carriers' change in their charging management policy in the first half of 2015 has impacted the industry as a whole and presented some challenges to us as well, but we believe it is temporary and has been largely mitigated which is reflected in our results. The quality of our mobile games products, diverse and expanding channels, synergy of our eco-systems and close cooperation with our mobile carrier partners will continue to drive our mobile business' growth going forward.

While maintaining rapid growth on our online games platform, we have been resolutely building our mind-sports eco-system and have made breakthrough progress in the first half of this year. On 30 May 2015, the Company entered into a 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, "**Board and Card Games Administrative Center**"). Granted with a ten-year privilege under the contract, the Company will acquire all commercial development rights in respect of all Internet-related aspects (including PC, WEB, mobile-internet and any future internet-related business models and medium based on digital technology) by the Board and Card Games Administrative Center and the relevant associations. We will be the Internet Plus provider and implementer to the Board and Card Games Administrative Center as it embarks upon the Internet Plus transformation of China's mind-sports industry, including but not limited to the creation of a unified national membership system and an internet-based competitions management platform, as well as new business models and initiatives in education, training and marketing. We will also be the sole and exclusive service provider to the Board and Card Games Administrative Center for its cooperation with Migu Culture and Technology Limited ("**Migu**"), the new internet and media arm for China Mobile Communications Corporation ("**China Mobile**") which the parties have already entered into contract. The cooperation with the Board and Card Games Administrative Center filled the link in our eco-system on Card and Board Games Internet Plus, which will continuously generate new business opportunity and synergy for the Company.

On 25 June 2015, the Company completed the acquisition of Peerless Media Limited ("**Peerless**"), a television production, brand licensing, online service and tour management company which, together with its subsidiaries, produce high quality poker and online entertainment content under the World Poker Tour ("**WPT**") brand. The acquisition is a breakthrough milestone for the Company and in one stroke the Company acquired multiple prized strategic assets and capabilities. First, with WPT's global brand recognition, land-based tournaments throughout the United States, Europe and Asia, high quality TV production shows aired in more than 150 countries and attracting a large group of sponsors, the Company now controls one of the most prized end-to-end tournament, media and advertising property in mind-sports globally. In addition, WPT brings in unmatched expertise and capability in tournament management, TV production, media broadcasting, brand management and one of the most extensive mind-sports TV libraries in the world. These expertise and capabilities will help the Company to accelerate its pace of building the industry's leading mind-sports eco-system, and further strengthen its competitive position. Furthermore, with WPT's global brand recognition and global reach, the Company can now reach a large, mainstream global audience in scale. With WPT, the Company can now introduce the best of the world to China, and the best of China to the world and open up unbound new opportunities. The Company is going global in a big way, and WPT as a member of the Company will lead the way.

FUTURE PROSPECTS

In the second half of 2015, we will continue to invest in products and technology and enhance our game products across the PC and mobile platforms. With our major offline tournaments such as the eighth WPT Dragon Series, China Chess and Cards Competition-Beijing, WPT National China 2015, WPT National Korea, and the very first Mahjong International League Championship, we are expecting more new online traffic drawn by online qualifications of these major events.

With the acquisition of WPT, our international expansion will further accelerate. We will focus on integrating WPT's products, offering and capabilities into our eco-system, and at the same time infusing technology and new products in particular mobile products into the WPT line-up and continue to expand WPT's geographic reach.

With the cooperation with the Board and Card Games Administrative Center, we will also focus on delivering the first set of products and programs to market, including but not limited to a unified membership system, education and training products, and cooperative products with Migu of China Mobile.

Our content and broadcast business, while as an important component of our eco-system has been an instrumental channel in reaching our users, is expected to enter its revenue generation stage in second half of this year through its high quality content programs. Moreover, the new flagship Internet café jointly conceptualized and constructed by the Company and Wangyu Internet Café will open in the third quarter of 2015, bringing to the market a new online/offline user experience format that we believe will be trendsetting, open to nationwide franchising and fill in further the important online/offline user destination link in the Company's mind-sports eco-system.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview

For the six months ended 30 June 2015, profit attributable to equity holders of the Company increased significantly and amounted to RMB62.5 million, representing an increase of RMB29.3 million from the corresponding period of 2014. Non-IFRS adjusted net profit* attributable to equity holders of the Company amounted to RMB84.4 million, representing a significant increase of RMB21.7 million as compared with RMB62.6 million for the corresponding period of 2014.

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

2. Revenue

For the six months ended 30 June 2015, revenue of the Group amounted to RMB325.1 million, representing an increase of RMB117.8 million or 56.8% as compared with RMB207.3 million for the corresponding period of 2014. The increase was due to significant increase in revenue from mobile games.

For the six months ended 30 June 2015, the revenue from self-developed PC games amounted to RMB138.5 million, representing an increase of RMB5.7 million or 4.3% as compared with RMB132.7 million for the corresponding period of 2014. Revenue from mobile games amounted to RMB175.0 million for the six months ended 30 June 2015, representing an increase of RMB120.1 million or 218.4% as compared with RMB55.0 million for the corresponding period of 2014. The increases in self-developed PC games and mobile games were primary driven by strong growth in their corresponding MPUs. For the six months ended 30 June 2015, MPUs for self-developed PC games and mobile games were approximately 333,000 and 1,449,000 respectively, as compared with approximately 312,000 and 415,000 for the corresponding period of 2014.

3. Cost of Revenue and Gross Profit Margin

For the six months ended 30 June 2015, cost of revenue of the Group amounted to RMB149.0 million, representing an increase of RMB71.9 million or 93.2% as compared with RMB77.1 million for the corresponding period of 2014. The resulting gross profit margin were 54.2% and 62.8% for the six months ended 30 June 2015 and 2014 respectively. The decrease in gross profit margin was mainly due to a significant increase in revenue from mobile games during the six months ended 30 June 2015 as compared with the corresponding period of 2014, whereas mobile games' cost of revenue is higher than the Group's average cost of revenue due to higher channel and distribution costs.

