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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)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF 10% EQUITY INTEREST IN EACH OF SHANGHAI WANGYU NETWORK DEVELOPMENT COMPANY LIMITED AND SHANGHAI WANGYU INFORMATION TECHNOLOGY COMPANY LIMITED**

#### **THE ACQUISITION**

The Board is pleased to announce that on 26 November 2014, Lianzhong entered into the Equity Transfer and Shareholder Rights Agreement with the Vendors, the Other Shareholders and the Target Companies, pursuant to which the Vendors agreed to sell and Lianzhong agreed to acquire a 10% equity interest in each of the Target Companies for an aggregate consideration of RMB35 million.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios in respect of the Acquisition as contemplated under the Equity Transfer and Shareholder Rights Agreement is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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## **EQUITY TRANSFER AND SHAREHOLDER RIGHTS AGREEMENT**

**Date** 26 November 2014

**Parties** (a) Purchaser: Lianzhong;  
(b) Vendors: Mr. Wu Pingao, Mr. Xiaoyin and Mr. Chen Weiming;  
(c) Target Companies; and  
(d) the Other Shareholders.

Under the Equity Transfer and Shareholder Rights Agreement, Lianzhong will have priority to form a business partnership with the Target Companies and their over two hundred Internet cafés across the PRC in relation to online and offline card and board game events.

The Group will enjoy exclusive partnership rights in any activity that is jointly organized and launched by Lianzhong on the one hand, and the Target Companies and their associates on the other hand (including but not limited to tournaments, competitions, sales and promotional events). The Target Companies and their subsidiaries shall not participate in the same or similar activities with parties other than the Group. The Group will also enjoy priority partnership with the Target Companies in card and board game events.

### **CONSIDERATION AND PAYMENT TERMS**

The aggregate consideration for the Acquisition is RMB35 million, which will be payable in cash in the following manner, upon satisfaction of completion conditions:

1. RMB15 million within 3 business days upon signing of the Equity Transfer and Shareholder Rights Agreement; and
2. RMB20 million on or before 31 January 2015.

The consideration was determined based on arm's length negotiations between Lianzhong and the Vendors, taking into account (i) the potential benefits and synergy of partnership with the Target Companies in online and offline promotions, and competitions and events; (ii) the Target Companies' network of over 200 Internet cafés with 2.6 million registered users in the PRC; and (iii) future development of the Internet café industry.

### **COMPLETION**

Completion of the Acquisition is conditional upon, among other things, all necessary approvals, consents and licenses being obtained, including any approvals needed for the completion on the part of Lianzhong, and adoption of new memorandum and articles of association of the Target Companies.

Upon completion, Lianzhong will be entitled to certain shareholder protection rights that are customary in transactions of a similar nature, including dividend rights, the right to appoint a director to the boards of the Target Companies, a right of first refusal to acquire any shares sold by the Vendors in the Target Companies, anti-dilution rights, information rights and redemption rights.

## **INFORMATION ABOUT THE TARGET COMPANIES**

Wangyu Network was established in Shanghai in 2004 and has been principally engaged in the Internet café business. Wangyu IT was established in 2013 and has been principally engaged in operating Internet cafés. Currently, Wangyu Network and Wangyu IT operate over 200 Internet cafés across the PRC, have approximately 2.6 million registered users and approximately 20,000 computers for their customers' use. Based on the unaudited financial information provided by the Vendors, the aggregate revenues of the Target Companies for the years ended 31 December 2012 and 2013 were RMB112.62 million and RMB242.38 million, respectively; and the aggregate net profit before income tax of the Target Companies for the same years were RMB2.78 million and RMB2.30 million, respectively. As at 31 July 2014, the unaudited aggregate net asset value of the Target Companies was RMB114.68 million; the unaudited aggregate revenue of the Target Companies for the seven months ended 31 July 2014 was RMB192.14 million; and the unaudited aggregate net profit before income tax of the Target Companies for the seven months ended 31 July 2014 was RMB19.29 million. Unaudited aggregated net profit/(loss) after income tax of the Target Companies for the years ended 31 December 2012 and 2013, and for the seven months ended 31 July 2014 were RMB2.08 million, (RMB4.26 million) and RMB12.19 million, respectively.

## **INFORMATION ABOUT THE VENDORS AND THE OTHER SHAREHOLDERS**

The Vendors are natural persons in the PRC.

