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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)

SUPPLEMENTAL ANNOUNCEMENT VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE PROPOSED DISPOSAL OF THE ENTIRE EQUITY INTERESTS OF CLUB SERVICES, INC.

Reference is made to the announcements of the Company dated 19 January 2021, 23 March 2021 and 29 March 2021 (the “**Announcements**”) and the circular of the Company dated 10 March 2021 (the “**Circular**”) for a very substantial disposal of the Company in relation to the proposed disposal of the entire equity interests of Club Services, Inc. Terms used in this announcement shall have the same meaning as those defined in the Announcements and the Circular unless otherwise defined.

AMENDMENT NO.1 TO THE AMENDED STOCK PURCHASE AGREEMENT

On 29 March 2021 (U.S. time), the Vendor, the Target Company, AESE and the Purchaser entered into Amendment No.1 to the Amended Stock Purchase Agreement (the “**Amendment No.1**”) to amend the Consideration under the Amended Stock Purchase Agreement to proceed with the Disposal.

Pursuant to the Amended Stock Purchase Agreement as amended by the Amendment No.1, the following disclosures in the Circular are hereby updated and supplemented:

(a) Consideration and payment terms

The paragraph headed “Consideration and payment terms” on pages 11–12 of the Circular shall be amended as:

“The Consideration payable by the Purchaser under the Amended Stock Purchase Agreement is US\$105.0 million (equivalent to approximately HK\$813.98 million), which will be paid in cash in the following manner:

- (i) a payment of US\$10 million (equivalent to approximately HK\$77.52 million) (the “**Initial Payment**”), of which US\$4 million (equivalent to approximately HK\$31.01 million) was paid upon the parties’ execution of the Stock Purchase Agreement and US\$6 million (equivalent to approximately HK\$46.51 million) is payable as soon as practicable after the execution of the Amended Stock Purchase Agreement and no later than 24 March 2021 (U.S. time); and
- (ii) a payment of US\$95.0 million (equivalent to approximately HK\$736.46 million) payable upon the Closing (the “**Closing Cash Payment**” and together with the Initial Payment, the “**Unadjusted Purchase Price**”).

The total consideration shall be the Unadjusted Purchase Price, plus the Company Cash, if any, minus any transaction expenses incurred by on or behalf of the Target Group remaining unpaid at Closing, minus any Company Indebtedness remaining unpaid at Closing, and minus a good faith estimate of pre-Closing taxes (the “**Total Consideration**”). The Company Indebtedness refers to debt at the AESE Level. However, the assets of the Target Group are subject to liens that secure such indebtedness, and as a result, such indebtedness must be satisfied from the Consideration. The Company Cash refers to the cash of the Target Group.”

Upon the determination of the Total Consideration, the total closing payment shall be adjusted to an amount equal to the Total Consideration minus the Initial Payment.

The Company estimated that the Total Consideration (before paying any estimated transaction expenses) would be approximately US\$102.3 million (equivalent to approximately HK\$793.09 million), all of which would be payable at the Closing.

(b) Definitions

The relevant definitions of the following terms on pages 1–8 of the Circular shall be amended as:

<u>“Amendment No.1”</u>	<u><i>the amendment No.1 to the Amended Stock Purchase Agreement dated 29 March 2021 entered into between the Vendor, the Purchaser, AESE and the Target Company in relation to the Disposal</i></u>
“Amended Stock Purchase Agreement”	the amended and restated stock purchase agreement dated 19 March 2021 and entered into between the Vendor, the Purchaser, AESE and the Target Company in relation to the Disposal, <u><i>as amended by the Amendment No.1</i></u>
”Consideration”	<u><i>US\$105.0 million</i></u> (equivalent to <u><i>HK\$813.98 million</i></u>), being the total consideration payable by the Purchaser as amended by the Amended Stock Purchase Agreement for the Disposal

(c) Use of Proceeds

The paragraph headed “Use of Proceeds” on Pages 42–43 of the Circular shall be amended as:

“The Company estimated that net proceeds (before paying any estimated transaction expenses) would be approximately *US\$102.3 million* (equivalent to approximately *HK\$793.09 million*), all of which would be payable at the Closing.

The Company intends to use the net proceeds from the Disposal for the following purposes:

- (i) approximately 5% of the net proceeds (approximately *US\$5.1 million*) (equivalent to approximately *HK\$39.65 million*) for the repayment of existing debts;
- (ii) approximately 20% of the net proceeds (approximately *US\$20.5 million*) (equivalent to approximately *HK\$158.62 million*) for research and development of the existing online card and board games owned by the Company;
- (iii) approximately 30% of the net proceeds (approximately *US\$30.7 million*) (equivalent to approximately *HK\$237.93 million*) for investment and development in other games related sectors, such as developing offline tournaments of card and board games, the research and development, launch and/or operation of non-card and board games;
- (iv) approximately 30% of the net proceeds (approximately *US\$30.7 million*) (equivalent to approximately *HK\$237.93 million*) for expanding and developing existing business abroad, such as the research and development to localize and update the existing card and board games of the Group with a focus on countries in the Southeast Asia and other countries. Southeast Asia is one of the regions with relatively strong economic growth in recent years, in

which many gaming companies in the PRC will shift their focus to. For other countries in America and Europe, the Company is also conducting market research and is planning to launch promotion campaign focusing on users in such countries. In addition, the Company is cooperating with a Canadian company in respect of research and development of games. The Company may also organize board and card games tournaments in such countries in order to attract more new game players or to provide product development support for overseas game companies; and

- (v) approximately 15% of the net proceeds (approximately *US\$15.3 million*) (equivalent to approximately *HK\$118.96 million*) for general working capital, among which, approximately 50% for human resources, research and development costs; approximately 45% for distribution channel costs for promotion of the games owned by the Group; approximately 4% for marketing costs; and approximately 1% for the maintenance of servers and tax and other related expenses. The Company will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.”

Save as disclosed above, all other terms and conditions under the Stock Purchase Agreement remain unchanged and in full force and effect. The terms and conditions of the Amended Stock Purchase Agreement were arrived at based on normal commercial terms and after arm’s length negotiations between the Purchaser and the Vendor. The Directors consider that the revised terms of the Amended Stock Purchase Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

ARRANGEMENT OF THE NEW EXTRAORDINARY GENERAL MEETING

Another extraordinary general meeting will be convened to consider the revised terms of the Amended Stock Purchase Agreement as amended by the Amendment No.1. The Company will issue a notice convening the new extraordinary general meeting to the Shareholders as soon as practicable in accordance with the Listing Rules and the articles of the Company.

As the Disposal is subject to the satisfaction or waiver of the Conditions as set out in the Amended Stock Purchase Agreement, and the Disposal may or may not proceed, the Shareholders and potential investors are reminded to exercise caution in dealing in the Shares.

This announcement is supplemental to and should be read in conjunction with the Announcements and the Circular. Save as specified herein, the above supplemental information does not affect other information and contents set out in the Announcements and the Circular.

By Order of the Board
Ourgame International Holdings Limited
Li Yangyang
Chairman and Executive Director

Beijing, 30 March 2021

For purpose of this announcement, the exchange rate of US\$1 = HK\$7.75215 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rates or any other rates or at all on the date or dates in question or any other date.

As at the date of this announcement, the Board comprises Mr. Li Yangyang and Mr. Gao Hong as executive directors; Mr. Liu Jiang, Ms. Fu Qiang and Mr. Hu Wen as non-executive directors; and Professor Huang Yong, Mr. Ma Shaohua and Mr. Lu Jingsheng as independent non-executive directors.

* *For identification purpose only*