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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 announcement of the Company dated 19 January 2021 (the “**Announcement**”) 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 Announcement and the Circular unless otherwise defined.

#### **THE AMENDED AND RESTATED STOCK PURCHASE AGREEMENT**

The Company announced the Disposal on 19 January 2021, dispatched the Circular on 10 March 2021 and gave a notice to the Shareholders for the EGM to be convened on 29 March 2021 for the purpose of considering and approving, among the other things, the Stock Purchase Agreement and the transactions contemplated thereunder.

On 3 March 2021 (U.S. time), AESE received a proposal (the “**Bally’s Proposal**”) from Bally’s Corporation (“**Bally Corp**”) to purchase AESE’s equity interests for US\$100 million, payable, at AESE’s option, in cash, Bally Corp’s capital stock, or a combination of both. Under the Bally’s Proposal, Bally Corp would pay the break-up fee owed to the Purchaser upon the termination of the Stock Purchase Agreement, and further stated that Bally Corp would pay a US\$10 million reverse break-fee if the Bally’s Proposal is not completed due to a failure on the part of Bally Corp. The only conditions to closing the transactions contemplated by the Bally’s Proposal would be the termination of the Stock Purchase Agreement and other customary closing conditions. The terms of the agreement to consummate the transactions contemplated by the Bally’s Proposal would be substantially the same as the Stock Purchase Agreement, revised only to the extent necessary to accommodate the specific

aspects of the Bally’s Proposal. However, since the subject matter of the Bally’s Proposal is on the entire equity interests of AESE and not just the Target Group, AESE did not accept the Bally’s Proposal.

On 15 March 2021, AESE, in consultation with its financial and legal advisors, determined that a revised proposal received from Bally Corp constitutes a “superior proposal” under the Stock Purchase Agreement. Under the terms of the revised proposal of Bally Corp, Bally Corp would acquire only the Target Group, for a consideration totalling US\$90,000,000 (equivalent to approximately HK\$697.69 million) in cash at the closing. AESE notified the Purchaser that it received a “superior proposal” and that unless prior to 5 pm, 19 March 2021 (U.S. time), AESE and the Purchaser negotiated an amendment to the Stock Purchase Agreement such that the revised proposal of Bally Corp no longer constituted a “superior proposal”, AESE intended to terminate the Stock Purchase Agreement.

On 19 March 2021 (U.S. time), the Vendor, the Target Company, AESE and the Purchaser entered into an amended and restated stock purchase agreement (the “**Amended Stock Purchase Agreement**”) to amend certain terms of the Stock Purchase Agreement to proceed with the Disposal.

A summary of amendments to the terms and conditions of the Stock Purchase Agreement are set out below:

<b>Subject Matter</b>	<b>Terms in the Stock Purchase Agreement as disclosed in the Circular</b>	<b>Key amendments in the Amended Stock Purchase Agreement</b>
<i>Consideration and payment terms</i>	<ul style="list-style-type: none"> <li>The Consideration under the Stock Purchase Agreement was US\$78.25 million, which comprised: (i) a payment of US\$4 million payable upon the execution of the Stock Purchase Agreement; (ii) a payment of US\$64.25 million payable upon Closing; and (iii) a fully guaranteed revenue share of 5% of the aggregate entry fees of the World Poker Tour-branded tournaments on the gaming platforms owned or licensed by the Vendor, up to a maximum of US\$10 million, payable over three years after Closing in arrears on a quarterly basis within 90 days after each calendar quarter.</li> </ul>	<ul style="list-style-type: none"> <li>The Consideration is increased to US\$90.50 million, which comprises: (i) a payment of US\$10 million (the “<b>Initial Payment</b>”) of which US\$4 million was paid upon the parties’ execution of the Stock Purchase Agreement and US\$6 million is payable as soon as practicable after the execution of the Amended Stock Purchase Agreement and no later than 24 March 2021; and (ii) a payment of US\$80.5 million payable upon Closing.</li> </ul>

