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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)

CONTINUING CONNECTED TRANSACTIONS THE ENTERING INTO OF THE 2022 VIE AGREEMENTS

Reference is made to the announcements of the Company dated 9 February 2017 and 31 May 2018 in relation to, among other things, the VIE arrangements relating to Lianzhong Tiandi (formerly known as Beijing Guangyao). The Board hereby announces that, Mr. Liang Jie and Mr. Ping Yan entered into a share transfer agreement on 10 March 2022, pursuant to which Mr. Liang Jie and Mr. Ping Yan agreed to transfer 99% and 1% of the equity interests of Lianzhong Tiandi to Mr. Yang and Ms. Tuo (the “**Share Transfer**”), respectively. Upon closing of the Share Transfer, Mr. Yang and Ms. Tuo are the nominee shareholders of Lianzhong Tiandi holding its equity interest as to 99% and 1%, respectively. The Group has thus established the 2022 VIE Structure due to the change of nominee shareholders of Lianzhong Tiandi and by entering into the 2022 VIE Agreements with the nominee shareholders and/or Lianzhong Tiandi. Lianzhong Tiandi will remain a wholly-owned subsidiary of the Company and its financial results will continue to be accounted for and consolidated in the accounts of the Group.

IMPLICATIONS UNDER THE LISTING RULES

After the signing of the 2022 VIE Agreements, the financial results of Lianzhong Tiandi will continue to be accounted for and consolidated in the accounts of the Group as if it is a wholly-owned subsidiary of the Company. Mr. Yang, being the substantial shareholder of Lianzhong Tiandi, will become a Connected Person, whilst Ms. Tuo, being a shareholder holding 1% of the equity interest in Lianzhong Tiandi, will not become a Connected Person. Accordingly, the transactions contemplated under the 2022 VIE Structure constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the aggregate annual transaction amount in respect of the 2022 VIE Structure is expected to exceed 5% of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules), the transactions under the 2022 VIE Structure will technically be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the 2022 VIE Structure is reproduced from the VIE arrangements as provided under condition (d) of the IPO Waiver, the Stock Exchange has confirmed that the transactions contemplated under the 2022 VIE Structure are exempt from strict compliance with (i) the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, (ii) the requirement of setting an annual cap for the fees payable to the WFOE under the 2022 VIE Structure, and (iii) the requirement of limiting the term of the 2022 VIE Structure to three years or less, subject to the same conditions of the IPO Waiver.

INTRODUCTION

Reference is made to the announcements of the Company dated 9 February 2017 and 31 May 2018 (the “**2017 Announcement**” and “**2018 Announcement**”, respectively) in relation to, among other things, the VIE arrangements relating to Lianzhong Tiandi (formerly known as Beijing Guangyao). The Board hereby announces that, Mr. Liang Jie and Mr. Ping Yan entered into a share transfer agreement on 10 March 2022, pursuant to which Mr. Liang Jie and Mr. Ping Yan agreed to transfer 99% and 1% of the equity interests of Lianzhong Tiandi to Mr. Yang and Ms. Tuo, respectively. Upon closing of the Share Transfer, Mr. Yang and Ms. Tuo are the nominee shareholders of Lianzhong Tiandi holding its equity interest as to 99% and 1%, respectively. The Group has thus established the 2022 VIE Structure due to the change of nominee shareholders of Lianzhong Tiandi and by entering into the 2022 VIE Agreements with Mr. Yang and Ms. Tuo and/or Lianzhong Tiandi. Lianzhong Tiandi will remain a wholly-owned subsidiary of the Company and its financial results will continue to be accounted for and consolidated in the accounts of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As disclosed in the prospectus of the Company dated 18 June 2014, the 2017 Announcement and the 2018 Announcement, due to applicable laws and regulatory restrictions on foreign ownership in the telecommunications industry (including online games and other internet related businesses) in the PRC and restrictions on foreign investors conducting value-added telecommunications services, the Group operates its businesses, particularly the Group's expanded some internet related business, in the PRC through Lianzhong Tiandi, and the Group has in place a series of contractual arrangements with Lianzhong Tiandi that are designed to allow the Company to exercise control over the operations of Lianzhong Tiandi and enjoy the economic benefits generated by Lianzhong Tiandi (the “**Existing VIE Structure**”). Please refer to the section headed “Contractual Arrangements” of the prospectus of the

Company dated 18 June 2014 for the detailed reasons why our businesses are required to be carried out by way of contractual arrangements from a perspective of compliance of PRC laws, and the 2018 Announcement for details of the Existing VIE Structure.

The entering into of the 2022 VIE Agreements is due to the change of nominee shareholders of Lianzhong Tiandi from Mr. Liang Jie and Mr. Ping Yan to Mr. Yang and Ms. Tuo. The 2022 VIE Agreements have terms and conditions substantially the same as those of the existing VIE agreements and the VIE arrangements as provided under condition (d) of the IPO Waiver relating to Lianzhong Tiandi and are a reproduction from the existing VIE agreements.

The reason for changing the registered shareholders of Lianzhong Tiandi that Mr. Liang Jie and Mr. Ping Yan are no longer employees of the Group and to further enhance the Company's internal control and management system. From the perspective of administration purposes, the Company is of the view that nominee shareholders of Lianzhong Tiandi should be employees of the Group who are able to perform related responsibilities of registered shareholders of Lianzhong Tiandi (including signing any documents relating to Lianzhong Tiandi).

The Company's PRC Legal Advisor has confirmed that (i) the use of the 2022 VIE Structure and the 2022 VIE Agreements do not contravene the mandatory provisions of the laws and regulations in the PRC; (ii) do not contravene the current articles of association of either of the WFOE or Lianzhong Tiandi; (iii) would not be deemed as concealing illegal intentions with a lawful form and void under the PRC Civil Code; and (iv) except for the clause providing that an arbitral body may award injunctive relief or winding up orders and that courts in Hong Kong and the Cayman Islands may grant interim remedies may not be enforceable under PRC law, the 2022 VIE Agreements are enforceable under the laws of the PRC. Based on the above and the advice from our PRC Legal Advisor, the Directors are of the view that the 2022 VIE Agreements are narrowly tailored to minimise the potential conflict with the relevant PRC laws and regulations, and each of the arrangements under the 2022 VIE Structure conferring significant control and economic benefits from Lianzhong Tiandi is enforceable under the relevant laws and regulations.

