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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 NOTIFIABLE TRANSACTIONS — ACQUISITIONS OF THE ENTIRE EQUITY INTEREST IN NANJING HAORYUN, SHENZHEN XUNYOU AND XIAMEN YIWANTANG

Reference is made to the announcements (the “**Announcements**”) of Ourgame International Holdings Limited (the “**Company**”) dated 16 January 2018 in relation to, among other things, the acquisitions of (i) Nanjing Haoyun Meicheng Electronics Technology Co., Ltd. (“**Nanjing Haoyun**”) (the “**Nanjing Acquisition**”) (ii) Shenzhen Xunyou Internet Technology Co., Ltd. (“**Shenzhen Xunyou**”) (the “**Shenzhen Acquisition**”) and (iii) Xiamen Yiwantang Internet Technology Co., Ltd. (“**Xiamen Yiwantang**”) (the “**Xiamen Acquisition**”) (Nanjing Haoyun, Shenzhen Xunyou and Xiamen Yiwantang collectively, the “**Targets**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the respective Announcements.

The Company would like to provide the Shareholders and potential investors with additional information in respect of the Nanjing Acquisition, the Shenzhen Acquisition and the Xiamen Acquisition in this announcement.

THE NANJING ACQUISITION, THE SHENZHEN ACQUISITION AND THE XIAMEN ACQUISITION

Basis of Consideration

As disclosed in the paragraph headed “Basis of the Consideration” in the Announcements, the Consideration (including the adjustment) for each of the Nanjing Acquisition, Shenzhen Acquisition and Xiamen Acquisition was arrived at after arm’s length negotiations among Tianjin Shengyou Shidai, the Company, the Vendors, the Seller and the Seller Guarantor (as the case may be), taking into

account various factors, including valuation of the Targets, the professional experiences of the teams of the Targets, the development prospects of the Target Groups and the respective Performance Guarantee. The valuation of the Targets refers to the assessments conducted by the Company's internal business team, via comparable approach, in respect of the following:

- competitive advantages — (i) unlike most of the small-scale online games companies in China, the Targets have strong resources in promoting and operating their game products in their respective products coverage territory; (ii) the Targets develop and implement policies and procedures to govern daily operations of the company; and (iii) the Targets manage to build a strong research and development team and technical team to (x) develop and operate new mobile games to cope with the fast evolving changes in the regional markets, and (y) develop and update software programs regularly to fix security vulnerabilities and improve the performance of the mobile games;
- geographic coverage and market share — (i) Nanjing Haoyun currently operates approximately 20 to 30 China regional card and board games covering mainly Jiangsu, Zhejiang, Shanghai, Anhui, Guangdong and Hebei provinces in China; (ii) Shenzhen Xunyou since its establishment in March 2017 has obtained high market share in Hunan province in China; and (iii) Xiamen Yiwantang currently operates approximately 10 China regional card and board games covering mainly Fujian province in China with a market share of more than 70% of similar mobile games in Northern Fujian; and
- the Targets' existing operational statistics — total number of registered players, monthly active users, monthly paying users.

Since the Targets were carrying out research and development, testing and various roll-outs and updates of the games during initial business operations in 2017, the net profits of the Targets for 2017 do not reflect clearly their earnings potential. Towards the end of 2017, each of the Targets' earning potential has become more promising, which could be seen from their increasing market share, widening geographic coverage, as well as expanding product base in the different games being rolled out. Accordingly, the Company has determined the Consideration for each of the Nanjing Acquisition, Shenzhen Acquisition and Xiamen Acquisition after arm's length negotiations with the respective vendors based on its assessment of the relative competitive strengths of each of the Targets and their potential for future growth, as opposed to any single financial metric. Given the Company's core focus is card and board games, there is significant strategic value to enhancing its own game portfolio through the acquisition of the Targets, each of which operate leading games in relatively early stages of their life-cycles in their respective markets.

The Company also considered recent comparable transactions made by A-Share listed companies, the P/E multiples for which (based on 2018 earnings) ranged from approximately 8 times to 12 times. Although the basis for the Consideration for each of the Nanjing Acquisition, Shenzhen Acquisition and Xiamen Acquisition was not determined based on a projection of earnings, the Company nevertheless notes that if it was to use the profit guarantees as estimates of 2018 earnings, the Nanjing

Acquisition, the Shenzhen Acquisition and the Xiamen Acquisition would have P/E multiples of approximately 5.5 times, 5.0 times and 4.6 times, respectively, and are found to be lower than the range of the recent comparable transactions.

In view of the above, the Directors consider the respective Performance Guarantees for the Nanjing Acquisition, the Shenzhen Acquisition and the Xiamen Acquisition are fair and reasonable. Also taking into account of the Performance Guarantee (being a risk allocation mechanism to provide downside protection to the Company and its Shareholders as a whole) and the Targets' prospects, the Directors consider that the Consideration under each of the Nanjing Acquisition, Shenzhen Acquisition and Xiamen Acquisition is fair and reasonable.

Adjustment to the Consideration

Further to the disclosure in the paragraph headed "Adjustment to the Consideration" in the Announcements, in the event that the Adjusted Second Instalment Consideration Shares are insufficient to compensate the 2018 Shortfall, the remaining balance of such 2018 Shortfall shall be compensated by the Vendors, Seller and Seller Guarantor (as the case may be) in cash only, from the First Instalment Cash Consideration and the proceeds from the sale of the First Instalment Consideration Shares (i.e. none of the First Instalment Consideration Shares will be returned to the Company directly).

In addition, the Company will immediately upon the receipt of audited 2018 and 2019 financials of the Targets and in the event that 2018 Shortfall and 2019 Shortfall occurs, send a written request for the compensation of such shortfall to the Vendors, Seller and Seller Guarantor (as the case may be) with the deadline for the payment of the compensation. Pursuant to the terms of the respective Share Transfer Agreements, if the Vendors, Seller and Seller Guarantor (as the case may be) fail to pay the compensation after receiving the Company's request for compensation, a 0.1% penalty per day will become payable.

As the Completion for each of the Nanjing Acquisition, Shenzhen Acquisition and Xiamen Acquisition is subject to the satisfaction of certain conditions precedent set out in their respective Share Transfer Agreements, the Nanjing Acquisition, the Shenzhen Acquisition and the Xiamen Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

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

Beijing, 30 January 2018

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

* *For identification purpose only*