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LEYOU TECHNOLOGIES HOLDINGS LIMITED

樂遊科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1089)

INSIDE INFORMATION

POSSIBLE VERY SUBSTANTIAL ACQUISITION

POSSIBLE INVESTMENT IN A RENOWNED JAPANESE VIDEO GAME DEVELOPER

This announcement is made by Leyou Technologies Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

POSSIBLE INVESTMENT IN A RENOWNED JAPANESE VIDEO GAME DEVELOPER

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 31 March 2015 (after trading hours), the Company and Ledo Millennium Co., Ltd. (“**Ledo Millennium**”) have entered into a term sheet (the “**Term Sheet**”), pursuant to which the Company intends to subscribe for shares of Ledo Millennium which would effectively result in the Company acquiring 100% of Ledo Millennium’s equity interest, and Ledo Millennium has simultaneously entered into a separate term sheet with a renowned Japanese video game developer (the “**Target Company**”) under which Ledo Millennium shall acquire the controlling stake of the total share capital of the Target Company (“**Possible Investment**”), subject to due diligence and execution of definitive agreements between the parties. If materialized, the Possible Investment will result in the Company indirectly acquiring a controlling interest in the Target Company.

Other than customary provisions such as confidentiality, the Term Sheet is non-legally binding. Nevertheless, pursuant to the Term Sheet, upon signing of the Term Sheet, the Company is required to pay a non-refundable deposit in the amount of US\$2 million, which the Company intends to pay within five working days from the date of this announcement.

As of the date hereof, in relation to the Possible Investment, the Company and Ledo Millennium have not yet entered into any legally binding definitive agreement. From the date of the Term Sheet until 30 June 2015, Ledo Millennium and its existing shareholder agree not to solicit offers from any other parties for any financing and asset or share transfers of Ledo Millennium without the consent of the Company.

REASONS FOR THE POSSIBLE INVESTMENT

The Target Company is principally engaged in the business of video game development on mobile, console and PC platforms worldwide.

The Board believes the Possible Investment will allow the Company to expand to the new business of operation of mobile video games and potentially broaden its revenue stream. Furthermore, the Board considers the high growth of mobile video game users will also be a new customer source for the Group's strategic initiative of expanding into the video game market and will provide synergistic opportunities with the impending acquisition of Digital Extremes. The Directors are of the view that the terms of the term sheet are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The payment of the non-refundable deposit of US\$2 million under the Term Sheet does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As of the date hereof, the exact amount of the Possible Investment has not been finalized. However, based on currently available information, it is expected that, if materialized, the Possible Investment will constitute a very substantial acquisition under the Listing Rules. The Company will comply with the then applicable Listing Rules requirements upon entering into any definitive agreement in respect of the Possible Investment.

INFORMATION ABOUT LEDO MILLENNIUM

Ledo Millennium, a company incorporated under the laws of the British Virgin Islands, is a wholly owned subsidiary of BZ Entertainment Co., Ltd., a company incorporated under the laws of the British Virgin Islands. BZ Entertainment Co., Ltd. is an investment holding company.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a historically distinguished video game hardware and software company with headquarters in Osaka, Japan. The Target Company primarily operates as a third party video game developer and publisher on all major platforms including arcade, PS2, PS3, XBOX 360, Wii and PC. Classic franchise games published or owned by the Target Company include, but is not limited to, the genre of fighting games, run and gun games, and a rail shooter arcade game. The Target Company is most notable for creating a video game platform in the form of home game console in the 1990s. Their most popular and successful console was a portable handheld machine with coloured graphics launched in 1999.

Its successful track record in producing hit games and the fact that it had previously cooperated with Capcom to make hit fighting games, leaves no doubt that the Target Company is one of the most celebrated video game developers in Japanese history.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Ledo Millennium, the Target Company and their respective beneficial owners are third parties independent of the Company and its connected persons.

As the Possible Investment may or may not proceed, shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

On behalf of the Board
Leyou Technologies Holdings Limited
Yeung Chun Wai, Anthony
Vice Chairman

Hong Kong, 31 March 2015

As at the date of this announcement, the Board comprises Mr. Lin Qinglin, Mr. Yeung Chun Wai, Anthony, Ms. Wai Ching Sum, Mr. Wu Shiming and Mr. Yin Shouhong as executive directors, and Mr. Hu Chung Ming, Mr. Chau On Ta Yuen and Mr. Chan Fong Kong, Francis as independent non-executive directors of the Company.