4. Other Income

For the six months ended 30 June 2015, other income of the Group amounted to RMB14.3 million, representing an increase of RMB11.6 million or 418.9% as compared with RMB2.8 million for the corresponding period of 2014. This was primarily due to an increase of RMB11.6 million in bank interest income.

5. Selling and Marketing Expenses

For the six months ended 30 June 2015, selling and marketing expenses of the Group amounted to RMB47.4 million, representing an increase of RMB24.0 million or 102.6% from RMB23.4 million over the corresponding period of 2014. The increase in selling and marketing expenses for the period was mainly due to additional costs incurred for the increase in marketing activities and staff costs.

6. Administrative Expenses

For the six months ended 30 June 2015, administrative expenses of the Group amounted to RMB29.1 million, representing a decrease of RMB10.6 million or 26.8% as compared with RMB39.7 million for the corresponding period of 2014. The decrease was primarily due to no listing-related expenses for the six months ended 30 June 2015 (six months ended 30 June 2014: RMB17.7 million).

7. Research and Development Expenses

For the six months ended 30 June 2015, research and development expenses of the Group amounted to RMB21.6 million, representing an increase of RMB4.0 million or 22.8% as compared with RMB17.6 million for the corresponding period of 2014. The increase in research and development expenses for the period was mainly due to additional costs incurred for the increase in research and development activities and personnel expenses.

8. Profit Attributable to Equity Holders of the Company

For the six months ended 30 June 2015, profit attributable to equity holders of the Company amounted to RMB62.5 million, representing an increase of RMB29.3 million, or 88.4% as compared with RMB33.2 million for the corresponding period of 2014. The increase was primarily due to the significant increase in revenue.

9. Non-IFRS Measure — Adjusted Net Profit

For the six months ended 30 June 2015, unaudited non-IFRS adjusted net profit attributable to equity holders of the Company amounted to RMB84.4 million, representing an increase of RMB21.7 million, or 34.7% as compared with RMB62.6 million for the corresponding period of 2014. The increase was primarily due to the significant increase in revenue. Our unaudited non-IFRS adjusted net profit attributable to equity holders of the Company for the six months ended 30 June 2015 and 2014 were derived from profit attributable to equity holders of the Company for the period excluding their share of (i) share-based compensation expense of RMB21.8 million (six months ended 30 June 2014: RMB11.7 million); and (ii) no expenses relating to the listing of the Company on the Stock Exchange in 2014 (six months ended 30 June 2014: RMB17.7 million).

10. Income Tax Expense

For the six months ended 30 June 2015, income tax expense of the Group amounted to RMB7.9 million, representing an increase of RMB0.6 million, or 8.5% as compared with RMB7.2 million for the corresponding period of 2014. The increase was mainly due to the increase in profit before income tax.

11. Liquidity and Source of Funding and Borrowing

As at 30 June 2015, the Group's total bank balances and cash (including pledged bank deposits) decreased by 32.5% from RMB719.0 million as at 31 December 2014 to RMB485.5 million. The decrease of total bank balances and cash for the period primarily resulted from the cash payment for the acquisition and investment activities during the six months ended 30 June 2015 for approximately RMB317.7 million, and the payment of 2014 final dividend for approximately RMB50.3 million.

As at 30 June 2015, the current assets of the Group amounted to RMB717.8 million, including RMB505.5 million in bank balances and cash (including pledged bank deposits) and available-for-sale financial assets, and other current assets of RMB212.3 million. Current liabilities of the Group amounted to RMB207.8 million, of which RMB57.8 million were trade payables and deferred revenue, RMB120.9 million were short-term bank borrowings, and other current liabilities of RMB29.1 million. As at 30 June 2015, the current ratio (the current assets to current liabilities ratio) of the Group was 3.5 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. Except for the short-term bank borrowings of RMB120.9 million, the Group did not have other bank borrowings and other debt financing obligations as at 30 June 2015 or the date of this interim results announcement and did not have any breaches of finance covenants. As at 30 June 2015 and 31 December 2014, cash and cash equivalents exceeded total borrowings, therefore the gearing ratio of the Group was zero. The Group intends to finance future expansion, investments and business operations with internal resources.

12. Material Investments

During the six months ended 30 June 2015, the Group has 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 approximately RMB20 million. The completion of the acquisition took place in January 2015.

13. Material Acquisitions

During the six months ended 30 June 2015, the Group has entered into an agreement for the acquisition of 100% equity interest in Peerless and its subsidiaries (the "**Peerless Group**") for an estimated aggregate cash consideration of RMB224.7 million. The acquisition has been completed at the end of June 2015. For details of the acquisition, please refer to the Company's announcement dated 22 June 2015.

14. Material Disposals

The Group did not have any material disposals of subsidiaries or associated companies during the six months ended 30 June 2015.

15. Pledge of Assets

As at 30 June 2015, the Group's bank deposits of RMB221.6 million were pledged to secure the Group's short-term bank borrowings.

16. Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2015.

17. Foreign Exchange Exposure

During the six months ended 30 June 2015, the Group mainly operated in China and the majority of the transactions were settled in Renminbi ("**RMB**"), the functional currency of the Company and its primary subsidiaries. As at 30 June 2015, except for the short-term bank borrowings which are denominated in Euro, the Group did not have significant foreign currency exposure from its operations.