The Directors (including the independent non-executive Directors) are of the view that the 2022 VIE Structure is fundamental to the Group's legal structure and business operations, and that the terms of each of the 2022 VIE Agreements are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole. So far as the Company is aware, none of the Directors had any material interest in the 2022 VIE Structure, and accordingly none of the Directors was required to abstain from voting on the board resolutions to approve the establishment of the 2022 VIE Structure or the entering into of any of the 2022 VIE Agreements.

As of the date of this announcement, the Company has not encountered any interference or encumbrance from any PRC governing bodies in operating its businesses through Lianzhong Tiandi under the 2022 VIE Structure.

2022 VIE AGREEMENTS

The contractual arrangements under the 2022 VIE Structure will be on substantially the same terms as those currently in place under the Existing VIE Structure, save as to the identity of the registered owners of Lianzhong Tiandi.

In relation to the contractual arrangements under the 2022 VIE Structure, the Company will fulfill and comply with the same conditions as those imposed on the contractual arrangements under the Existing VIE Structure as disclosed on pages 150 to 152 of the prospectus of the Company dated 18 June 2014 and the 2017 Announcement, *mutatis mutandis*.

As disclosed in the 2017 Announcement, WFOE has entered into a master exclusive service agreement on 9 February 2017 with Lianzhong Tiandi (the “**Master Exclusive Service Agreement**”), pursuant to which the WFOE shall have the exclusive right to provide Lianzhong Tiandi services relating to Lianzhong Tiandi’s business, including but not limited to technology development, technical consulting services, staff training services, public relation services, market research and consulting services, and online game software and system maintenance and upgrading services. The service fees shall be equal to 100% of the consolidated net profits of Lianzhong Tiandi, and the WFOE will have the right to adjust the service fees at its sole discretion with reference to Lianzhong Tiandi’s working capital requirements and based on the technical difficulty and complexity of the services, the actual labor costs it incurs for providing the services, and the contents and commercial value of the services and the benchmark price of similar services in the market during the relevant period. The Master Exclusive Service Agreement shall remain effective until terminated as provided therein. The WFOE shall be entitled to terminate the agreement at any time with a 30-day prior written notice to Lianzhong Tiandi whereas Lianzhong Tiandi shall not be entitled to terminate this agreement. Given that the nominee shareholders of Lianzhong Tiandi are not and do not need to become a party to the Master Exclusive Service Agreement, this agreement does not need to be re-entered into in light of the change of shareholding in Lianzhong Tiandi.

A summary of the principal terms of the 2022 VIE Agreements is set out below.

(1) Business Cooperation Agreement

- Date:** 10 March 2022
- Parties:**
- (a) the WFOE
 - (b) Lianzhong Tiandi
 - (c) Mr. Yang
 - (d) Ms. Tuo

Subject: Lianzhong Tiandi, Mr. Yang and Ms. Tuo, jointly and severally, agreed and covenanted that, without obtaining the WFOE's written consent, Lianzhong Tiandi shall not, and Mr. Yang and Ms. Tuo cause Lianzhong Tiandi not to, engage in any transaction which may materially affect Lianzhong Tiandi's asset, obligation, right or operation, including without limitation:

- any activities not within its normal business scope, or operating its business in a way that is inconsistent with its past practice;
- merger, reorganization, acquisition or restructuring of its principal business or assets, or acquisition or investment in any other form;
- offering any loan to any third party, incurring any debt from any third party, or assuming any debt other than in the ordinary course of business;
- engaging, changing or dismissing any director or any senior management officer;
- selling to or acquiring from any third party, mortgaging, licensing or disposing of in other ways tangible or intangible assets, other than in the ordinary course of business;
- incurring, inheriting, assuming or guaranteeing any debt that are not incurred during the ordinary course of business, using its assets to provide security or other forms of guarantees to any third party, or setting up any other encumbrances over its assets;
- making any supplement, amendment or alternation to its articles of association and by-laws, increasing or decreasing of its registered capital or changing the structure of its registered capital in other manners;
- making a distribution of a dividend, or share interest or sponsorship interest in any way, provided that upon the WFOE's written request, Lianzhong Tiandi shall immediately distribute part or all of its distributable profits to its shareholder(s) who shall in turn immediately and unconditionally pay or transfer to the WFOE any such distribution;
- executing any material contract, except contracts executed in the ordinary course of business (for purpose of this subsection, the WFOE may define a material contract at its sole discretion);

- selling, transferring, mortgaging or disposing of in any manner any legal or beneficial interest in its business or revenues, or allowing the encumbrance thereon of any security interest;
- dissolution or liquidation and distribution of residual assets; or
- causing any of its branches or subsidiaries to engage in any of the foregoing or enter into any contract, agreement or other legal documents which may lead to or result in any of the foregoing.

In addition, Lianzhong Tiandi agreed and covenanted to the WFOE that Lianzhong Tiandi shall, and the shareholders of Lianzhong Tiandi shall cause Lianzhong Tiandi to:

- accept suggestions raised by the WFOE over the engagement and replacement of employees, daily operations, dividend distribution and financial management systems of Lianzhong Tiandi, and Lianzhong Tiandi shall strictly abide by and perform accordingly;
- maintain Lianzhong Tiandi's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;
- conduct Lianzhong Tiandi's businesses in the ordinary course of business to maintain the asset value of Lianzhong Tiandi and refrain from any act or omission that may adversely affect Lianzhong Tiandi's operating status and asset value;
- provide the WFOE with information on Lianzhong Tiandi's business operations and financial condition at the WFOE's request;
- if requested by the WFOE, procure and maintain insurance in respect of Lianzhong Tiandi's assets and business from an insurance carrier acceptable to the WFOE, at an amount and type of coverage typical for companies that operate similar businesses;
- immediately notify the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Lianzhong Tiandi's assets, business or revenue; and

- execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims so as to maintain the ownership by Lianzhong Tiandi of all of its assets.

