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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 IN RELATION TO THE ISSUE OF CONVERTIBLE NOTES

Reference is made to the following announcements of Ourgame International Holdings Limited (the “**Company**”): (i) the announcement dated 20 May 2019 (the “**2019 Announcement**”) in relation to the issue of Convertible Notes in the aggregate principal amount of up to US\$4 million by Noble Link (the “**2019 Convertible Debts**”); (ii) the announcement dated 15 October 2018 (the “**2018 Announcement**”) in relation to the issue of convertible notes in the aggregate principal amount up to US\$10 million by the Company (the “**2018 Convertible Debts**”) and (iii) the announcement dated 24 December 2018 in relation to, among other things, the Merger (the “**Merger Announcement**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the 2019 Announcement.

The Board wishes to clarify that the Convertible Notes are not convertible into shares of Allied Esports. Instead, the Subscribers shall have an option, exercisable during the Conversion Period, to convert or exchange (as the case may be), all, but not less than all, of the remaining unpaid principal amount of their Convertible Notes (but not any accrued interest), into a number of shares of new BR Common Stock to be issued by Black Ridge equal to (i) the principal amount of the relevant Convertible Note, *divided by* (ii) US\$8.50 (the “**Conversion Price**”).

In light of the entry into of the Merger Agreement subsequent to the 2018 Announcement, and in order to give the holders of the Prior Notes the same conversion and repayment options the holders of the Convertible Notes have, the relevant parties have agreed to amend the terms of the Prior Notes such that if the holders of the Prior Notes elect to exercise their conversion rights, such conversion rights must be exercised during the Conversion Period (which is the period beginning on the closing date of the Merger and ending on the date that is three months after the closing date of the Merger), and that

upon conversion, the holders of the Prior Notes will receive shares of BR Common Stock transferred to them from the shares of BR Common Stock held by the Company. As a result, both the Prior Notes and the Convertible Notes can only be converted into BR Common Stock during the Conversion Period.

BR Common Stock issued to the holders of the Prior Notes under the terms of the Prior Notes will also be subject to restrictions on transfer for a one-year period after the closing of the Merger.

In addition to the BR Common Stock, upon completion of the Merger, both the Subscribers and the holders of the Prior Notes will be entitled to certain warrants to purchase BR Common Stock exercisable any time at an exercise price per share of US\$11.50 (“**BR Warrants**”) and additional BR Common Stock subject to the fulfillment of certain conditions (“**Contingent Shares**”) pursuant to the terms of the Convertible Notes and the Prior Notes, respectively. Specifically, upon completion of the Merger, the Subscribers and the holders of the Prior Notes, respectively, shall be entitled to (i) BR Warrants equal to the product of 3,800,003 BR Warrants multiplied by the purchase price of the Convertible Notes or the Prior Notes (as the case may be) divided by US\$100,000,000 and (ii) Contingent Shares equal to the product of 3,846,153 Contingent Shares multiplied by the purchase price of the Convertible Notes or the Prior Notes (as the case may be) divided by US\$100,000,000. The Board wishes to clarify that the holders of the Prior Notes will receive the BR Warrants and Contingent Shares transferred to them from the BR Warrants and Contingent Shares held by the Company while the Subscribers will receive the BR Warrants and Contingent Shares directly issued to them by Black Ridge. A detailed breakdown of the amount of BR Common Stock, BR Warrants and Contingent Shares (assuming all conditions for issuance of the Contingent Shares have been met) to be issued to the holders of the Prior Notes and the Subscribers is set out below:

	<b>BR Common Stock</b>	<b>BR Warrants</b>	<b>Contingent Shares</b>
Holders of the Prior Notes	1,160,275	380,000	384,615
Subscribers	470,588	152,000	153,846
Total	1,630,863	532,000	538,461

Pursuant to the terms and conditions of the Merger Agreement, the Company had obtained the prior written consent of Black Ridge to approve the Company’s entering into the Purchase Agreement and the transactions contemplated thereunder. As such, despite not being a party to the Purchase Agreement, Black Ridge has approved the issue of the BR Common Stock, BR Warrants and Contingent Shares in accordance with the terms stated above.

The Board is of the view that the terms of the Convertible Notes and the Conversion Price were determined under normal commercial terms and are fair and reasonable, taking into account the following factors:

- The business operations of Allied Esports and its subsidiaries remain loss-making and therefore require ongoing financing for their operations. As noted in the Company’s announcement dated 1 April 2019, the Merger and the Proposed Spin-off remain subject to a number of conditions

precedent and therefore may or may not proceed, and it is important that the underlying businesses have sufficient funding to support their ongoing development irrespective of whether the Merger and Proposed Spin-off are consummated or not. It would be contrary to the best interests of the Company and its shareholders to consider financing only after knowing that the Merger and the Proposed Spin-off will not proceed, as it may take a longer amount of time to obtain alternate financing than the Disposal Group's remaining cash flows allow and may or may not be successful.

