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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)**

### **CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF 11.75805% EQUITY INTEREST IN CHAMP CREATION**

#### **THE ACQUISITION**

The Board is pleased to announce that on 9 November 2018 (after trading hours), Primo Vital, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Glassy Mind, pursuant to which Primo Vital conditionally agreed to acquire and Glassy Mind conditionally agreed to sell the Sale Equity, comprising 11.75805% of the total equity interest of Champ Creation, at a cash consideration of HK\$39 million.

As at the date of this announcement, Champ Creation is an indirect non-wholly owned subsidiary of the Company, it is owned as to 82.36642% by Primo Vital, 11.75805% by Glassy Mind and 5.87553% by Mr. Xiong Hui, an Independent Third Party. Upon Completion, Champ Creation will continue to be an indirect non-wholly owned subsidiary of the Company.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Glassy Mind is a substantial shareholder of the Company holding 290,690,848 Shares (representing 26.59% of the issued share capital of the Company) and is a connected person of the Company under Rule 14A.07 of the Listing Rules. Therefore, the Acquisition constitutes a connected transaction of the Company under the Listing Rules.

As one or more applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 0.1% but are below 5%, the Acquisition is subject to reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**As the Completion is subject to the satisfaction and/or waiver, where applicable, of the conditions precedent set out in the Equity Transfer Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.**

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## **THE EQUITY TRANSFER AGREEMENT**

### **Date**

9 November 2018

### **Parties**

- (i) Primo Vital, as the purchaser; and
- (ii) Glassy Mind, as the vendor.

### **Sale Equity to be acquired**

The Sale Equity comprises 11.75805% of the total equity interest of Champ Creation.

### **Consideration**

The Consideration for the Sale Equity is HK\$39 million, which shall be settled by Primo Vital to Glassy Mind in cash within 60 days after the Completion, or such other date as the parties may agree. The Consideration will be funded by internal resources of the Group.

### **Basis of the Consideration**

The Consideration has been determined after arm's length negotiation between Primo Vital and Glassy Mind with reference to a preliminary valuation of the Sale Equity prepared by CHFT Advisory and Appraisal Ltd., an independent valuer, using market approach. The Directors believe that the Consideration is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **Conditions Precedent**

Unless otherwise waived by Primo Vital in writing (where applicable), Completion shall be subject to the satisfaction of the following conditions precedent:

1. the Equity Transfer Agreement is duly executed by Primo Vital and Glassy Mind in accordance with the applicable laws;
2. shareholders of Glassy Mind have passed the relevant shareholders' resolutions with respect to the Acquisition, the Equity Transfer Agreement and the transactions contemplated thereunder;
3. Glassy Mind having performed and complied with the undertakings as set out in the Equity Transfer Agreement required to be performed and complied with by it at or prior to the Completion;
4. the representations, warranties and undertakings made by Glassy Mind in the Equity Transfer Agreement remain true, complete, valid and accurate, and there being no breach of such representations, warranties and undertaking by Glassy Mind; and
5. all necessary approvals, consents and clearances required for the execution and performance of the Equity Transfer Agreement have been obtained and remain in full force and effect.

## **Termination**

The Equity Transfer Agreement may be terminated:

1. at any time prior to the date of Completion, upon unanimous written consent of Primo Vital and Glassy Mind; or
2. by Primo Vital or Glassy Mind (as the case may be) at any time prior to the date of Completion, if there is any material adverse change (as defined in the Equity Transfer Agreement) to Champ Creation due to the reasons which is not caused by the default of Primo Vital or Glassy Mind, and such material adverse change makes the performance of the Equity Transfer Agreement by Primo Vital and/or Glassy Mind become impossible.

## **Completion**

Completion shall take place on the second Business Day, or such other date as the parties may agree, after all the conditions precedent have been fulfilled or waived (as the case may be) as set out in the Equity Transfer Agreement.

Upon Completion, Champ Creation will continue to be an indirect non-wholly owned subsidiary of the Company and the financial results of Champ Creation will continue to be consolidated in the Company's accounts.

## INFORMATION OF THE COMPANY

The Company is principally engaged in the operation of online and offline mind-sports in the PRC and globally. As at the date of this announcement, the Group holds various investments in mind-sports and eSports across an array of platforms including PC, mobile and real life tournaments.

## INFORMATION OF GLASSY MIND

Glassy Mind is an investment holding company incorporated in the British Virgin Islands and a substantial shareholder of the Company holding 290,690,848 Shares, representing 26.59% of the issued share capital of the Company, as at the date of this announcement. Glassy Mind is a wholly-owned subsidiary of Irena Group Co., Ltd., a company established in the PRC and is a leading sports industry platform company in the PRC, principally engaged in the operation of sports events and provision of sports leisure and value-added services.

## INFORMATION OF PRIMO VITAL

Primo Vital is an investment holding company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. It is the holding company of certain subsidiaries of the Company through which the Company operates the eSports business.

## INFORMATION OF CHAMP CREATION

Champ Creation is a limited company incorporated in Hong Kong and an indirect non-wholly owned subsidiary of the Company. As at the date of this announcement, Champ Creation is owned as to 82.36642% by Primo Vital, 11.75805% by Glassy Mind and 5.87553% by Mr. Xiong Hui, an Independent Third Party. Champ Creation is the holding company of certain subsidiaries (including Allied Esports International Holdings Limited, “**Allied Esports**”) of the Company through which the Company operates the eSports business.