According to the Business Cooperation Agreement, Mr. Yang and Ms. Tuo shall only appoint persons designated by the WFOE as directors, the general manager, the chief financial officer and other senior management members of Lianzhong Tiandi, and Mr. Yang and Ms. Tuo shall dismiss any such directors or senior management members upon the WFOE's request. Lianzhong Tiandi, Mr. Yang and Ms. Tuo also jointly and severally covenanted that Lianzhong Tiandi shall seek appropriate approval from the WFOE prior to entering in to any material contract.

Furthermore, Mr. Yang and Ms. Tuo agreed that, unless required by the WFOE, they shall not put forward, or vote in favour of, any shareholder's resolution to, or otherwise request Lianzhong Tiandi to, distribute profits, funds, assets or property to Mr. Yang and Ms. Tuo, or to issue any dividends or other distributions with respect to the shares of Lianzhong Tiandi held by Mr. Yang and Ms. Tuo.

Term: The Business Cooperation Agreement shall remain effective as long as Lianzhong Tiandi exists, unless the WFOE terminates it upon 30 days' advance written notice or upon the transfer of all the shares in Lianzhong Tiandi held by Mr. Yang and Ms. Tuo to the WFOE and/or a third party designated by the WFOE.

(2) Exclusive Option Agreement

Date: 10 March 2022

Parties:

- (a) Lianzhong Tiandi
- (b) Mr. Yang
- (c) Ms. Tuo
- (d) the WFOE

Subject: Under the Exclusive Option Agreement, the WFOE has a right to require Mr. Yang and Ms. Tuo to transfer any and all the shares of Lianzhong Tiandi they hold to the WFOE and/or a third party designated by it, in whole or in part at any time and from time to time, at the lowest price allowable under PRC laws and administration regulations at the time of transfer.

Lianzhong Tiandi, Mr. Yang and Ms. Tuo, among other things, have covenanted that:

- without the prior written consent of the WFOE, they shall not in any manner supplement, change or amend the articles of association and bylaws of Lianzhong Tiandi, increase or decrease its registered capital, or change the structure of its registered capital in other manners;
- they shall maintain Lianzhong Tiandi's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;
- without the prior written consent of the WFOE, they shall not sell, transfer, mortgage or dispose of in any manner any assets of Lianzhong Tiandi (except in the ordinary course of business), or legal or beneficial interest in the business or revenues of Lianzhong Tiandi, or allow the encumbrance thereon of any security interest;
- without the prior written consent of the WFOE, they shall not incur, inherit, guarantee or assume any debt, except for debts incurred in the ordinary course of business;
- they shall always operate all of Lianzhong Tiandi's businesses during the ordinary course of business to maintain the asset value of Lianzhong Tiandi and refrain from any action/omission that may adversely affect Lianzhong Tiandi's operating status and asset value;
- without the prior written consent of the WFOE, they shall not cause Lianzhong Tiandi to execute any material contract (as defined by the WFOE at its sole discretion), except the contracts executed in the ordinary course of business;
- without the prior written consent of the WFOE, they shall not cause Lianzhong Tiandi to provide any person with any loan or credit other than in the course of ordinary business;
- they shall provide the WFOE with information on Lianzhong Tiandi's business operations and financial condition at WFOE's request;

- if requested by the WFOE, they shall procure and maintain insurance in respect of Lianzhong Tiandi's assets and business from an insurance carrier acceptable to the WFOE, at an amount and type of coverage typical for companies that operate similar businesses;
- without the prior written consent of the WFOE, they shall not cause or permit Lianzhong Tiandi to merge, consolidate with, acquire or invest in any person;
- they shall immediately notify the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Lianzhong Tiandi's assets, business or revenue;
- to maintain the ownership by Lianzhong Tiandi of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims;
- they shall ensure that Lianzhong Tiandi shall not, without the prior written consent of the WFOE, in any manner distribute dividends to its shareholder(s), provided that upon the WFOE's written request, Lianzhong Tiandi shall immediately distribute part or all of its distributable profits to its shareholder(s) who shall in turn immediately and unconditionally pay or transfer to the WFOE any such distribution;
- at the request of the WFOE, they shall appoint any persons designated by the WFOE as the directors and/or executive director of Lianzhong Tiandi;
- they shall cause the meeting of shareholders and the board of directors of Lianzhong Tiandi to pass shareholders' resolutions and board resolutions in accordance with the instruction of the WFOE; and
- unless otherwise mandatorily required by PRC laws, Lianzhong Tiandi shall not be dissolved or liquidated without prior written consent by the WFOE.

Term:

The Exclusive Option Agreement shall remain effective as long as Lianzhong Tiandi exists, and cannot be terminated by Mr. Yang, Ms. Tuo or Lianzhong Tiandi. The Exclusive Option Agreement can be terminated (i) by the WFOE at any time upon 30 days' advance written notice to Lianzhong Tiandi and Mr. Yang and Ms. Tuo; or (ii) upon the transfer of all the shares held by the shareholders to the WFOE and/or a third party designated by the WFOE.

(3) Share Pledge Agreement

Date: 10 March 2022

Parties: (a) Mr. Yang

(b) Ms. Tuo

(c) the WFOE

Subject: Under the Share Pledge Agreement, Mr. Yang and Ms. Tuo unconditionally and irrevocably agreed to pledge all of the shares of Lianzhong Tiandi that they own, including any interest or dividend paid for such shares, to WFOE as a security for the performance of the obligations by Lianzhong Tiandi, Mr. Yang and Ms. Tuo under the Mater Exclusive Service Agreement, the Business Cooperation Agreement, the Exclusive Option Agreement and other agreements to be executed among the Lianzhong Tiandi, Mr. Yang, Ms. Tuo and the WFOE from time to time (collectively the “**Principal Agreements**”).

Term: The pledge shall remain valid until all parties have agreed to terminate the Share Pledge Agreement, the Principal Agreements have been fulfilled to the satisfaction of the WFOE or all of the Principal Agreements have expired or been terminated.