18. Employee's Remuneration and Policy

As at 30 June 2015, the Group has 767 employees (including WPT staff), 276 of which are responsible for game development, 340 for game operation, 119 for general administration and corporate management and 32 for WPT production. The total remuneration expenses, excluding share-based compensation expenses, for the first half of 2015 were RMB50.1 million, representing an increase of 23.0% as compared with that of the corresponding period in the previous year.

We provide external and internal training programs to our employees. As required by the People's Republic of China (the "**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**"), 47,040,000 share options were granted to the directors and senior management of the Company during the six months ended 30 June 2015.

Accordingly, the Group's share-based compensation expenses for the six months ended 30 June 2015 amounted to RMB21.8 million, representing an increase of RMB10.1 million as compared with RMB11.7 million for the corresponding period of 2014.

19. Change in Functional Currency

In prior years, the directors of the Company (the "**Directors**") regarded United States dollars ("**USD**") as the functional currency of the Company. Following the completion of the 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 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 dominated 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. Same as 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 financial statements of the Company, and has been accounted for prospectively since 1 January 2015.

20. Events Occurred since the end of the six-month period ended 30 June 2015

On 9 July 2015, 23,520,000 options were granted to key employees of the Company under the 2014 Share Option Scheme. The exercise price of the share options granted is HK$4.402 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 of directors of the Company (the "**Board**") to all shareholders.

1. Compliance with the Code on Corporate Governance Practices

During the six months ended 30 June 2015, the Company has complied with the 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 and code provision A.5.6 which stipulates that a policy concerning diversity of board members should be adopted.

Code provision A.2.1 of the Code stipulates that the roles of chairman and chief executive 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, 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 Mr. Yang 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.

Code provision A.5.6 of the Code stipulates that a policy concerning diversity of the board members should be adopted, but the Company did not have such a policy from 1 January 2015 to 26 March 2015. The Company adopted the diversity policy on 27 March 2015.

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

2. Directors' Interest in a Competing Business

During the six months ended 30 June 2015, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

3. 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 six months ended 30 June 2015 and up to the date of this announcement.

4. Audit Committee

The Company has established an 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 unaudited interim results of the Group for the six months ended 30 June 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 of the Company.

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

6. Material Litigation

As at 30 June 2015, the Company was not involved in any material litigation or arbitration. Nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company.

7. Interim Dividend

The Board does not declare the payment of any interim dividend to the shareholders of the Company for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

8. Use of Proceeds from the Global Offering

On 30 June 2014, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering were approximately RMB600.3 million. The Company will use the net proceeds in proportion as set out in the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in the prospectus issued by the Company on 18 June 2014.

INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2015. The interim results have been reviewed by the Company's audit committee and the Company's auditors, Grant Thornton Hong Kong Limited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*2*	**325,068**	207,285
Cost of revenue		**(148,996)**	(77,120)
Gross profit		**176,072**	130,165
Other income	*3*	**14,316**	2,759
Selling and marketing expenses		**(47,410)**	(23,402)
Administrative expenses		**(29,080)**	(39,719)
Share-based compensation expense	*14*	**(21,834)**	(11,744)
Research and development expenses		**(21,629)**	(17,614)
Finance cost		**(36)**	—
Profit before income tax		**70,399**	40,445
Income tax expense	*5*	**(7,854)**	(7,240)
Profit for the period	*4*	**62,545**	33,205
Other comprehensive income/(loss) for the period			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		**4**	(27)
Total comprehensive income for the period		**62,549**	33,178

	Notes	Six months ended 30 June **2015** ***RMB'000*** **(Unaudited)**	2014 *RMB'000* (Unaudited)
Profit for the period attributable to:			
Equity holders of the Company		**62,545**	33,203
Non-controlling interests		**—**	2
		62,545	33,205
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**62,549**	33,176
Non-controlling interests		**—**	2
		62,549	33,178
Earnings per share attributable to ordinary equity holders of the Company			
(expressed in RMB cents per share)			
Basic	*7*	**7.98**	8.03
Diluted	*7*	**7.49**	5.47

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**29,182**	12,061
Goodwill		**88,218**	—
Intangible assets		**203,012**	47,942
Available-for-sale financial assets		**40,435**	15,435
Interest in associates		**21,637**	13,682
Loans to a third party	*8*	**40,575**	—
Other non-current receivable	*12*	**29,947**	—
Deferred tax assets		**—**	104
		453,006	89,224
Current assets			
Inventories		**1,671**	1,581
Trade and other receivables	*9*	**210,622**	130,522
Available-for-sale financial assets		**20,000**	25,000
Pledged bank deposits		**221,636**	—
Bank balances and cash		**263,864**	718,979
		717,793	876,082
Current liabilities			
Trade and other payables	*10*	**51,681**	44,581
Deferred revenue		**27,597**	20,798
Short-term bank borrowings	*11*	**120,910**	—
Income tax liabilities		**7,577**	10,011
		207,765	75,390
Net current assets		**510,028**	800,692
Total assets less current liabilities		**963,034**	889,916
Non-current liabilities			
Other non-current payable	*12*	**29,947**	—
Deferred tax liabilities		**6,567**	—
		36,514	—
Total assets less total liabilities		**926,520**	889,916

	Notes	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
EQUITY			
Share capital	*13*	**240**	238
Reserves		**926,190**	889,588
Equity attributable to equity holders of the Company		**926,430**	889,826
Non-controlling interests		**90**	90
Total equity		**926,520**	889,916

