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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 DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY**

#### **THE TRANSACTION**

The Board is pleased to announce that, on 14 January 2020 (U.S. time), the Seller (a non-wholly owned subsidiary of the Company) entered into the Share Purchase Agreement with the Purchaser, pursuant to which the Seller agreed to sell and issue and the Purchaser agreed to purchase and acquire the Purchased Shares at the consideration of US\$5,000,000.

As at the date of this announcement, the Company holds approximately 51.7% of the issued share capital of the Seller. Upon completion of the Transaction, the Company's equity interest in the Seller will be diluted from 51.7% to 50.1% and the Seller will continue to be a non-wholly owned subsidiary of the Company.

#### **LISTING RULES IMPLICATIONS**

As the equity interest of the Company in the Seller will be diluted from 51.7% to 50.1% upon completion of the Transaction, the Transaction constitutes a deemed disposal of the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5% but all of them are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

On 14 January 2020 (U.S. time), the Seller (a non-wholly owned subsidiary of the Company) entered into the Share Purchase Agreement with the Purchaser, pursuant to which the Seller agreed to sell and issue and the Purchaser agreed to purchase and acquire the Purchased Shares at the consideration of US\$5,000,000.

## **PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT**

The principal terms of the Share Purchase Agreement are set out as follows:

### **Date**

14 January 2020 (U.S. time)

### **Parties**

- (1) the Seller; and
- (2) the Purchaser.

As at the date of this announcement, the Company holds approximately 51.7% of the issued share capital of the Seller and the Seller is a non-wholly owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

### **Subject matter of the Transaction**

Pursuant to the Share Purchase Agreement, the Seller agreed to sell and issue and the Purchaser agreed to purchase and acquire the Purchased Shares at the consideration of US\$5,000,000.

### **Consideration**

The Consideration for the sale and purchase of the Purchased Shares is US\$5,000,000 (approximately US\$6.59 per share), which shall be delivered by the Purchaser to an escrow agent by wire transfer of immediately available funds to a designated account of the escrow agent on the Closing Date. The escrowed funds secure the Seller's future performance under its strategic partnership with the Purchaser, and will be released from the escrow account to the Seller upon achieving certain milestones related to the Use of Proceeds described below.

The Consideration was arrived at after arm's length negotiations between the Seller and the Purchaser with reference to, among other things, (i) the historical financial performance and growth prospects of the Seller, (ii) the prevailing market price of the Seller's shares and (iii) recent market conditions.

## Completion of the Transaction

Completion will take place on the Closing Date.

Upon completion of the Transaction, the Company's equity interest in the Seller will be diluted from 51.7% to 50.1% and the Seller will continue to be a non-wholly owned subsidiary of the Company.

## INFORMATION ABOUT THE COMPANY

The Company is incorporated in the Cayman Islands as a company with limited liability, the issued shares of which are listed on the Stock Exchange. The principal activity of the Company is investment holding. As at the date of this announcement, the Group is primarily engaged in the development and operation of PC and mobile card and board games in the PRC via its PRC subsidiaries and the operation of esports business and World Poker Tour via the Seller.

## INFORMATION ABOUT THE SELLER

The Seller is a Delaware corporation and a non-wholly owned subsidiary of the Company. The Seller is principally engaged in the operation of a premier public esports and entertainment company, consisting of (i) the Allied Esports business, an award-winning, innovative esports company comprised of a global network of dedicated esports properties and content production facilities; and (ii) the World Poker Tour business, a premier name in internationally televised gaming and entertainment with brand presence in land-based poker tournaments, television, online and mobile.

The table below sets out certain audited financial information of the Seller for the years ended 31 December 2017 and 2018.

	For the year ended 31 December 2017 US\$	For the year ended 31 December 2018 US\$
<b>Net loss</b>	(18,087,231)	<b>(31,019,725)</b>
<b>Total comprehensive loss</b>	(18,280,453)	<b>(30,731,614)</b>

As at 30 September 2019, the unaudited net asset value of the Seller was approximately US\$49,771,325.