<b>Subject Matter</b>	<b>Terms in the Stock Purchase Agreement as disclosed in the Circular</b>	<b>Key amendments in the Amended Stock Purchase Agreement</b>
<i>Termination</i>	<ul style="list-style-type: none"> <li>● The Stock Purchase Agreement may be terminated by AESE and the Vendor, on the one hand, or the Purchaser, on the other hand, if the Disposal shall not have been consummated on or before 31 March 2021 (the “<b>Long Stop Date</b>”).</li> <li>● The Tail Termination Fee is in an amount equal to US\$3 million.</li> <li>● The Non-Performance Fee, is payable, either by the Purchaser to AESE or AESE to the Purchaser, as the case may be, is in an amount equal to US\$3 million.</li> <li>● The Stock Purchase Agreement may be terminated by the Purchaser at any time prior to 31 March 2021 and the Purchaser shall pay AESE, as the sole recourse of AESE and the Vendor in connection with the termination of the Stock Purchase Agreement the Non-Performance Fee no later than two Business Days after the date on which the Stock Purchase Agreement is terminated by the Purchaser.</li> </ul>	<ul style="list-style-type: none"> <li>● The Long Stop Date is extended to 30 September 2021.</li> <li>● The Tail Termination Fee is increased to US\$3.45 million.</li> <li>● The non-performance fee, if payable, by the Purchaser to AESE is in an amount equal to US\$10 million whilst the non-performance fee, if payable, by AESE to the Purchaser is in an amount of US\$3.45 million.</li> <li>● Replaced by a new termination event, in which AESE and the Vendor may also terminate the Amended Stock Purchase Agreement in the event that the Purchaser fails to pay the US\$6 million portion of the Initial Payment when due and the Purchaser shall pay AESE, as the sole recourse of AESE and the Vendor in connection with the Termination of the Amended Stock Purchase Agreement the Buyer Non-Performance Fee no later than two Business Days after the date on which the Amended Stock Purchase Agreement was terminated by AESE and the Vendor.</li> </ul>

<b>Subject Matter</b>	<b>Terms in the Stock Purchase Agreement as disclosed in the Circular</b>	<b>Key amendments in the Amended Stock Purchase Agreement</b>
<i>Definition</i>	<ul style="list-style-type: none"> <li>● “Company Indebtedness” means as of the date of Closing, an amount equal to the sum of all outstanding guaranties and indebtedness for borrowed money owed to third parties (whether short- or long-term, whether or not due and payable, to the extent they are owed or guaranteed by the Target Group), including all unfunded severance payment obligations, bank debt and notes, and all fees expenses or termination payments, or accumulated interest in connection therewith but excluding any outstanding principal, accrued interest and other amounts payable under the PPP Loan.</li> <li>● “PPP Loan” means an unsecured loan in the original principal amount of US\$685,300 (equivalent to approximately HK\$5.31 million) taken by WPT Enterprises, Inc. on 18 May 2020 under the US federal government’s Paycheck Protection Program for a period of two years at an interest rate of 1% per annum.</li> </ul>	<ul style="list-style-type: none"> <li>● The exclusion of the PPP Loan from the definition of “Company Indebtedness” is removed as it has been fully forgiven prior to the execution of the Amended Stock Purchase Agreement.</li> </ul>

As a result of the abovementioned amendments, the following disclosures in the Circular are hereby updated and supplemented to reflect the amendments set out above:

**(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\$90.5 million (equivalent to approximately HK\$701.57 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\$80.5 million (equivalent to approximately HK\$624.05 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\$87.8 million (equivalent to approximately HK\$680.64 million), all of which would be payable at the Closing.

**(b) Termination**

Sub-paragraphs (c) to (g) set out in the paragraph headed “Termination” on pages 25–27 of the Circular shall be amended as:

- (c) “by either AESE and the Vendor, on the one hand, or the Purchaser, on the other hand, if the Disposal shall not have been consummated on or before 30 September 2021; provided, however, that the terminating party is not then in material breach of any representation,