(4) Proxy Agreement and Power of Attorney

Date: 10 March 2022

Parties: (a) Lianzhong Tiandi

(b) Mr. Yang

(c) Ms. Tuo

(d) the WFOE

Subject: Under the Proxy Agreement and Power of Attorney, Mr. Yang and Ms. Tuo irrevocably agreed to appoint the WFOE (as well as its successors, including a liquidator, if any, replacing the WFOE) as their attorney-in-fact to exercise on their behalf, and agreed and undertook not to exercise without such attorney-in-fact's prior written consent, any and all right that they have in respect of their shares in Lianzhong Tiandi, including without limitation:

- to call and attend shareholders' meetings of Lianzhong Tiandi, and receive notices and materials with respect to the shareholders' meeting;
- to execute and deliver any and all written resolutions and meeting minutes in the name and on behalf of such shareholder;
- to vote by itself or by proxy on any matters discussed on shareholders' meetings of Lianzhong Tiandi, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of Lianzhong Tiandi;
- to sell, transfer, pledge or dispose of any or all of the shares in Lianzhong Tiandi;
- to nominate, appoint or remove the directors, supervisors and senior management of Lianzhong Tiandi when necessary;
- to oversee the economic performance of Lianzhong Tiandi;
- to have full access to the financial information of Lianzhong Tiandi at any time;

- to file any shareholder lawsuits or take other legal actions against Lianzhong Tiandi's directors or senior management members when such directors or members are acting to the detriment of the interest of Lianzhong Tiandi or its shareholder(s);
- to approve annual budgets or declare dividends;
- to manage and dispose of the assets of Lianzhong Tiandi;
- to have the full rights to control and manage Lianzhong Tiandi's finance, accounting and daily operation (including but not limited to signing and execution of contracts and payment of government taxes and duties);
- to approve the filing of any documents with the relevant governmental authorities or regulatory bodies; and
- any other rights conferred by the articles of association of Lianzhong Tiandi and/or the relevant laws and regulations on the shareholders.

In addition, if any share transfer is contemplated under the Exclusive Option Agreement and the Share Pledge Agreement that Mr. Yang or Ms. Tuo enters into for the benefits of the WFOE or its affiliate, the WFOE (as well as its successors, including a liquidator, if any, replacing the WFOE) shall, on behalf of Mr. Yang or Ms. Tuo, have the right to sign the share transfer agreement and other relevant agreements and to perform the Exclusive Option Agreement and the Share Pledge Agreement.

Term: The Proxy Agreement and Power of Attorney will remain effective so long as Lianzhong Tiandi exists. Lianzhong Tiandi's shareholders will not have the right to terminate the Proxy Agreement and Power of Attorney or to revoke the appointment of the attorney-in-fact without the WFOE's prior written consent.

(5) Dispute Resolution

Each of the Master Exclusive Service Agreement, Business Cooperation Agreement, the Proxy Agreement and Power of Attorney, the Exclusive Option Agreement and the Share Pledge Agreement stipulates that any dispute or claim shall be resolved by the parties in good faith through negotiations. If no resolution can be reached, the dispute shall be submitted to the Beijing Arbitration Commission for arbitration in accordance with its rules of arbitration in effect at the time of application and the place of arbitration shall be in Beijing. The arbitral tribunal or the arbitrators shall have the authority to award any remedy or relief in accordance with the terms of the agreements underlying the 2022 VIE Structure and applicable PRC laws, including provisional

and permanent injunctive relief (such as injunctive relief with respect to the conduct of business or to compel the transfer of assets), specific performance of any obligation created hereunder, remedies over the shares or land assets of Lianzhong Tiandi and winding up orders against Lianzhong Tiandi. The arbitral award shall be final and binding upon all parties. In addition, to the extent permitted under applicable PRC laws, each party shall have the right to seek interim injunctive relief or other interim relief from a court of competent jurisdiction in support of the arbitration when formation of the arbitral tribunal is pending or under appropriate circumstances. The parties agreed that, to the extent not against applicable laws, the courts of Hong Kong, the courts of the Cayman Islands, the courts of PRC and the courts of the places where the principal assets of Lianzhong Tiandi are located, shall all be deemed to have jurisdiction.

(6) Succession

Each of Master Exclusive Service Agreement, Business Cooperation Agreement, the Exclusive Option Agreement and the Share Pledge Agreement stipulates that Lianzhong Tiandi, Mr. Yang and Ms. Tuo, shall not assign their rights or obligations thereunder to any third party without the prior written consent of the WFOE. Further, each of Mr. Yang and Ms. Tuo executed a confirmation and guarantee letter on 10 March 2022 (the “**Confirmation and Guarantee Letter**”), in which Mr. Yang and Ms. Tuo confirmed, represented and guaranteed that his/her successor, guardian, creditor, spouse or any other person that may be entitled to assume the respective rights and interests in the shares of Lianzhong Tiandi held by Mr. Yang and Ms. Tuo upon his/her death, incapacity, divorce or any circumstances that may affect his ability to exercise his/her shareholder’s rights in Lianzhong Tiandi, will not, in any manner and in any circumstances, carry out any act that may affect or hinder the fulfilment of his obligations under each of the agreements underlying the 2022 VIE Structure.

Our PRC Legal Advisor is of the view that if the Confirmation and Guarantee Letter is strictly observed by relevant parties, (i) the death of any shareholders of Lianzhong Tiandi would not affect the validity of the 2022 VIE Structure, and (ii) the successors of such shareholders would be bound by the 2022 VIE Structure in respect of the shares of Lianzhong Tiandi held by such shareholders.

In addition, Mr. Yang and Ms. Tuo confirmed that, subject to requirement by the WFOE, they will unwind the 2022 VIE Structure and transfer all of the shares of Lianzhong Tiandi held by them to the WFOE or its designee as soon as the applicable laws of the PRC allows the WFOE to operate the business operated by Lianzhong Tiandi (which includes but not limited to the business of developing and operating online games) without the 2022 VIE Structure. Subject to the applicable PRC laws, Mr. Yang and Ms. Tuo must return to the WFOE or its designee any consideration they received from the WFOE during its acquisition of the shares of Lianzhong Tiandi.