## INFORMATION ABOUT THE PURCHASER

The Purchaser is a Bermuda exempted limited partnership whose shares are listed on Nasdaq with ticker symbol BPY. The Purchaser is principally engaged in the development and management of real estate globally. It provides industry-leading portfolio management and development capabilities across the real estate investment strategies of Brookfield Asset Management, its ultimate parent company that is engaged in alternative asset management.

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

By introducing the Purchaser as a shareholder of the Seller, the Seller has created a strategic alliance with the Purchaser, a leading global real estate services company, to bring its new on-mall esports venue concept to existing retail centers owned by the Purchaser. The two companies will collaborate on the development of dedicated esports venues and gaming experiences that will be designed for daily gaming and tournament play of all levels with full production capabilities. Among other synergies that will flow from the strategic alliance, the Seller's flagship location, HyperX Esports Arena Las Vegas, and its additional brick and mortar and mobile facilities around the world are expected to be complemented by the Purchaser's numerous retail centers.

The Transaction will enable the Group to free up capital to fund its operations and any potential new investment opportunities that may provide higher returns and enhance Shareholder value.

The Directors consider the terms of the Transaction to be on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE DEEMED DISPOSAL**

The Seller will continue to be a non-wholly owned subsidiary of the Company upon completion of the Transaction and the financial results of the Seller will continue to be consolidated with the financial statements of the Group. Accordingly, the Deemed Disposal will be accounted for as an equity transaction and is not expected to result in any gain or loss being accrued to the Group.

## **USE OF PROCEEDS**

The proceeds from the Transaction will be used primarily for the development and operation of integrated esports experience venues at malls owned and/or operated by the Purchaser or any of its affiliates that will include a dedicated gaming space and production capabilities to attract and to activate esports and other emerging live events at such malls.

## **LISTING RULES IMPLICATIONS**

As the equity interest of the Company in the Seller will be diluted from 51.7% to 50.1% upon completion of the Transaction, the Transaction constitutes a deemed disposal of the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5% but all of them are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed below:

“Board”	the board of directors of the Company
“Closing Date”	the date on which the Share Purchase Agreement and the escrow agreement are exchanged and the Consideration is delivered to the escrow agent or on such other date as the Seller and Purchase may mutually agree in writing
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	US\$5,000,000, being the consideration for the sale and purchase of the Purchased Shares pursuant to the Share Purchase Agreement
“Deemed Disposal”	the deemed disposal under Rule 14.29 of the Listing Rules through the dilution of the equity interest of the Company in the Seller from 51.7% to 50.1% as a result of the Transaction
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau and Taiwan
“Purchased Shares”	758,725 shares of common stock of the Seller with a par value of US\$0.0001
“Purchaser”	Brookfield Property Partners L.P., a Bermuda exempted limited partnership, whose shares are listed on Nasdaq with ticker symbol BPY
“Nasdaq”	National Association of Securities Dealers Automated Quotations
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time

“Share Purchase Agreement”	the agreement dated 14 January 2020 entered into between the Seller and the Purchaser in relation to the sale and purchase of the Purchased Shares
“Seller”	Allied Esports Entertainment, Inc. (formerly known as Black Ridge Acquisition Corp.), a Delaware corporation whose shares are listed on Nasdaq with ticker symbol AESE and a non-wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale and purchase of the Purchased Shares pursuant to the Share Purchase Agreement
“US\$”	United States dollar, the lawful currency of the U.S.
“U.S.”	United States of America
“%”	per cent

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

Beijing, 15 January 2020

*As at the date of this announcement, the Board comprises Mr. Yang Eric Qing as executive Director; Mr. Liu Jiang, Ms. Fu Qiang, Mr. Chen Xian and Mr. Hu Wen as non-executive Directors; and Mr. Lu Zhong, Dr. Tyen Kan Hee Anthony and Professor Huang Yong as independent non-executive Directors.*

\* *For identification purpose only*