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Cash flows from operating activities			
Profit before income tax		**70,399**	40,445
Adjustments for non-cash items		**20,275**	19,982
Operating profit before working capital changes		**90,674**	60,427
Net changes in working capital		**(76,067)**	(14,444)
Cash generated from operations		**14,607**	45,983
Interest received		**7,017**	727
Interest paid		**36**	—
Income tax paid		**(10,558)**	(5,370)
Net cash from operating activities		**11,102**	41,340
Cash flows from investing activities			
Decrease/(Increase) in time deposits with original maturities exceeding three months		**249,668**	(30,000)
Increase in pledged bank deposits		**(221,636)**	—
Purchase of property, plant and equipment		**(12,400)**	(5,389)
Proceeds from disposal of property, plant and equipment		**320**	—
Purchase of intangible assets		**(6,961)**	(83)
Addition in development costs through internal development		**(9,149)**	(6,763)
Acquisition of subsidiary, net of cash acquired	*15*	**(216,531)**	—
Investments in associates		**(7,955)**	—
Purchase of available-for-sale financial assets		**(25,000)**	(4,000)
Proceeds from disposal of available-for-sale financial assets		**—**	4,000
Repayment in loans to shareholders		**—**	25,000
Addition in loans to a third party		**(40,000)**	—
Net cash used in investing activities		**(289,644)**	(17,235)

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
Dividends paid	**(50,273)**	(299,998)
Interest paid	**(36)**	—
Proceeds from short-term bank borrowings	**120,910**	—
Proceeds from issuance of shares upon exercise of share options	**2,494**	—
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	**—**	(35,743)
Net cash from financing activities	**73,095**	625,466
Net (decrease)/increase in cash and cash equivalents	**(205,447)**	649,571
Cash and cash equivalents at beginning of period	**367,343**	58,716
Cash and cash equivalents at end of period	**161,896**	708,287
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	**263,864**	738,287
Less: time deposits with original maturities exceeding three months	**(101,968)**	(30,000)
	161,896	708,287

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 4 December 2013 as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands. The Company's shares are listed on the Main Board of the Stock Exchange since 30 June 2014 (the "**Listing**").

The Company is an investment holding company and its subsidiaries (collectively, the "**Group**") are principally engaged in the development and operation of online card and board games (the "**Group's Game Business**") in the People's Republic of China (the "**PRC**"). As detailed in Note 15, the Group's Game Business has expanded to the United States (the "**US**") and abroad upon the completion of the acquisition of Peerless Media Limited ("**Peerless**") at end of June 2015.

The unaudited condensed consolidated interim financial report (the "**Interim Financial Report**") is presented in Renminbi ("**RMB**"), unless otherwise stated.

The Interim Financial Report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34 "**Interim Financial Reporting**" issued by the International Accounting Standards Board (the "**IASB**").

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the annual financial statements for the year ended 31 December 2014 except for the adoption of the new standards, amendments to standards and interpretations and the change in functional currency of the Company as disclosed below.

The Interim Financial Report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

New and amended standards adopted by the Group

The Group has applied all the new standards, amendments to standards and interpretations, 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.

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 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. Same as 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 financial statements of the Group and the Company, and has been accounted for prospectively since 1 January 2015.

2. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing primarily on the development and operation of online card and board games. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision-makers (the "**CODM**"), being the executive directors of the Group. The CODM mainly reviews revenue derived from PC games and mobile games, which are measured in accordance with the Group's accounting policies. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective type of revenue. The CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, no segment information is presented.

As detailed in Notes 1 and 15, the Group has completed the acquisition of Peerless and its subsidiaries (the "**Peerless Group**") on 25 June 2015. Peerless Group is engaged in the business of television production, brand licensing, online service and tour management producing poker and online entertainment content under the World Poker Tour ("**WPT**") global brand ("**WPT Branded Business**"). As at 30 June 2015, the Group is undergoing internal business restructuring and is in the process of considering new operating and reportable segment on its financial statements. The WPT Branded Business did not contribute significantly to the Group's profit for the period and thus not presented. For the assets and liabilities of WPT Branded Business at the date of acquisition (which approximate to the carrying value at 30 June 2015), please refer to Note 15.

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PC games	**148,822**	149,251
Mobile games	**175,012**	54,961
Others	**1,234**	3,073
	325,068	207,285

The Group's revenue from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas (based on the location of customers or operations):

	Revenue from external customers		Non-current assets	
			As at	**As at**
	Six months ended 30 June		**30 June**	**31 December**
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
PRC	**325,068**	207,285	**98,595**	73,685
US	**—**	—	**243,454**	—
	325,068	207,285	**342,049**	73,685

3. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other revenue		
Bank interest income	**12,374**	727
Interest income from loan to a third party	**575**	—
	12,949	727
Other net income		
Subsidy income from government *(note)*	**1,352**	1,588
Sundry income	**15**	444
	1,367	2,032
	14,316	2,759

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.

4. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses		
Salaries, bonus and allowances	**43,348**	34,146
Retirement benefit scheme contributions	**6,630**	6,256
Severance payments	**100**	328
Share-based compensation expense	**21,834**	11,744
	71,912	52,474
Other items		
Listing-related expenses	**—**	17,686
Depreciation of property, plant and equipment	**3,664**	3,077
Amortisation of intangible assets	**7,632**	5,908

5. TAXATION

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax — PRC enterprise income tax	**8,124**	7,240
Deferred tax	**(270)**	—
Income tax expense	**7,854**	7,240

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%. Hong Kong profits tax has not been provided as the Group had no estimated assessable profits in Hong Kong for the period.

(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 period 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 Co., Ltd. ("**Lianzhong**"), a subsidiary of the Company, was accredited as a "Key Software Enterprise within National Planning Layout" (國家規劃佈局內重點軟件企業) in December 2013. Pursuant to the above entitlement, Lianzhong enjoys a preferential income tax rate of 10% for the years 2013 and 2014. Lianzhong is in the process of applying the accreditation for year 2015 and a preferential income tax rate of 10% has been applied for the six months ended 30 June 2015.

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**"). Lianzhong has made its best estimate for the Super Deduction to be claimed in ascertaining their assessable profits for the six months ended 30 June 2014 and 2015.