warranty, covenant or other agreement contained herein which breach, either individually or in the aggregate, would result in, if occurring or continuing on the date of Closing, the failure of the Conditions of AESE and the Vendor, or the Conditions of the Purchaser, as the case may be, and subject to the requirements as set forth in the Stock Purchase Agreement, AESE and the Vendor will, on a joint and several basis, (i) as its sole recourse in connection with the termination of the Stock Purchase Agreement, reimburse to the Purchaser the Initial Payment and simultaneously pay to the Purchaser a fee in an amount equal to US\$3.45 million (equivalent to approximately HK\$26.74 million) (less, if applicable, any expense reimbursement previously paid) (the “**Tail Termination Fee**”) not later than two Business Days after the date on which AESE, if the Vendor, or one or more of its subsidiaries, consummates a Competing Proposal (1) prior to such termination of the Stock Purchase Agreement, a Competing Proposal shall have been made to AESE, the Vendor or any of their respective subsidiaries (or their respective representatives) and disclosed to stockholders of AESE, or a Competing Proposal shall have been made to the stockholders of AESE generally, or any person shall have publicly announced an intention (whether or not conditional) to make a Competing Proposal after the date of the Stock Purchase Agreement and before the date the Stock Purchase Agreement is terminated, (2) within 12 months after the date of such termination, AESE, the Vendor and/or any of their respective subsidiaries enters into a definitive agreement with respect to a Competing Proposal (or transaction that would have constituted a Competing Proposal if made prior to the termination of the Stock Purchase Agreement) or consummates a Competing Proposal (the “**Tail Transaction**”) and (3) such Tail Transaction is consummated, or (ii) as its sole recourse in connection with the termination of the Stock Purchase Agreement (but subject to its right to receive a Tail Termination Fee), reimburse to the Purchaser the Initial Payment simultaneously with the payment of the out-of-pocket transaction expenses incurred by the Purchaser, but subject to a maximum of US\$1 million (equivalent to approximately HK\$7.75 million), no later than two Business Days after receipt of supporting documentation evidencing such expenses, if (x) AESE and the Vendor shall have failed to obtain or receive, before the time of termination, the support agreements of the Disposal from certain stockholders of AESE duly executed, (y) AESE shall have failed to obtain the approval and adoption of the Stock Purchase Agreement by the affirmative vote or written consent of the stockholder(s) of AESE representing a majority (in voting power) of the outstanding shares of AESE and (z) the Purchaser is not in material breach of its representations, warranties, covenants or agreements hereunder at the time of such termination;”

- (d) by either AESE and the Vendor, on the one hand, or the Purchaser, on the other hand, (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein), if there shall have been a breach of any of the covenants or agreements or any of the representations or warranties set forth in the Stock Purchase Agreement on the part of Target Company, AESE or the Vendor, in the case of a termination of the Purchaser, or the Purchaser, in the case of a termination by AESE and Vendor, which breach, either individually or in the aggregate, would result in, if occurring or continuing on the date of Closing, the failure of the Conditions of AESE and the Vendor, or

the Conditions of the Purchaser, as the case may be, and which is not cured within 30 days following written notice to the party committing such breach or by its nature or timing cannot be cured within such time period, and (i) the Purchaser shall pay AESE, as the sole recourse of AESE and the Vendor in connection with termination of the Stock Purchase Agreement by AESE and the Vendor a fee in an amount equal to US\$10 million (equivalent to approximately HK\$77.52 million) (the “Purchaser Non-Performance Fee”) or (ii) AESE shall, as the sole recourse of the Purchaser in connection with the termination of the Amended Stock Purchase Agreement by the Purchaser, pay the Purchaser a fee in an amount equal to US\$3.45 million (equivalent to approximately HK\$26.74 million) (the “Vendor Non-Performance Fee”) and reimburse to the Purchaser the Initial Payment simultaneously with the payment of the Vendor Non-Performance Fee or the Purchaser Non-Performance Fee no later than two Business Days after the date on which the Stock Purchase Agreement is terminated by AESE and the Vendor or the Purchaser, as the case may be;

- (e) by the Purchaser, (i) at any time after the board of directors of AESE and the Vendor shall have effected an Adverse Recommendation Change prior to receipt of the consent from a sufficient number of AESE’s stockholders to approve and adopt the Stock Purchase Agreement, or (ii) in the event AESE and/or the Vendor shall have materially breached any of their obligation of no solicitation as required under the Stock Purchase Agreement and AESE and the Vendor, on a joint and several basis, will pay to the Purchaser, as its sole recourse in connection with termination of the Stock Purchase Agreement a fee in an amount equal to US\$3.45 million (equivalent to approximately HK\$26.74 million) and simultaneously reimburse to the Purchaser the Initial Payment no later than two Business Days after the date on which the Stock Purchase Agreement is terminated by the Purchaser;
- (f) by AESE and the Vendor, in the event that: (i) AESE or the Vendor shall have received a superior proposal, (ii) subject to the obligations of AESE and the Vendor under the Stock Purchase Agreement, the respective boards of directors of AESE and the Vendor or any authorized committees thereof shall have authorized AESE and the Vendor to enter into a definitive agreement to consummate the transaction contemplated by such superior proposal, and (iii) concurrently with the termination of the Stock Purchase Agreement, AESE and the Vendor pays, on a joint and several basis, to the Purchaser a fee in an amount equal to US\$3.45 million (equivalent to approximately HK\$26.74 million) and reimburse to the Purchaser the Initial Payment simultaneously and immediately prior to the time of and as a condition to termination by AESE and the Vendor, and AESE and the Vendor enter into the definitive agreement to consummate the transaction contemplated by such superior proposal;  
or

(g) by AESE and the Vendor, in the event that the Purchaser fails to pay the US\$6 million (equivalent to approximately HK\$46.51 million) portion of the Initial Payment as and when due and the Purchaser shall pay AESE, as the sole recourse of AESE and the Vendor in connection with the Termination of the Stock Purchase Agreement the Buyer Non-Performance Fee no later than two Business Days after the date on which the Stock Purchase Agreement was terminated by AESE and the Vendor.