The spouse of each of Mr. Yang and Ms. Tuo also executed a written consent on 10 March 2022. In the written consent, the spouse of each of Mr. Yang and Ms. Tuo confirmed that he/she unconditionally consented that a certain percentage of the shares in Lianzhong Tiandi that is held by and registered in the name of the respective nominee shareholders will be disposed of pursuant

to the arrangements under the 2022 VIE Agreements. He/she undertook not to take any action with the intent to interfere with the arrangements under the 2022 VIE Agreements and waive unconditionally and irrevocably any rights or entitlements whatsoever to such shares that may be granted to the spouse according to any applicable laws. Further, each spouse confirmed that the respective nominee shareholders can perform the 2022 VIE Agreements and further amend or terminate the same absent his/her authorization or consent and he/she has not participated and will not participate in the management and operation of Lianzhong Tiandi. He/she will undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the 2022 VIE Agreements (as amended from time to time). Each spouse confirmed, represented and guaranteed that none of him/her, his/her successor, guardian, creditor or any other person that may be entitled to assume rights and interests in the shares of Lianzhong Tiandi held by the respective nominee shareholders upon his/her death, incapacity, divorce or any circumstances that may affect his/her ability to exercise his/her shareholder's rights in Lianzhong Tiandi, will, in any manner and under any circumstances, carry out any act that may affect or hinder the fulfillment of his/her obligations under each of the 2022 VIE Agreements.

(7) Arrangements to Address Potential Conflicts of Interests

In the Confirmation and Guarantee Letters, Mr. Yang and Ms. Tuo undertook that, during the term of the 2022 VIE Structure, (i) unless otherwise agreed by the WFOE in writing, they will not directly or indirectly (by themselves or by entrusting any other natural person or legal entity to) engage in, own or acquire (as shareholder, partner, agent, employee or under any other circumstances) any business that competes or might compete with the business of Lianzhong Tiandi or its affiliated companies or to have any interest in such business; (ii) none of their actions or omissions will give rise to conflict of interest between themselves and the WFOE (including the shareholders of the WFOE); and (iii) in the event of any such conflict, which shall be decided at the sole discretion of the WFOE, they will take any action as instructed by the WFOE to eliminate such conflict provided such action is compliant with PRC laws.

(8) Intellectual Property Held by Lianzhong Tiandi

Under the Business Cooperation Agreement among Lianzhong Tiandi, Mr. Yang, Ms. Tuo and the WFOE, Lianzhong Tiandi agreed and covenanted to the WFOE that Lianzhong Tiandi shall, and Mr. Yang and Ms. Tuo shall cause Lianzhong Tiandi to accept suggestions raised by the WFOE over daily operations of Lianzhong Tiandi, and Lianzhong Tiandi shall strictly abide by and perform accordingly to such suggestions. As such, should the WFOE require Lianzhong Tiandi in the future to transfer or assign any existing intellectual property to the WFOE, Lianzhong Tiandi is contractually obligated to do so, as long as such transfer or assignment will not be in conflict with then applicable PRC laws and regulations. Furthermore, Lianzhong Tiandi is required under the 2022 VIE Structure not to engage in any transaction which may materially affect its asset, obligation, right or operation, including selling to or acquiring from any third party, mortgaging, licensing or disposing of in other ways tangible or intangible assets, other than in the ordinary course of business, without the WFOE's prior written consent. In the future, the WFOE will be applying for the PRC intellectual property rights to the extent permitted under the PRC laws.

(9) Impact on the Group in the Event of Liquidation of Lianzhong Tiandi

According to the PRC Company Law,

- (a) a company shall be dissolved as a result of the following: 1) when the term of operation as specified in the company's articles of association expires or other reasons for dissolution as specified in the company's articles of association arise; 2) if the shareholders' meeting or shareholders' general meeting resolves to dissolve the company; 3) if dissolution is necessary as a result of the merger or split of the company; 4) its business licence has been revoked, or it is ordered to close down or is banned according to law; or 5) it is ordered to be dissolved by the people's court in accordance with relevant article of the PRC Company Law;
- (b) when a company is to be dissolved pursuant to item 1), 2), 4) or 5) of reasons for dissolution as described above, it shall establish a liquidation committee and commence liquidation within 15 days of the date of occurrence of the grounds for dissolution;
- (c) after a liquidation committee has thoroughly sorted out the company's assets and prepared a balance sheet and an asset inventory, it shall formulate a liquidation plan and submit the same to the shareholders' meeting, shareholders' general meeting or the people's court for confirmation. The assets of a company that remained after the company has paid the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the outstanding taxes, and all of the debts of the company, shall be distributed in the case of a limited liability company, in proportion to the capital contributions of its shareholders and, in the case of a company limited by shares, in proportion to the shareholdings of its shareholders; and
- (d) following the completion of liquidation, the liquidation committee shall compile a liquidation report and submit the same to the shareholders' meeting, shareholders' general meeting or the people's court for confirmation, as well as to the company registry. In addition, the liquidation committee shall apply for cancellation of the company's registration and announce the company's termination.

According to the Exclusive Option Agreement, Mr. Yang and Ms. Tuo shall promptly transfer any proceeds of liquidation received from Lianzhong Tiandi to the WFOE or any other entity designated by the WFOE to the extent permitted under applicable PRC laws.

