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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)**

**CLARIFICATION ANNOUNCEMENT  
AND  
RESIGNATION OF DIRECTORS,  
APPOINTMENT OF DIRECTORS,  
CHANGE OF CHAIRMAN, COMPANY SECRETARY AND  
AUTHORISED REPRESENTATIVES AND CHANGE IN  
COMPOSITION OF REMUNERATION COMMITTEE,  
NOMINATION COMMITTEE AND AUDIT COMMITTEE**

**CLARIFICATION**

Reference is made to the announcement of the unaudited condensed interim consolidated financial results of Leyou Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) and its subsidiaries for the six months ended 30 June 2017 published by the Company on 30 August 2017 (the “**Announcement**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company would like to clarify that page 36 of the Announcement should read as follows:

## **‘AUDIT COMMITTEE**

*The unaudited consolidated results for the six months ended 30 June 2017 has been reviewed by the Audit Committee which comprises Mr. Hu Chung Ming and Mr. Chan Chi Yuen, all being independent non-executive Directors.*

## **INTERIM DIVIDEND**

*The Board has resolved not to declare payment of any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).*

*By order of the Board  
Leyou Technologies Holdings Limited  
Mr. Xu Yiran  
Chief Executive Officer*

*Hong Kong, 30 August 2017*

*As at the date of this announcement, the executive Directors are Mr. Lin Qinglin, Mr. Wu Shiming and Mr. Gu Zhenghao; the non-executive Director is Mr. Eric Todd and the independent non-executive Directors are Mr. Hu Chung Ming and Mr. Chan Chi Yuen.’*

Save as disclosed above, all other information contained in the Announcement remains unchanged.

## **RESIGNATION OF DIRECTORS, APPOINTMENT OF DIRECTORS, CHANGE OF CHAIRMAN, COMPANY SECRETARY AND AUTHORISED REPRESENTATIVES AND CHANGE IN COMPOSITION OF REMUNERATION COMMITTEE, NOMINATION COMMITTEE AND AUDIT COMMITTEE**

The Board announces that with effect from 5 September 2017:-

1. Mr. Lin Qinglin (“**Mr. Lin**”) resigned as executive Director and the chairman of the Board (the “**Chairman**”) in order to pursue his personal endeavours and also ceased to be the chairman of the nomination committee (the “**Nomination Committee**”) and a member of the remuneration committee (the “**Remuneration Committee**”) of the Company;
2. Mr. Wu Shiming (“**Mr. Wu**”) resigned as executive Director in order to pursue his personal endeavours and also ceased to act as an authorised representative of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”);
3. Mr. Xu Yiran (“**Mr. Xu**”) has been re-appointed as an executive Director. In addition, he has also been appointed as the Chairman, the chairman of the Nomination Committee, a member of the Remuneration Committee and an authorised representative of the Company under the Listing Rules;

4. Mr. Cao Bo (“**Mr. Cao**”) has been appointed as an executive Director;
5. Mr. Li Zhigang (“**Mr. Li**”) has been appointed as a non-executive Director;
6. Mr. Cheng Chi Ming Brian (“**Mr. Cheng**”) has been appointed as a non-executive Director;
7. Mr. Kwan Ngai Kit (“**Mr. Kwan**”) has been re-appointed as an independent non-executive Director and a member of the audit committee (the “**Audit Committee**”) of the Company;
8. Mr. Yau Yan Ming Raymond (“**Mr. Yau**”) resigned as company secretary of the Company and also ceased to act as an authorised representative of the Company under the Listing Rules and the agent of the Company for the acceptance of service of process in Hong Kong under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”); and
9. Mr. Chan Siu Tak (“**Mr. Chan**”) has been appointed as company secretary and an authorised representative of the Company under the Listing Rules and the agent of the Company for the acceptance of service of process in Hong Kong under the Companies Ordinance.