(c) **Definitions**

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

“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

“Company Indebtedness” means as of the date of Closing, an amount equal to the sum of all outstanding guaranties and indebtedness for borrowed money owed to third parties (whether short- or long-term, whether or not due and payable, to the extent they are owed or guaranteed by the Target Group), including all unfunded severance payment obligations, payment obligations, bank debt and notes, and all fees, expenses or termination payments, or accumulated interest in connection therewith

“Consideration” US\$90.5 million (equivalent to approximately HK\$701.57 million) being the total consideration payable by the Purchaser as amended by the Amended Stock Purchase Agreement for the Disposal

“Stock Purchase Agreement” the stock purchase agreement dated 19 January 2021 (as amended and restated by the Amended Stock Purchase Agreement, and as amended, restated and supplemented from time to time) and entered into between the Vendor, the Purchaser, AESE and the Target Company in relation to the Disposal

(d) **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\$87.8 million (equivalent to approximately HK\$680.64 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\$4.39 million**) (equivalent to approximately **HK\$34.03 million**) for the repayment of existing debts;
- (ii) approximately 20% of the net proceeds (approximately **US\$17.56 million**) (equivalent to approximately **HK\$136.13 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\$26.34 million**) (equivalent to approximately **HK\$204.19 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\$26.34 million**) (equivalent to approximately **HK\$204.19 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\$13.17 million**) (equivalent to approximately **HK\$102.10 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 terms of the Amended Stock Purchase Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors still recommend the Shareholders to vote in favour of the relevant

resolutions to be proposed at the extraordinary general meeting of the Company to approve the Disposal and the transactions contemplated under the Stock Purchase Agreement (as amended by the Amended Stock Purchase Agreement).

## **EGM ARRANGEMENT**

As disclosed in the Circular and the notice of the EGM dated 10 March 2021 (the “**EGM Notice**”) in relation to the Disposal, the EGM will be held at 10:00 a.m. on Monday, 29 March 2021 at the Conference Room, 10/F, Tower B Fairmont, No. 1 Building, 33# Community, Guangshun North Street, Chaoyang District, Beijing, the PRC for the purpose of considering and, if thought fit, passing an ordinary resolution in relation to the Disposal.

In light of the supplemental information to the Disposal as set out in this announcement, as advised by the Cayman Islands legal adviser of the Company and in order to comply with the minimum notice period of 10 business days before the date of the relevant general meeting to consider the subject matter as required by Rule 13.73 of the Listing Rules, the EGM will still be convened at the scheduled time and venue on 29 March 2021 and the chairman of the EGM will, upon the commencement of the EGM on 29 March 2021, and with the consent of the EGM at which a quorum is present, adjourn the meeting to be re-convened at the Conference Room, 10/F, Tower B Fairmont, No. 1 Building, 33# Community, Guangshun North Street, Chaoyang District, Beijing, the PRC to a date to be proposed at the EGM (the “**Re-convened EGM**”).

## **NO SUPPLEMENTAL CIRCULAR**

Pursuant to the notes to Rule 13.73 of the Listing Rules, the Company, after assessing the scale of revisions and updating required and materiality of the supplemental information, considers that this announcement should suffice and no supplemental circular will be dispatched to the Shareholders on the supplemental information.

The revised notice (the “**Revised EGM Notice**”) for the convening of the Re-convened EGM will be notified to the Shareholders after the convening of the EGM on 29 March 2021 as scheduled. The Revised EGM Notice serves to clarify the change of the date of the EGM to consider, and if thought fit, to pass the resolution in relation to the Disposal. A revised form of proxy will also be dispatched to the Shareholders.

**As the Disposal is subject to the satisfaction or waiver of the Conditions as set out in the Stock Purchase Agreement (as amended by 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 Circular. Save as specified herein, the above supplemental information does not affect other information and contents set out in the Circular.**

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

Beijing, 23 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*