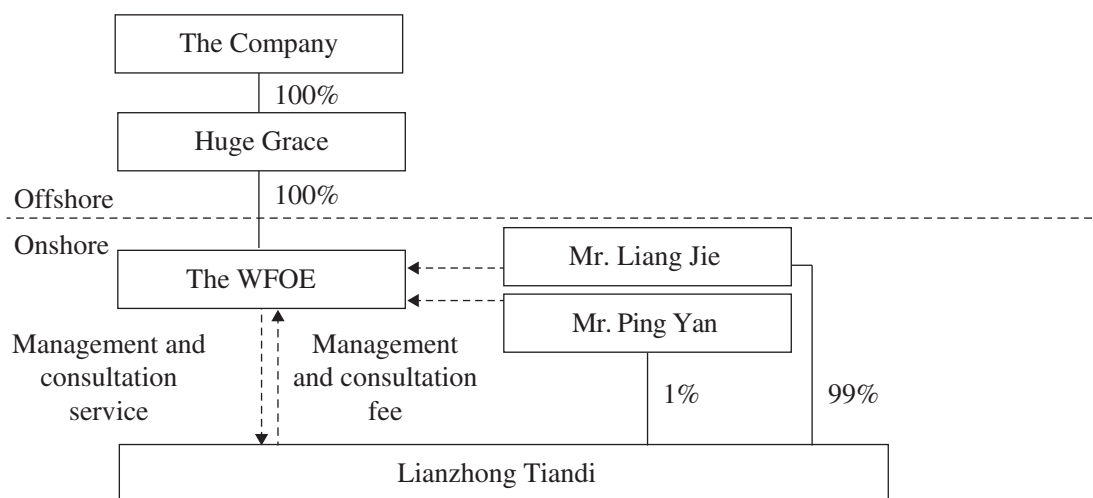
Based on the above, in the event of liquidation of Lianzhong Tiandi, and if there are any assets of Lianzhong Tiandi remaining after Lianzhong Tiandi has paid the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the outstanding taxes, and all of the debts of the company, Lianzhong Tiandi shall pay such remaining assets to Mr. Yang and Ms. Tuo. After receiving any assets or proceeds as a result of liquidation of Lianzhong Tiandi, the shareholders of Lianzhong Tiandi are obligated under the Exclusive Option Agreement to

transfer such assets or proceeds to the WFOE or any other entity designated by the WFOE. Since the WFOE is a wholly owned subsidiary of the Group, the Group is entitled to retain the remaining assets or proceeds of Lianzhong Tiandi in the event of its liquidation.

However, as Lianzhong Tiandi is the operating entity of the Group owning all material properties and holding all important assets necessary to conduct relevant business of the Group, if Lianzhong Tiandi is liquidated, the Group will lose its capacity to conduct its business and to generate revenue for its investors.

DIAGRAM OF THE GROUP’S EXISTING VIE STRUCTURE AND THE 2022 VIE STRUCTURE

The following simplified diagram illustrates the Group’s Existing VIE Structure prior to the entering of the 2022 VIE Agreements:

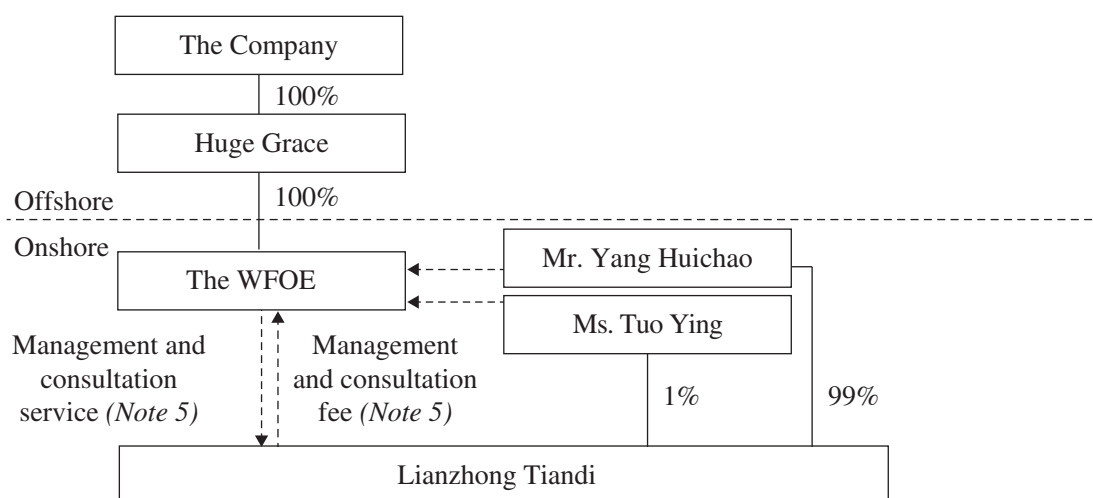


Notes: “—” denotes direct legal and beneficial ownership in the equity interest and “-.-.->” denotes contractual relationship.

For more details on the Group’s Existing VIE Structure, please refer to the 2018 Announcement.

The following simplified diagram illustrates the Group’s Existing VIE Structure and the 2022 VIE Structure after entering into the 2022 VIE Agreements:

- (1) Covenants not to materially affect Lianzhong Tiandi’s assets and business and right to appoint directors and officers (*Note 1*)
- (2) Power of attorney to exercise all shareholders’ rights in Lianzhong Tiandi (*Note 2*)
- (3) Exclusive option to acquire all or part of the equity interest in Lianzhong Tiandi (*Note 3*)
- (4) First priority security interest over the entire equity interest in Lianzhong Tiandi (*Note 4*)



Notes:

1. Please refer to the section headed “Business Cooperation Agreement” above for details.
2. Please refer to the section headed “Proxy Agreement and Power of Attorney” above for details.
3. Please refer to the section headed “Exclusive Option Agreement” above for details.
4. Please refer to the section headed “Share Pledge Agreement” above for details.
5. Please refer to the section headed “Master Exclusive Service Agreement” in the 2017 Announcement for details.
6. “—” denotes direct legal and beneficial ownership in the equity interest and “---->” denotes contractual relationship.

RISKS AND LIMITATIONS RELATING TO THE 2022 VIE STRUCTURE

(1) Economic risks of the Company

None of the agreements constituting the 2022 VIE Structure provide that the Company or its wholly-owned PRC subsidiary, the WFOE, is obligated to share the losses of Lianzhong Tiandi or provide financial support to Lianzhong Tiandi. Furthermore, Lianzhong Tiandi is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. Under the PRC laws and regulations, the Company or the WFOE, as the primary beneficiary of Lianzhong Tiandi, is not expressly required to share the losses of Lianzhong Tiandi or provide financial support to Lianzhong Tiandi. Despite the foregoing, given that the Group conducts the internet related business in the PRC through Lianzhong Tiandi, and that Lianzhong Tiandi's financial condition and results of operations are consolidated into the Group's financial condition and results of operations under the applicable accounting principles, the Company's business, financial condition and results of operations would be adversely affected if Lianzhong Tiandi suffers losses. However, due to the relevant restrictive provisions in the Exclusive Option Agreement and the Business Cooperation Agreement, the potential adverse effect on the WFOE and the Company in the event of any loss suffered from Lianzhong Tiandi is limited.