Each of Mr. Lin, Mr. Wu and Mr. Yau has confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The biographical details of Mr. Xu, Mr. Cao, Mr. Li, Mr. Cheng, Mr. Kwan and Mr. Chan are set out below:

#### **CHAIRMAN AND EXECUTIVE DIRECTOR**

**Mr. Xu Yiran**, aged 46, was appointed as an executive Director and Chief Executive Officer of the Company on 30 June 2017. His term of appointment as an executive Director ended on 25 August 2017 and he has been re-appointed as an executive Director on the date of this announcement. In addition, he has been appointed as the Chairman, the chairman of the Nomination Committee, a member of the Remuneration Committee and an authorised representative of the Company under the Listing Rules. He graduated from Tsinghua University in the People’s Republic of China with a Bachelor’s degree in automation in 1996. He obtained a Master’s degree in Precision Instruments and Mechanology from Tsinghua University and a Master of Business Administration in Finance from the Chinese University of Hong Kong in 1999 and 2007 respectively. Mr. Xu has over 20 years of experience in the gaming industry. Mr. Xu served as Game Director at Sohu Inc (NASDAQ: SOHU) from 2003 to 2005, Investment Director at Giant from 2008 to 2010. Mr. Xu served as Senior Vice President and Chief Business Officer at Perfect World Co., Ltd. (NASDAQ: PWRD) from 2010 to 2015 and president of game business at Qihoo 360 Technology Co., Ltd. from 2015 to 2017 respectively. He is currently an independent non-executive director of SNK Corporation.

Mr. Xu has not held any directorship in any other listed companies during the past three years. Save as disclosed above, he does not hold any other position in the Group. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

Mr. Xu has entered into a service agreement with the Company for a term of 3 years commencing from 5 September 2017. He is subject to re-election at the following general meeting of the Company after his appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company. Mr. Xu is entitled to a remuneration of HK\$400,000 per month and a discretionary bonus to be determined by the Board, which has been determined by the Remuneration Committee with reference to the experience and responsibilities of Mr. Xu and the prevailing market conditions and is subject to review from time to time.

Save as disclosed above, there is neither any further information required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matter that needs to be brought to the attention of the shareholders of the Company.

## **EXECUTIVE DIRECTOR**

**Mr. Cao Bo**, aged 31, graduated from The University of Bath with a Bachelor’s degree in Science in Mathematical Sciences with first-class honours in June 2008 and obtained a Master’s degree of Science in Mathematical and Computational Finance from The University of Oxford in October 2009. He served as the trust manager of the trust business division of China Credit Trust Co., Ltd. from August 2009 to January 2017. He has been serving as the managing director of the Trust Investment Department of Zhongrong International Trust Co., Ltd since January 2017.

Mr. Cao has not held any directorship in any other listed companies during the past three years and does not hold any other position in the Group. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Cao has entered into a service agreement with the Company for a term of 3 years commencing from 5 September 2017. He is subject to re-election at the following general meeting of the Company after his appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company. Mr. Cao is entitled to a director's remuneration of HK\$40,000 per month, which has been determined by the Remuneration Committee with reference to the experience and responsibilities of Mr. Cao and the prevailing market conditions and is subject to review from time to time.

Save as disclosed above, there is neither any further information required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matter that needs to be brought to the attention of the shareholders of the Company.

## NON-EXECUTIVE DIRECTORS

**Mr. Li Zhigang**, aged 45, graduated from Capital University of Economics and Business with a Diploma in Foreign Accounting in 1996. Mr. Li served as the branch deputy governor of the management department of Beijing and the deputy general manager of the northern regional risk management center of the energy finance division of China Minsheng Bank from July 2004 to June 2015. He is currently the administration director of Zhongrong International Trust Co., Ltd. and a director of Zhongnan Red Culture Group Co., Ltd. (中南紅文化集團股份有限公司) (stock code: 002445; a company listed on the Shenzhen Stock Exchange).

Save as disclosed above, Mr. Li has not held any directorship in any other listed companies during the past three years and does not hold any other position in the Group. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Li has entered into a service agreement with the Company for a term of 3 years commencing from 5 September 2017. He is subject to re-election at the following general meeting of the Company after his appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company. Mr. Li is entitled to a director's remuneration of HK\$28,000 per month, which has been determined by the Board with reference to the recommendation of the Remuneration Committee, the experience and responsibilities of Mr. Li and the prevailing market conditions and is subject to review from time to time.

