



**Ourgame International Holdings Limited**  
 (Stock Code: 6899)



**2018 Interim Results Presentation**

## Disclaimer

The information contained in this presentation is intended solely for your personal reference. Such information is subject to change without notice and no representation or warranty express or implied is made as to, and no reliance, should be placed on, the fairness, accuracy, completeness or correctness of the information contained in this presentation. This presentation does not intend to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects. None of the Company nor any of its respective affiliates, advisors or representatives shall have any liability (in negligence or otherwise) whatsoever for any loss or damage howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

This presentation contains projections and forward looking statements that may reflect the Company's current views with respect to future events and financial performance. Readers are cautioned not to place undue reliance on these forward-looking statements which are subject to various risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities or financial instruments or the provision of any investment advice, and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto, nor does this presentation constitute a recommendation regarding the securities or financial instruments of the Company.

## 1H 2018 Key Highlights

- 1H has been a very challenging period amid unexpected and significant industry-wide regulatory headwinds on China card and board games.
- The Company's China card and board games in general and Texas Hold'em and PC games in particular were impacted and as a result the Company's revenue and profit has seen a significant decline.
- The Company after a careful strategic review has decided to divest the Texas Hold'em and other PC games to cut down on cost, optimize risk management and focus the resources on the rest of the Company's more promising businesses. Associated write-offs were also taken which contributed to the profit lost in the 1H
- The Company has taken cost cutting measures across the board and the much leaner cost structure and cost savings will be reflective in the 2H in particular starting from Q4

## 1H 2018 Key Highlights (continued)

- The Company's WPT business is doing well with continued geographic expansion and successful brand licensing deals with Zynga and other major partners. With the advent of the end on the ban of sports betting in the USA, with WPT's brand recognition, valuable user base and large TV viewership, there are more new opportunities for WPT going forward.
- The Company's eSports business with Allied eSports continued to make progress with the opening of its Las Vegas MGM Luxor flagship arena, record breaking tournaments featuring the top streamers such as Ninja and Myth, and introduction of the mobile arena truck into the US market. Allied eSports has attracted major brands such as NASCAR, CBS Interactive, Walmart, NHL, and others as sponsors and partners.

# 1H 2018 Financial Summary

Financial Summary (Continuing Operations)	1H 2018	1H 2017	YoY change
<i>(RMB thousands)</i>			
<b>Revenue</b>			
Games revenue	124,892	145,978	-14.4%
Non-Games revenue	34,574	30,298	14.1%
<b>Total Revenue</b>	<b>159,466</b>	<b>176,276</b>	<b>-9.5%</b>
<b>Gross Profit</b>	<b>52,097</b>	<b>48,684</b>	<b>7.0%</b>
<i>Margin %</i>	32.7%	27.6%	18.5%
Selling and Marketing expenses	(43,718)	(74,513)	-41.3%
Administrative expenses	(152,144)	(43,871)	246.8%
Share-based compensation expense	(4,528)	(13,667)	-66.9%
R&D expenses	(9,425)	(9,833)	-4.1%
<b>Non-IFRS Adjusted Net Loss*</b>	<b>(437,481)</b>	<b>(60,339)</b>	<b>625.0%</b>
Attributable to equity holders of the Company	(403,832)	(54,757)	637.5%
-Continuing operations	(266,412)	(67,683)	296.3%
-Discontinued operations	(137,420)	12,926	-1,163%

\* Non-IFRS adjusted net loss was derived from the unaudited net loss for the period excluding share-based compensation expense.

# 1H 2018 Financial Summary (continued)

## Segment revenue, segment results and other segment information

Six months ended 30 June 2018

	<b>China Domestic Businesses</b>	<b>WPT</b>	<b>Allied eSports</b>	<b>Elimination s</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue					
-From external customers	95,066	50,172	14,228	-	159,466
-From other segments	-	-	2,227	(2,227)	-
Reportable segment revenue	95,066	50,172	16,455	(2,227)	159,466
Impairment of assets	(175,386)	(30)	(218)	-	(175,634)
Reportable segment results	(337,546)	(12,150)	(90,064)	-	(439,760)
Share-based compensation expense	(3,370)	(1,158)	-	-	(4,528)
Loss before income tax	(340,916)	(13,308)	(90,064)		(444,288)
Income tax credit					2,279
Loss for the period					(442,009)

# 1H 2018 Financial Summary (continued)

## Segment revenue, segment results and other segment information

Six months ended 30 June 2017(Restated)

	<b>China Domestic Business</b>	<b>WPT</b>	<b>Allied eSports</b>	<b>Elimination s</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue					
-From external customers	123,346	42,235	10,695	-	176,276
-From other segments	-	3,438	-	(3,438)	-
Reportable segment revenue	123,346	45,673	10,695	(3,438)	176,276
Reportable segment results	(27,078)	(33,019)	(13,806)	-	(73,903)
Share-based compensation expense	(11,575)	(2,092)	-	-	(13,667)
Loss before income tax	(38,653)	(35,111)	(13,806)	-	(87,570)
Income tax credit					638
Loss for the period					(86,932)

## Future Prospects



1

China business is expected to stabilize and look for opportunity to grow in Q4

2

WPT is expected to be profitable in Q4 and will continue to grow from that basis going forward

3

Allied eSports is actively exploring major strategic partnership in the US that will enable its continued breakthrough growth

4

Actively seeking new opportunities utilizing block chain technology to unify the Company's multiple user communities together with better interaction and engagement

5

Actively seeking opportunities to acquire/inject new assets into the Company to continued its transformation into a globally focused sports entertainment



Q & A