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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)

PROFIT WARNING

This announcement is made by Leyou Technologies Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited financial information of the Group for the six months ended 30 June 2017 (the “**Half-Year**”), the Group is expected to record a significant decrease in net profit as compared to that of the corresponding period in 2016 of HK\$39.3 million. Such reduction in profit for the Half-Year was preliminary attributable to the following reasons:

- (i) an increase in selling expenses as more promotional activities for computer and video games had been spent;
- (ii) an increase in administrative expenses arose from the legal and professional fees spent on the acquisition by Radius Maxima Limited, an indirectly hold subsidiary of the Company, of the entire issued share capital of Splash Damage Limited, Fireteam Limited and Warchest Limited from Paul Wedgwood. Such acquisition was approved on 9 March 2017 by the shareholders of the Company. Further details of the said transaction were set out in the announcement dated 3 July 2016, 29 July 2016, 5 August 2016, 29 August 2016, 26 September 2016, 22 February 2017, 30 March 2017, and 31 March 2017, and the circular of the Company dated 22 February 2017. As such transaction has been completed on 31 March 2017, no such legal and professional fees will be incurred in the second half of 2017; and

- (iii) the increase in finance cost arising from the issue of a fixed coupon redeemable bond at principal amount of approximately RMB291,484,000 (equivalent to US\$42 million) on 6 May 2016, the Group has to bear interest for six-month period during Half-Year, whereas the Group bore interest for approximately 2-month period for the corresponding period in 2016.

The Group is still in the process of finalizing its consolidated interim results for the Half-Year. As such, this announcement is made solely on the basis of a preliminary assessment by the Board with reference to the information currently available to it, including the unaudited management accounts of the Group available for the time being which have not been reviewed by the Company's auditors, nor confirmed or reviewed by the audit committee of the Board. The Group's interim results for the Half-Year are expected to be announced on 30 August 2017 in compliance with the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Leyou Technologies Holdings Limited
Xu Yiran
Executive Director

Hong Kong, 18 August 2017

As at the date of this announcement, the Board comprises Mr. Lin Qinglin, Mr. Xu Yiran, Mr. Wu Shiming and Mr. Gu Zhenghao as executive Directors, Mr. Eric Todd as non-executive Director, and Mr. Hu Chung Ming, Mr. Chan Chi Yuen and Mr. Kwan Ngai Kit as independent non-executive Directors.