6. DIVIDENDS

	Notes	Six months ended 30 June **2015** ***RMB'000*** **(Unaudited)**	 2014 *RMB'000* (Unaudited)
Dividend declared by the Company			
— Special dividend	*(a)*	**—**	296,498
— Final dividend	*(b)*	**50,273**	—
Dividend declared by Lianzhong	*(c)*	**—**	3,500
		50,273	299,998

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 six months ended 30 June 2014. The preferred shareholders of the Company and Blink Milestones Limited ("**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 this announcement.

(b) During the current period, 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, in June 2015.

(c) Dividends disclosed during the six months ended 30 June 2014 represented dividends declared before the Contractual Arrangements (as defined in the Group's annual financial statements for the year ended 31 December 2014) were entered and paid by 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 this announcement.

7. 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 period is calculated by dividing the profit attributable to equity holders of the Company of RMB62,545,000 (six months ended 30 June 2014: RMB33,203,000) by the weighted average number of ordinary shares of 784,151,753 shares (2014: 413,657,459 shares) in issue during the period, excluding the ordinary shares purchased by the Company and held as treasury shares (Note 13(vii)).

(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 six months ended 30 June 2015, the Company has one category of dilutive ordinary shares, the share option schemes of the Company (Management Pre-IPO Share Option Scheme and the 2014 Share Option Scheme). For the six months ended 30 June 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 period is calculated by dividing the profit attributable to equity holders of the Company of RMB62,545,000 (six months ended 30 June 2014: RMB33,203,000) by the weighted average number of ordinary shares of 835,155,043 shares (2014: 607,187,026 shares) in issue during the period, calculated as follows:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**784,151,753**	413,657,459
Adjustment for Series A Preferred Shares	**—**	136,441,989
Adjustment for share option schemes	**51,003,290**	57,087,578
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**835,155,043**	607,187,026

Earnings per share attributable to Series A Preferred Shares holders of the Company

As set out in the Group's annual financial statements for the year ended 31 December 2014, the Company has completed the issue of 85,714,284 Series A Preferred Shares to the investors on 10 February 2014. On 30 June 2014, upon the listing of the Company on the Main Board of the Stock Exchange, all the Series A Preferred Shares were automatically converted into ordinary shares, on a one-for-one basis. As the Series A Preferred Shares were issued and fully converted into ordinary shares during the six months ended 30 June 2014, earnings per share (basic and diluted) attributable to Series A Preferred Shares holders of the Company are not presented as such information is not considered meaningful for the purpose of this announcement.

8. 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 established in the PRC. The carrying amount of the amounts due approximate its fair value.

9. TRADE AND OTHER RECEIVABLES

	Note	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Trade receivables			
From third parties	*(a)*	**135,736**	100,259
Less: provision for impairment of trade receivables		**(2,889)**	(2,738)
		132,847	97,521
Other receivables			
Deposits, prepayments and other receivables		**69,169**	29,170
Amounts due from shareholders		**35**	17
Amount due from an associate		**—**	600
Interest receivables		**9,571**	4,214
		78,775	34,001
Less: provision for impairment of other receivables		**(1,000)**	(1,000)
		77,775	33,001
		210,622	130,522

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 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 respective reporting dates is as follows:

	As at 30 June 2015 ***RMB'000*** **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
0 – 30 days	**20,525**	15,729
31 – 60 days	**18,651**	16,303
61 – 90 days	**9,589**	13,013
91 – 180 days	**59,000**	23,622
181 – 365 days	**13,812**	28,944
Over 1 year	**14,159**	2,648
	135,736	100,259

10. TRADE AND OTHER PAYABLES

	Note	**As at 30 June 2015** ***RMB'000*** **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
Trade payables			
To third parties		**30,131**	25,769
To an associate		**74**	20
	(a)	**30,205**	25,789
Other payables			
Receipts in advance		**1,846**	428
Other payables and accrued charges		**4,855**	6,693
Other taxes liabilities		**2,384**	3,103
Staff costs and welfare accruals		**11,204**	8,235
Deferred income related to government grants		**1,187**	333
		21,476	18,792
		51,681	44,581

All amounts are short-term and hence the carrying values of the Group's trade and other payables as at 31 December 2014 and 30 June 2015 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:

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 30 days	**19,677**	10,986
31 – 60 days	**5,527**	10,043
61 – 90 days	**762**	1,440
91 – 180 days	**1,767**	1,329
181 – 365 days	**1,195**	1,750
Over 1 year	**1,277**	241
	30,205	25,789

11. SHORT-TERM BANK BORROWINGS

As at 30 June 2015, the bank borrowings denominated in Euro are interest-bearing at floating rates, wholly repayable in 2015 and secured by the Group's bank deposits of RMB221,636,000 (2014: nil).

12. OTHER NON-CURRENT RECEIVABLE/PAYABLE

Other non-current payable represents a contingent consideration payable to a third party for the acquisition of the WPT brand in 2009 and subsequent buy-out in 2012 of the contingent revenue share element by Peerless and a subsidiary of bwin.party digital entertainment plc ("**bwin.party**"). 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 RMB39,742,000).

As at 30 June 2015, other non-current payable represents the directors' current best estimate of the amount payable which they consider is likely to be paid after twelve months from the reporting date, after the effects of discounting at the effective interest rate of 10.3%. The directors of the Group consider that the fair values are not materially different from their carrying amounts. As at 30 June 2015, the non-discounted book value for the contingent consideration amounted to approximately US$6,119,000 (equivalent to approximately RMB37,413,000).