(2) Limitations in exercising the option to acquire ownership in Lianzhong Tiandi

The exercise of the option to acquire the ownership of Lianzhong Tiandi may be subject to substantial costs. Under the Exclusive Option Agreement, the WFOE has a right to require the Mr. Yang and Ms. Tuo to transfer any and all the shares of Lianzhong Tiandi he holds to the WFOE and/or a third party designated by it, in whole or in part at any time and from time to time, at the lowest price allowable under the PRC laws and administration regulations at the time of transfer. The relevant PRC authorities may require the WFOE to pay a substantial amount of enterprise income tax for the income from the ownership transfer if the purchase price is set below the market value.

(3) Potential changes in the PRC foreign investment legal regime

Notwithstanding the PRC Legal Advisor is of the view that the 2022 VIE Agreements do not contravene the mandatory provisions of the laws and regulations in the PRC, there is uncertainty regarding the interpretation and applicable of the PRC laws and regulations such that the PRC government may determine that the contractual arrangements under the Existing VIE Structure do not comply with the applicable laws and regulations of the PRC.

On 15 March 2019, the National People's Congress promulgated the Foreign Investment Law (the "FIL"), which became effective on 1 January 2020 and replaced the laws regulating foreign investment in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law and the Wholly Foreign-owned Enterprise Law.

Meanwhile, the Implementation Rules to the PRC Foreign Investment Law came into effect on 1 January 2020, which clarified and elaborated the relevant provisions of the FIL. However, uncertainties still exist in relation to interpretation and implementation of the FIL, especially in regard to, including, among other things, the nature of consolidated affiliated entity contractual arrangements and specific rules regulating the organization form of foreign-invested enterprises within the five-year transition period. While FIL does not define contractual arrangements as a form of foreign investment explicitly, it has a catch-all provision under definition of “foreign investment” that includes investments made by foreign investors in the PRC through other means as provided by laws, administrative regulations or the State Council, we cannot assure you that future laws and regulations will not provide for contractual arrangements as a form of foreign investment. Therefore, there can be no assurance that our control over our consolidated affiliated entity, namely Lianzhong Tiandi, through the 2022 VIE Structure, will not be deemed as foreign investment in the future. In the event that any possible implementing regulations of the FIL, any other future laws, administrative regulations or provisions deem contractual arrangements as a way of foreign investment, or if any of our operations through the 2022 VIE Structure is classified in the “restricted” or “prohibited” industry in the future “negative list” under the FIL, our 2022 VIE Structure may be deemed as invalid and illegal, and we may be required to unwind the 2022 VIE Structure and/or dispose of any affected business. Also, if future laws, administrative regulations or provisions mandate further actions to be taken with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all.

Furthermore, under the FIL, foreign investors or the foreign investment enterprise should be imposed legal liabilities for failing to report investment information in accordance with the requirements. In addition, the FIL provides that foreign invested enterprises established according to the existing laws regulating foreign investment may maintain their structure and corporate governance within a five-year transition period, which means that we may be required to adjust the structure and corporate governance of certain of our PRC subsidiaries in such transition period. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance, financial condition and business operations.

(4) The 2022 VIE Agreements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or scrutiny by the tax authorities within ten years after the taxable year when the transactions are conducted. The Group could face material adverse tax consequences if the PRC tax authorities determine that the 2022 VIE Agreements do not represent arm’s length negotiations and therefore constitute unfavourable transfer pricing arrangements. Unfavourable transfer pricing arrangements could, among other things, result in an upward adjustment of the amount of tax that the WFOE or Lianzhong Tiandi is required to pay. In addition, the PRC tax authorities may

impose interests on late payments on WFOE or Lianzhong Tiandi for the adjusted but unpaid taxes. The 2022 VIE Agreements have been negotiated and executed based on an equal standing and reflect the true commercial intention of WFOE or Lianzhong Tiandi.

(5) Other risks relating to the 2022 VIE Structure

First, the PRC government may determine that the 2022 VIE Agreements do not comply with the applicable laws and regulations of the PRC. Although our PRC Legal Advisor is of the view that the 2022 VIE Structure do not contravene the mandatory provisions of the laws and regulations in the PRC, uncertainties still exist regarding the interpretation and application of the PRC laws and regulations especially in the area of value-added telecommunications business. For instance, the PRC regulatory authorities may issue further guidelines that impose stricter foreign ownership requirements in that area of business. Given the uncertain legal and business environment in the PRC, it is difficult to foresee whether the PRC regulatory authorities will take the same view regarding the 2022 VIE Structure as our PRC Legal Advisor in the future.

Secondly, the 2022 VIE Agreements may not provide control as effective as direct ownership. Under the 2022 VIE Structure, the Company has to rely on the WFOE's rights under the 2022 VIE Agreements to effect changes in the management of Lianzhong Tiandi and make an impact on its business decision making, as opposed to exercising its rights directly as a shareholder. If Lianzhong Tiandi, Mr. Yang or Ms. Tuo refuses to cooperate, the Company will face difficulties in effecting control over Lianzhong Tiandi's operation of business through the 2022 VIE Structure, which may adversely affect the Company's business efficiency.

Thirdly, Mr. Yang and Ms. Tuo may have potential conflicts of interest with the Company. Although there are provisions under the 2022 VIE Agreements and the Confirmation and Guarantee Letter to prevent those situations, conflicts of interest may still arise when the interest of the Mr. Yang and/or Ms. Tuo does not align with that of the Company, and the Mr. Yang and Ms. Tuo may breach or cause Lianzhong Tiandi to breach the 2022 VIE Agreements. If the Company fails to resolve this internally, it may have to resort to dispute resolution. If ultimately either Mr. Yang and/or Ms. Tuo has to be removed, it will be difficult for the Company to maintain investors' confidence in the 2022 VIE Structure.

The Company does not maintain any insurance to cover the risks relating to the 2022 VIE Agreements.

The principal terms of the 2022 VIE Agreements are published on the Company's websites (www.ourgame.com/www.lianzhong.com).