Save for Wangyu Qinyuan Investment Management Limited (上海網魚沁緣投資管理合伙企業) and Shanghai Baizheng Information Technology Company Limited (上海百正信息科技有限公司) which are holding companies with no principal business activities, all the Other Shareholders are natural persons in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors, the Other Shareholders and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

As part of the Group's strategy is to actively seek partnership opportunities that would bring strategic resources to expand the Group's portfolio and user base, the Board believes that the Acquisition presents an excellent opportunity for the Group to develop and expand a new marketing channel for its online games and online/offline tournaments to Internet cafés. Furthermore, Lianzhong will enjoy priority partnership with the Target Companies in card and board game events and will also have exclusive partnership rights in any activity and promotional events organized by Lianzhong on the one hand and the Target Companies and their associates on the other hand. The Company believes that the

Acquisition as contemplated under the Equity Transfer and Shareholder Rights Agreement will further consolidate the Group's leading position in PC games and mobile games, strengthen its online/offline model and enhance its brand influence.

As such, the Directors consider that the Acquisition is on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Company is incorporated in the Cayman Islands with limited liability. The Company's Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Group is primarily engaged in the development and operation of online card and board games in China and has a strong brand and leading expertise in integrated online and offline operations.

Lianzhong is the principal operating entity of the Group, through which the Group's online card and board game businesses are conducted to comply with relevant PRC laws. Most of the Group's intellectual property rights, licenses and permits that are essential to the operation of the Group's businesses are also held by Lianzhong.

## **IMPLICATIONS UNDER THE LISTING RULES**

Since one or more of the applicable percentage ratios in respect of the Acquisition is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company, and is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval under Chapter 14 of the Listing Rules.

## **USE OF PROCEEDS FROM THE GLOBAL OFFERING**

The Company refers to its prospectus dated 18 June 2014. Under the section headed "Future Plans and Use of Proceeds", the Company contemplated that approximately 10% of the proceeds from the Global Offering will be used to supplement its working capital and for other general corporate purposes. The Company will use a portion of the proceeds under this category to fund the Acquisition.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the simultaneous acquisition of 10% equity interest in each of the Target Companies by Lianzhong pursuant to the terms of the Equity Transfer and Shareholder Rights Agreement
“Board”	the board of Directors
“Closing Date”	the date on which completion of the Acquisition takes place
“Company”	Ourgame International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer and Shareholder Rights Agreement”	the equity transfer and shareholder rights agreement dated 26 November 2014 made among Lianzhong as purchaser, and Mr. Wu Pingao, Mr. Xiaoyin and Mr. Chen Weiming as the vendors, the Other Shareholders and the Target Companies in relation to the sale and purchase of the 10% equity interest in each of Wangyu IT and Wangyu Network and the shareholder’s rights in the Target Companies upon completion of the Acquisition
“Global Offering”	the Hong Kong public offering and the international public offering, details of which are set out in the Company’s prospectus dated 18 June 2014
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lianzhong”	Beijing Lianzhong Co., Ltd. (北京聯眾互動網絡股份有限公司), a company incorporated under the laws of the PRC, the financial results of which have been consolidated and accounted for as a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Other Shareholders”	Huang Feng, Lu Lihong, Wang Lei, Zhang Jianjun, Shanghai Wangyu Qinyuan Investment Management Limited (上海網魚沁緣投資管理合 伙企業) and Shanghai Baizheng Information Technology Company Limited (上海百正信息科技有限公司), all being shareholders of both Wangyu IT and Wangyu Network
“PRC”	the People’s Republic of China excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00005 each
“Shareholder(s)”	holder(s) of the Share(s)
“Target Companies”	Wangyu IT and Wangyu Network
“Vendors”	Mr. Wu Pingao, Mr. Xiaoyin and Mr. Chen Weiming, founders of Wangyu IT and Wangyu Network
“Wangyu IT”	Shanghai Wangyu Information Technology Company Limited (上海網 魚信息科技有限公司), a company incorporated in the PRC with limited liability
“Wangyu Network”	Shanghai Wangyu Network Development Company Limited (上海網魚 網絡發展有限公司), a company incorporated in the PRC with limited liability
“%”	percent.

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

Hong Kong, 26 November 2014

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

*\* For identification purpose only*