Set out below are the net losses (both before and after taxation) of Champ Creation based on the audited consolidated accounts of Champ Creation prepared in accordance with IFRS, for the financial years ended 31 December 2016 and 2017:

	For the financial year ended	
	31 December	
	2016	2017
	RMB'000	RMB'000
	(Audited)	(Audited)
	(approximately)	(approximately)
Net loss before taxation	4,165	29,587
Net loss after taxation	4,168	29,587

As at 30 June 2018, the unaudited total assets and the unaudited net liabilities of Champ Creation amounted to approximately RMB228 million and RMB105 million, respectively.

To the best knowledge of the Company and after making reasonable enquiries, the aggregate original acquisition cost of 11.75805% of the total equity interest of Champ Creation by Glassy Mind in 2016 was approximately RMB13 million (equivalent to approximately HK\$14.7 million).

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

As disclosed in the 2018 interim report of the Company, the Company has continued to make progress on its eSports business and due to the favourable industry factors, eSports business has been one of the Company's key investment and development focus. In the first half of 2018, the Company officially opened its global flagship arena at the MGM Luxor Casino and Hotel in March in Las Vegas, U.S.A. and its first major eSports event at the Las Vegas Arena with the leading eSports live-streaming provider in the US resulted in record breaking viewership of 680 thousand peak concurrent viewers and more than 2.5 million unique viewers. The Company's eSports business has attracted major partners and sponsors that are eager to reach the young eSports audience.

The Acquisition is in line with the long term business strategy of the Group and the Board believes that the Acquisition would be beneficial to the Company and its Shareholders as a whole due to the following reasons: (i) the Acquisition enables the Group to further strengthen its control of the eSports business by increasing its controlling interest in Champ Creation business; (ii) the Acquisition facilitates better implementation of synergistic cooperation between Champ Creation and the Group's other businesses; and (iii) the Acquisition will provide an opportunity to enhance the Group's financial return to the Shareholders in the long run as the eSports segment further develops.

The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement have been negotiated on an arm's length basis and on normal commercial terms, and the transaction contemplated thereunder is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since Ms. Fu Qiang is the chairlady and a director of Irena Group Co., Ltd., a company holding the entire issued share capital of Glassy Mind, she has abstained from voting on the Board resolutions in respect of the Equity Transfer Agreement and the Acquisition. Save for Ms. Fu Qiang, no Director is considered to have a material interest in the Acquisition and therefore no Director was required to abstain from voting on the Board resolution approving the Equity Transfer Agreement and the Acquisition.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Glassy Mind is a substantial shareholder of the Company holding 290,690,848 Shares (representing 26.59% of the issued share capital of the Company) and is a connected person of the Company under Rule 14A.07 of the Listing Rules. Therefore, the Acquisition constitutes a connected transaction of the Company under the Listing Rules.

As one or more applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 0.1% but are below 5%, the Acquisition is subject to reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**As the Completion is subject to the satisfaction and/or waiver, where applicable, of the conditions precedent set out in the Equity Transfer Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.**

## DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Equity by Primo Vital from Glassy Mind pursuant to the terms and conditions of the Equity Transfer Agreement
“Board”	the Board of Directors
“Business Day”	a day (other than a Saturday, Sunday or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for ordinary banking business throughout their normal business hours
“Champ Creation”	Champ Creation International Limited, a company incorporated in Hong Kong, which is owned as to 82.36642% by Primo Vital, 11.75805% by Glassy Mind and 5.87553% by Mr. Xiong Hui, an Independent Third Party, as at the date of this announcement. It is the holding company of certain subsidiaries of the Company through which the Company operates the eSports business
“Company”	Ourgame International Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands whose issued Shares are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the Equity Transfer Agreement, as described in the paragraph headed “The Acquisition — Completion”
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Consideration”	the total consideration of HK\$39 million payable by Primo Vital to Glassy Mind in accordance with the Equity Transfer Agreement
“Directors”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 9 November 2018 entered into between Primo Vital and Glassy Mind in relation to the Acquisition
“Glassy Mind”	Glassy Mind Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, a substantial shareholder of the Company holding 290,690,848 Shares, representing 26.59% of the issued share capital of the Company, as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards
“Independent Third Party(ies)”	third party independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	The People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau and Taiwan
“Primo Vital”	Primo Vital Limited, a private limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	equity interest in Champ Creation, comprising 11.75805% of the total equity interest of Champ Creation, to be acquired by Primo Vital from Glassy Mind pursuant to the Equity Transfer Agreement
“Share(s)”	ordinary share(s) of the Company with a par value of US\$0.00005 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder” has the meaning ascribed to it under the Listing Rules

“%” per cent.

*Note: Unless specified otherwise, the exchange rate of RMB1=HK\$1.127 has been used, where applicable, for illustration purposes only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate, at any other rates or at all.*

By Order of the Board  
**Ourgame International Holdings Limited**  
**Yang Eric Qing**  
*Chairman and Co-Chief Executive Officer*

Beijing, 9 November 2018

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

\* *For identification purpose only*