Other non-current receivable represent an amount receivable from Party Ventures Limited (the "**Seller**", a wholly owned subsidiary of bwin.party) in relation to the acquisition of Peerless by the Group during the current period (Note 15). Pursuant to the relevant share purchase agreement, the Seller and bwin.party (the "**Seller's Guarantor**", a company listed on the London Stock Exchange) had 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. Therefore the Group has recognised an indemnification asset due from the Seller under other non-current receivable at the same amount of the indemnified liability.

13. SHARE CAPITAL

	Notes	Number of shares	Nominal value of shares US$'000
Authorised:			
Ordinary shares of the Company:			
At 1 January 2014		50,000	50
Share sub-division	*(i)*	999,950,000	—
Re-designation and reclassification on 30 January 2014	*(i)*	(85,714,284)	(4)
Re-designation and reclassification on 30 June 2014	*(vi)*	176,400,000	9
Increase in authorised share capital	*(vi)*	8,909,314,284	445
At 30 June 2014, 31 December 2014 and 30 June 2015 (Unaudited)		**10,000,000,000**	**500**
Non-redeemable convertible Series A Preferred Shares of the Company:			
At 1 January 2014		—	—
Re-designation and reclassification on 30 January 2014	*(i)*	85,714,284	4
Increase in authorised share capital	*(iii)*	90,685,716	5
Re-designation and reclassification on 30 June 2014	*(vi)*	(176,400,000)	(9)
At 30 June 2014, 31 December 2014 and 30 June 2015 (Unaudited)		**—**	**—**

	Notes	Number of shares	Nominal value of shares US$'000	Equivalent nominal value of shares RMB'000
Issued and fully paid:				
Ordinary shares:				
At 1 January 2014		10,000	10	61
Share sub-division	*(i)*	199,990,000	—	—
Issuance of shares upon capitalisation issue	*(iii)*	211,600,000	10	65
Issuance of new shares in connection with the listing of the Company's shares	*(iv)*	196,000,000	10	60
Conversion of Series A Preferred Shares	*(v)*	176,400,000	9	52
At 30 June 2014 and 31 December 2014		784,000,000	39	238
Change in functional currency		—	—	1
Repurchased shares cancelled	*(vii)*	(910,000)	—	—
Exercise of share option	*(viii)*	2,432,624	—	1
At 30 June 2015 (Unaudited)		**785,522,624**	**39**	**240**
Non-redeemable convertible Series A Preferred Shares:				
At 1 January 2014		—	—	—
Issuance of shares on 31 January 2014	*(ii)*	85,714,284	4	24
Issuance of shares upon capitalisation issue	*(iii)*	90,685,716	5	28
Conversion of Series A Preferred Shares	*(v)*	(176,400,000)	(9)	(52)
At 30 June 2014, 31 December 2014 and 30 June 2015 (Unaudited)		—	—	—
At 30 June 2015 (Unaudited)		**785,522,624**	**39**	**240**
At 30 June 2014 and 31 December 2014		784,000,000	39	238

(i) Share sub-division, reclassification and re-designation of the share capital of the Company

On 27 January 2014, the Board and shareholders of the Company approved a share sub-division of the Company's share capital at a ratio of 1:20,000. As a result, the authorised share capital became US$50,000 which was divided into 1,000,000,000 ordinary shares of par value of US$0.00005 each, while the issued share capital became US$10,000 which was divided into 200,000,000 ordinary shares of par value of US$0.00005 each.

On 30 January 2014, the Board approved a re-designation and re-classification of authorised share capital into 914,285,716 ordinary shares of par value of US$0.00005 each and 85,714,284 Series A non-redeemable convertible preferred shares of par value of US$0.00005 each ("**Series A Preferred Shares**"). The key terms of the Series A Preferred Shares are summarised in the note (ii) below.

(ii) Issue of Series A Preferred Shares

On 31 January 2014, the Company entered into an agreement ("**Subscription Agreement**") pursuant to which CMC Ace Holdings Limited ("**Investor 1**") and KongZhong Corporation ("**Investor 2**", collectively with Investor 1, the "**Investors**") have agreed to subscribe for 57,142,856 Series A Preferred Shares and 28,571,428 Series A Preferred Shares, respectively, of par value of US$0.00005 each at a price of US$0.57330058 per share at an aggregate consideration of approximately US$49,140,000 (equivalent to RMB300,000,000), of which approximately US$4,000 (equivalent to RMB24,000) was credited to share capital of the Company and the balance of US$49,136,000 (equivalent to RMB299,976,000) was credited to the share premium account of the Company. The issuance of Series A Preferred Shares was completed on 10 February 2014.

Share issuance expenses directly attributable to the issue of Series A Preferred Shares amounting to RMB607,000 was treated as a deduction against the share premium account arising from the issuance.

(iii) Increase in authorised share capital of Series A Preferred Shares and Capitalisation Issue

Pursuant to the written resolutions of the shareholders passed on 12 June 2014, the total authorised share capital of the Company (immediately prior to the Capitalisation Issue as described below) was increased from US$50,000 to approximately US$55,000 by the creation of an additional 90,685,716 Series A Preferred Shares of a par value of US$0.00005 each.

On the same date, the shareholders have approved and the Directors were authorised to capitalise an amount of approximately US$15,000 (equivalent to RMB93,000) standing to the credit of the share premium account to be applied in paying up in full 211,600,000 ordinary shares of US$0.00005 each and 90,685,716 non-redeemable convertible Series A Preferred Shares of US$0.00005 each to be allotted and distributed as fully paid to shareholders whose names appeared on the register of members of the Company immediately before Listing, in the proportion to their then existing shareholdings in the Company (the "**Capitalisation Issue**"). The Capitalisation Issue was completed on 30 June 2014.