INFORMATION OF THE GROUP

The company is principally engaged in the operation of online card and board games as well as live broadcasting business via its subsidiaries in the PRC and eSports business via Allied Esports Entertainment, Inc. (NASDAQ: AESE).

INFORMATION ABOUT THE PARTIES TO THE 2022 VIE AGREEMENTS

Each of Mr. Yang and Ms. Tuo is a long-term employee of the Group.

Lianzhong Tiandi is a limited liability company established in the PRC which is owned as to 99% by Mr. Yang and 1% by Ms. Tuo. Lianzhong Tiandi is principally engaged in the internet related business and holding relevant investments.

The WFOE is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. The WFOE is principally engaged in the services of providing computer related technical support in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Ms. Tuo is just a long-term employee of the Group and will not become a Connected Persons of the Company under the 2022 VIE Structure.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Yang, being the substantial shareholder of Lianzhong Tiandi, will become a Connected Person, whilst Ms. Tuo, being a long-term employee of the Group and a shareholder holding 1% of the equity interest in Lianzhong Tiandi, will not become a Connected Person. Accordingly, the transactions contemplated under the 2022 VIE Structure constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the aggregate annual transaction amount in respect of the 2022 VIE Structure is expected to exceed 5% of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules), the transactions under the 2022 VIE Structure will technically be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the 2022 VIE Structure is reproduced from the Existing VIE Structure as provided under condition (d) of the IPO Waiver, the Stock Exchange has confirmed that the transactions contemplated under the 2022 VIE Structure are exempt from strict compliance with (i) the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, (ii) the requirement of setting an annual cap for the fees payable to the WFOE under the 2022 VIE Structure, and (iii) the requirement of limiting the term of the 2022 VIE Structure to three years or less, subject to the same conditions of the IPO Waiver.

DEFINITIONS

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

“2022 VIE Agreements”	collectively, the Business Cooperation Agreement, the Proxy Agreement and Power of Attorney, the Exclusive Option Agreement and the Share Pledge Agreement
“2022 VIE Structure”	the structure established through the entering into of the 2022 VIE Agreements
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of directors of the Company
“Business Cooperation Agreement”	the business cooperation agreement dated 10 March 2022 among Lianzhong Tiandi, Mr. Yang and Ms. Tuo and the WFOE, as further detailed in the section headed “ Business Cooperation Agreement ”
“Company”	Ourgame International Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“Connected Person(s)”	has the meaning in rules 14A.07 to 14A.11 the Listing Rules
“Director(s)”	the director(s) of the Company
“Exclusive Option Agreement”	the exclusive option agreement dated 10 March 2022 among Lianzhong Tiandi, Mr. Yang and Ms. Tuo and the WFOE, as further detailed in the section headed “ Exclusive Option Agreement ”
“Existing VIE Structure”	shall have the meaning attributed to it in the section headed “ Reasons for and Benefits of the Transactions ”
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huge Grace”	Huge Grace Holding Limited, a limited company incorporated under the laws of Hong Kong on 18 November 2016 and a wholly-owned subsidiary of the Company

“IPO Waiver”	the waiver granted by the Stock Exchange to the Company from strict compliance with (i) the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Existing VIE Structure, (ii) the requirement of setting an annual cap for the fees payable to Lianzhong Garden under the Existing VIE Structure, and (iii) the requirement of limiting the term of the Existing VIE Structure to three years or less, for so long as the Shares are listed on the Stock Exchange subject to certain conditions, as further detailed on pages 150 to 152 of the prospectus of the Company dated 18 June 2014
“Lianzhong Garden”	Beijing Lianzhong Garden Network Technology Company Limited (北京聯眾家園網路科技有限責任公司), a limited liability company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company
“Lianzhong Tiandi”	Beijing Lianzhong Tiandi Technology Development Co., Ltd. (北京聯眾天地科技發展有限公司), formerly known as Beijing Guangyao Hudong Technology Development Co., Ltd. (北京光曜互動科技發展有限公司), a limited liability company established in the PRC, the financial results of which have been consolidated and accounted for as a subsidiary of the Group by virtue of the Existing VIE Structure
“Listing”	the listing of the shares of the Company on the Stock Exchange, which occurred on 30 June 2014
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Yang”	Mr. Yang Huichao (楊慧超), who owns 99% equity interest in Lianzhong Tiandi upon the close of the Share Transfer and as at the date of this announcement, and is a long-term employee of the Group
“Ms. Tuo”	Ms. Tuo Ying (脫穎), who owns 1% equity interest in Lianzhong Tiandi upon the close of the Share Transfer and as at the date of this announcement, and is a long-term employee of the Group
“Online Games Business”	shall have the meaning attributed to it in the section headed “ Reasons for and Benefits of the Transactions ”
“PC”	personal computer
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法)
“PRC Civil Code”	The Civil Code of the PRC (中華人民共和國民法典)
“PRC Legal Advisor”	Commerce & Finance Law Offices
“Proxy Agreement and Power of Attorney”	the proxy agreement and power of attorney, each dated 10 March 2022 and entered into among Mr. Yang and Ms. Tuo and the WFOE, as further detailed in the section headed “ Proxy Agreement and Power of Attorney ”
“Share Pledge Agreement”	the share pledge agreement dated 10 March 2022 between Mr. Yang and Ms. Tuo and the WFOE, as further detailed in the section headed “ Share Pledge Agreement ”
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Transfer”	shall have the meaning attributed to it in the section headed “ Introduction ”
“WFOE”	Tianjin Lianzhong Lequ Technology Development Co., Ltd. (天津聯眾樂趣科技發展有限公司), a limited liability company incorporated in the PRC, a wholly foreign owned enterprise and an indirectly wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board
Ourgame International Holdings Limited
Lu Jingsheng
Chief Executive Officer and Executive Director

Beijing, 10 March 2022

As at the date of this announcement, the board comprises Mr. Li Yangyang and Mr. Lu Jingsheng as executive Directors; Mr. Liu Jiang, Mr. Liu Xueming, Ms. Gao Liping and Mr. Hua Yumin as non-executive Directors; and Mr. Ma Shaohua, Mr. Zhang Li and Mr. Guo Yushi as independent non-executive Directors.

* *For identification purposes only*