- The Company considered other financing options including bank loans and bringing in third party investors but concluded that none of them were feasible or in the interests of the Shareholders compared to the terms under the Convertible Notes.
- The terms of the Convertible Notes are in large part driven by holders of the Prior Notes and the Conversion Price reflects the same conversion price as that of the Prior Notes, reflecting an approximately 15% discount to the share price of Black Ridge. As disclosed in the 2018 Announcement, the assets of Allied Esports were pledged as security for the issuance of the Prior Notes. The Disposal Group does not possess any further assets to pledge in order to raise new financing and therefore by necessity required the subscribers of the Prior Notes to agree- to extend the security they hold to any new financing. Two of the subscribers of the Convertible Notes, namely Mr. Martin Weigold and Mr. Norbert Teufelberger, were also subscribers of the Prior Notes and were the lead investors in the Convertible Notes and led the negotiation process. Given the inability of the Company to provide any new collateral to obtain new financing, these two subscribers were only willing to extend the security provided under the Prior Notes if the terms of the Convertible Notes were substantially the same as the Prior Notes. The same conversion price as that of the Prior Notes ensures that the Convertible Notes and the Prior Notes rank *pari passu* to each other in order for the relevant parties to agree to grant or extend the security/share pledge/guaranty under the terms of the Convertible Notes and to align the conversion and repayment options of the holders of the Prior Notes and the Convertible Notes.
- Upon completion of the Merger and the Proposed Spin-off, the Convertible Notes will be paid by Black Ridge (and not the Company) either by way of cash or issuance of new BR Common Stock (if the holders of the Convertible Notes exercise their conversion rights). Issuing the Convertible Notes at this point is in the interest of the Company and its shareholders as a whole given that the Company can satisfy the funding requirement for the business operation of the Disposal Group on one hand and ensuring that the repayment obligations are taken by Black Ridge upon completion of the Merger and the Proposed Spin-off on the other.
- Although the current trading price of common stock of Black Ridge on the date of this announcement is US\$10.30, it should be noted that as a blank check company there is extremely limited liquidity in the shares of Black Ridge and, more importantly, that if the subscribers exercise their conversion rights under the Prior Notes, only the principal amount but not any accrued interest of the Prior Notes will be converted into BR Common Stock. As such, by way of illustration, given the Prior Notes were entered into in October 2018, assuming the Merger was completed by the end of June 2019 and given that the Conversion Period is the period beginning on the closing date of the Merger and the date that is three months after the closing date of the

Merger, approximately 9 to 12 months would have elapsed between the issuance date of the Prior Notes to the date of conversion, and the holder would have foregone all the accrued interest during this period on conversion as only the principal amount (and not the accrued interest) is entitled to be converted into BR Common Stock. In this scenario, the Conversion Price would only represent a theoretical discount to the current market price of Black Ridge of approximately 6% (based on a 9-month holding period) or 3% (based on a 12-month period), respectively. The discount is reasonable and justifiable to attract subscribers to subscribe for the Convertible Notes, the proceeds from which are essential to maintain the business operations of Allied Esports and its subsidiaries, and without which Allied Esports would have to explore other sources of interim financing, which may be time consuming to obtain, if at all, and/or with higher costs that may not be justifiable for Allied Esports.

Reference is made to the shareholding table set out under the paragraph headed “Information of Black Ridge and Merger Sub” of the Merger Announcement. Upon completion of the Merger, assuming 1) full conversion of the Prior Notes and the Convertible Notes; and 2) completion of the Share Issuance (as defined under the Merger Announcement) and there being no other change in the number of issued shares of Black Ridge until the date of such conversion, the shareholding structure of Black Ridge will be as follows:

<b>Shareholders</b>	<b>Number of BR Common Stock</b>	<b>Approximate percentage of total issued share capital</b>
Primo Vital	8,342,368	26.74%
AES Minority Shareholders ( <i>note</i> )	2,100,111	6.73%
Holders of the Prior Notes	1,160,275	3.72%
Holders of the Convertible Notes	470,588	1.51%
Other shareholders of Black Ridge	<u>19,119,500</u>	<u>61.30%</u>
<b>Total</b>	<u><u>31,192,842</u></u>	<u><u>100%</u></u>

*Note:* This excludes the number of shares to be held by the holders of the Prior Notes and the Convertible Notes on conversion.

Primo Vital is a wholly-owned subsidiary of the Company as at the date of the 2019 Announcement.

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

Beijing, 17 June 2019

*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 Dr. Tyen Kan Hee Anthony as independent non-executive Directors.*

*\* For identification purpose only*