(iv) Issuance of new shares in connection with the listing of the Company's shares

On 30 June 2014, upon its Listing on the Main Board of the Stock Exchange of Hong Kong Limited, the Company issued 196,000,000 new ordinary shares at par value of US$0.00005 per share for cash consideration of HK$4.25 each, and raised gross proceeds of approximately HK$833,000,000 (equivalent to RMB661,207,000), of which RMB60,000 was credited to share capital and the balance of RMB661,147,000 was credited to the share premium account of the Company.

Share issuance expenses mainly include share underwriting commission, lawyers' fees, reporting accountant's fee and other related costs associated with the Listing. Incremental costs that are directly attributable to the issue of the new shares amounting to RMB41,391,000 was treated as a deduction against the share premium account arising from the issuance.

(v) Conversion of Series A Preferred Shares

On 30 June 2014, upon the Listing of the Company on the Main Board of the Stock Exchange, all the 176,400,000 Series A Preferred Shares were automatically converted into ordinary shares, on a one-for-one basis (the "**Conversion**").

(vi) Change of authorised share capital of the Company immediately after the completion of the Conversion

Pursuant to the written resolutions of the directors and shareholders passed on 12 June 2014, immediately after the completion of the Conversion on 30 June 2014, 176,400,000 Series A Preferred Shares of a par value of US$0.00005 each in the authorised share capital of the Company was reclassified and re-designated into ordinary shares of a par value of US$0.00005 and that the authorised share capital of the Company was increased from US$55,000 to US$500,000 by the creation of an additional 8,909,314,284 ordinary shares of a par value of US$0.00005 each.

(vii) 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** *HK$*	**Lowest price paid per share** *HK$*	**Aggregate consideration paid** *HK$'000*	**Equivalent aggregate consideration paid** *RMB'000*
December 2014	910,000	2.82	2.57	2,418	1,916

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

(viii) Exercise of share option

During the period, options were exercised to subscribe for 2,432,624 ordinary shares of the Company at a consideration of RMB2,494,000, of which approximately RMB1,000 was credited to share capital and the balance of RMB2,493,000 was credited to the share premium account. As a result of the exercise of options, RMB5,534,000 has been transferred from the share option reserve to the share premium account in accordance with the accounting policy set out in the Group's annual financial statements for the year ended 31 December 2014.

14. SHARE-BASED COMPENSATION TRANSACTIONS

(a) Shares awarded to employees by shareholders of Lianzhong in 2012 and the 2014 Replacement Share Options issued by Blink Milestones

In 2012, Mr. Zhang Rongming and Mr. Li Jianhua have awarded their 99.99% equity interest in Beijing Tongshengcheng Investment Management Center (LLP) (the "**2012 Awarded Shares**") to certain employees of the Group (the "**Participants**"). Beijing Tongshengcheng Investment Management Center (LLP) ("**Tongshengcheng**") is a limited partnership in the PRC which owned 10% equity interest in Lianzhong at the date of transfer. On 20 February 2014, as part of the Reorganization, Tongshengcheng ceased to hold shares of

Lianzhong and an agreement was entered between Blink Milestones, Tongshengcheng, the existing Participants, Lianzhong and the controlling shareholders that the 2012 Awarded Shares will be cancelled and replaced by the 12,152,381 options granted by Blink Milestones to the remaining Participants on the same date with the same vesting conditions (the "**2014 Blink Milestones Share Options**"). The share options are valid for a period of 10 years from 20 February 2014 to 19 February 2024 with an exercise price of RMB0.2625 per share (subject to adjustment) and are subject to a vesting scale in equal proportions of 25% on every anniversary date of the date of listing of the Company's shares on any internationally recognised stock exchange, starting from the first anniversary date until the fourth, and for the Participants remaining an employee of the Group until and on the relevant vesting dates. Blink Milestones is an investment holding company and owned 12.43% equity interest in the Company at the date of grant.

The number of share options and exercise price of the 2014 Blink Milestones Share Options are subject to adjustment upon certain events. Upon the completion of the Capitalisation Issue, the number of share options and exercise price per share has be adjusted to 25,009,600 options in total, at an exercise price of RMB0.1276 per share, respectively.

The Group has no legal or constructive obligation to repurchase or settle the 2014 Blink Milestones Share Options in cash. The 2014 Blink Milestones Share Options entitle participants to obtain existing issued shares in the Company held by Blink Milestones and will not involve the Company issuing any new shares, the 2014 Blink Milestones Share Options were accounted for as a share-based compensation transaction by way of capital contribution from the shareholders. Movements in the 2012 Awarded Shares and the 2014 Blink Milestones Share Options during the six months ended 30 June 2014 and 2015 are stated below.

Movements in the 2012 Awarded Shares are as follows:

	Nominal value of 2012 Awarded Shares *RMB'000* *(Unaudited)*
At 1 January 2014	3,757
Forfeited during the period	(92)
Cancelled and replaced during the period	(3,665)
As at 30 June 2014 and 30 June 2015	—

Movements in the number of 2014 Blink Milestones Share Options outstanding are as follows:

	Average exercise price in RMB per share option	Number of share options
As at 1 January 2014		—
Granted during the period*	0.1276	25,009,600
As at 30 June 2014		25,009,600
Forfeited during the period		(392,000)
As at 30 June 2015		**24,617,600**

* *Adjusted for Capitalisation Issue*

(b) Management Pre-IPO Share Option Scheme of the Company in 2014

Pursuant to an unanimous written resolution of the Board on 7 March 2014, a share option scheme ("**Management Pre-IPO Share Option Scheme**") and respective share options granted by the Company on 20 February 2014 was adopted and ratified by the Board. The Management Pre-IPO Share Option Scheme was adopted for the purpose of providing participants an opportunity to acquire proprietary interests in the Company and help motivate such participants to optimize their performance and efficiency, and also to help retain the participants for the continual growth and development of the Group. The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Management Pre-IPO Share Option Scheme must not in aggregate exceed 6% of the issued share capital of the Company after an IPO, as defined. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During the six months ended 30 June 2014, share options (in aggregate to purchase 6% of the issued share capital of the Company after an IPO) were granted by the Company on 20 February 2014 to senior management of the Group with estimated total fair value of approximately RMB52,870,000. The exercise price of the share options granted is US$0.34398035 per share (subject to adjustment). The share options are valid for a period of 10 years from 20 February 2014 to 19 February 2024. Twenty five percent (25%) of options granted shall vest on the first anniversary of the grant date, and the remaining options granted shall vest on 36 equal monthly instalments with the first instalment vesting upon the 13th monthly anniversary of the grant date and each of the remaining instalments vesting on each monthly anniversary of the 13th monthly anniversary of the grant date, and for the participant continuing to be an employee of the Group or director of the Company until and on the relevant vesting dates. In addition, the share options are only exercisable after the completion of an IPO.

On 30 June 2014, upon the completion of the Capitalisation Issue and the Listing on the Main Board of the Stock Exchange of Hong Kong Limited, the total number of share options granted equate to 50,042,553 share options at an adjusted exercise price of US$0.16714303 per share. Movements in the number of share options during the period are as follows:

2015 (Unaudited)

	Exercisable period	Exercise price per share *US$*	Outstanding as at 1 January 2015	Granted during the period	Exercised during the period	Outstanding as at 30 June 2015
Directors	20 February 2015 to 19 February 2024	0.16714303	41,702,128	—	—	41,702,128
Employee	20 February 2015 to 19 February 2024	0.16714303	8,340,425	—	(2,432,624)	5,907,801
			50,042,553	—	(2,432,624)	47,609,929

2014 (Unaudited)

	Exercisable period	Exercise price per share *US$*	Outstanding as at 1 January 2014	Granted during the period	Exercised during the period	Outstanding as at 30 June 2014
Directors	20 February 2015 to 19 February 2024	0.16714303	—	41,702,128	—	41,702,128
Employee	20 February 2015 to 19 February 2024	0.16714303	—	8,340,425	—	8,340,425
			—	50,042,553	—	50,042,553

None of the share options granted were lapsed during the six months ended 30 June 2014 and 2015.

(c) Share Option Scheme adopted by the Company in November 2014

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 19 November 2014, a share option scheme was adopted by the Company and is valid and effective for a period of ten years from 19 November 2014 (the "**2014 Share Option Scheme**"). Details of the terms of the 2014 Share Option Scheme have been set out in the Group's annual financial statements for the year ended 31 December 2014.

During the six months ended 30 June 2015, 47,040,000 options were granted on 5 January 2015 with estimated total fair value of approximately RMB40,378,000. The closing price of the Company's shares immediately before the date on which the options granted was HK$2.53. The exercise price of the share options granted is HK$2.67

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. Movements in the number of share options during the six months ended 30 June 2015 are as follows:

	Exercisable period	Exercise price per share *HK$*	Outstanding as at 1 January 2015	Granted during the period	Outstanding as at 30 June 2015
Directors	5 January 2016 to 4 January 2025	2.67	—	23,520,000	23,520,000
Employee	5 January 2016 to 4 January 2025	2.67	—	23,520,000	23,520,000
			—	47,040,000	47,040,000

None of the share options granted were lapsed or exercised during the six months ended 30 June 2015.

The fair values were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

	5 January 2015
Exercise price	HK$ 2.67
Expected volatility	45%
Expected life	10 years
Risk-free rate	1.83%
Expected dividend yield	—

(d) The Group recognised a total expense of RMB21,834,000 for the six months ended 30 June 2015 (Six months ended 30 June 2014: RMB11,744,000) in relation to the above share awards or share options granted by the shareholders or the Company, and the share-based compensation expense were shown as a separate item on the face of the condensed consolidated statement of comprehensive income.

15. ACQUISITION OF SUBSIDIARIES

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 million (equivalent to approximately RMB215,590,000), subject to certain adjustment based on the finalised net asset value and adjusted bank balances of Peerless Group as detailed in the Company's announcement dated 22 June 2015. Based on the information available as at the date of this announcement, the total cash consideration is approximately RMB224,727,000 (equivalent to US$36,340,000). 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 estimated consideration paid/payable for Peerless Group and the provisional recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Provisional fair value of net identifiable assets and liabilities acquired *RMB'000* *(Unaudited)*
Property, plant and equipment	8,644
Intangible assets	146,592
Inventories	277
Trade and other receivables	2,933
Bank balances and cash	9,167
Trade and other payables	(24,163)
Other non-current payable *(Note 12)*	(29,947)
Deferred tax liabilities	(6,941)
Net identifiable assets acquired	106,562
An indemnification asset *(Note 12)*	29,947
Goodwill	88,218
	224,727
Satisfied by:	
Cash	224,727

As at the date of this announcement, the valuation assessments have not yet been completed and the Group has not finalised the fair value assessments for all the net assets acquired and liabilities assumed. On this basis, the relevant fair values of the net assets are stated above on a provisional basis and the adjustments on the consideration are subject to agreement with the vendor.

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. 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:

	Six months ended 30 June 2015 *RMB'000* ***(Unaudited)***
Cash consideration paid	224,727
Less: Bank balances and cash acquired	(8,196)
Net outflow of cash and cash equivalents included in the cash flows from investing activities	216,531

The subsidiaries acquired during the period did not contribute significantly to the Group's cash flow or operating results for the period as the acquisition had been completed on 25 June 2015.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim 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 interim report of the Group for the six months ended 30 June 2015 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders in due course.

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

Hong Kong, 17 August 2015

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. ZHANG Rongming, 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*