Save as disclosed above, there is neither any further information required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matter that needs to be brought to the attention of the shareholders of the Company.

**Mr. Cheng Chi Ming Brian**, aged 34, holds a Bachelor's degree in Science from Babson College in Massachusetts, USA. Mr. Cheng was a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets. He is currently an executive director of NWS Holdings Limited (stock code: 659), the chairman and a non-executive director of Integrated Waste Solutions Group Holdings Limited (stock code: 923) and a non-executive director of each of Haitong International Securities Group Limited (stock code: 665), Wai Kee Holdings Limited (stock code: 610) and Beijing Capital International Airport Co., Ltd. (stock code: 694), all of which are listed on the main board of the Stock Exchange. He is also a director of SUEZ NWS Limited and a number of companies in Mainland China. Mr. Cheng was a non-executive director of Newton Resources Ltd (stock code: 1231; a company listed on the main board of the Stock Exchange) (resigned on 23 January 2017) and a non-executive director of Tharisa plc, whose shares are listed on the Johannesburg Stock Exchange Limited and the London Stock Exchange plc. (retired on 1 February 2017).

Save as disclosed above, Mr. Cheng has not held any directorship in any other listed companies during the past three years and does not hold any other position in the Group. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Cheng has entered into a service agreement with the Company for a term of 3 years commencing from 5 September 2017. He is subject to re-election at the following general meeting of the Company after his appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company. Mr. Cheng is entitled to a director's remuneration of HK\$28,000 per month, which has been determined by the Board with reference to the recommendation of the Remuneration Committee, the experience and responsibilities of Mr. Cheng and the prevailing market conditions and is subject to review from time to time.

Save as disclosed above, there is neither any further information required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matter that needs to be brought to the attention of the shareholders of the Company.

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Kwan Ngai Kit**, aged 37, was appointed as an independent non-executive Director and a member of the Audit Committee on 5 July 2017. His term of appointment ended on 25 August 2017 and has been re-appointed as an independent non-executive Director and a member of the Audit Committee on the date of this announcement. He has been the chief financial officer and the company secretary of Modern Dental Group Limited (stock code: 3600) since 26 October 2016, and is responsible for corporate finance, merger and acquisition matters, financial and accounting management, investor relations, corporate governance as well as compliance affairs. Mr. Kwan was an executive director of Vision Fame International Holding Limited (stock code: 1315) from February 2015 to October 2016, where he also served as chief financial officer and company secretary from June 2014 to October 2016. Prior to March 2014, he worked as a senior manager in both the assurance department and the professional practice department of Ernst & Young during which he acquired extensive capital market transaction experience. He has been an independent non-executive director of Group Sense (International) Limited (stock code: 601) since 6 June 2016 and Lai Group Holding Company Limited (stock code: 8455) since 24 March 2017 respectively. Mr. Kwan is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwan obtained a master's degree in business administration from The Chinese University of Hong Kong in November 2014 and a bachelor's degree from The Hong Kong Polytechnic University in November 2002.

Save as disclosed above, Mr. Kwan has not held any directorship in any other listed companies during the past three years and does not hold any other position in the Group. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Kwan has entered into an appointment letter with the Company for a term of 3 years commencing from 5 September 2017. He is subject to re-election at the following general meeting of the Company after his appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company. Mr. Kwan is entitled to a director's remuneration of HK\$10,000 per month, which has been determined by the Board with reference to the recommendation of the Remuneration Committee, the experience and responsibilities of Mr. Kwan and the prevailing market conditions and is subject to review from time to time.

Mr. Kwan has confirmed that he meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

Save as disclosed above, there is neither any further information required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matter that needs to be brought to the attention of the shareholders of the Company.

### **COMPANY SECRETARY**

**Mr. Chan Siu Tak**, aged 39, has been the financial controller of the Company since July 2017. Mr. Chan is an associate of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators, and also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan graduated from the Hong Kong Polytechnic University with a bachelor's degree in Accountancy. Mr. Chan has over 17 years of experience in accounting and financial management, audit, corporate governance and company secretarial matters. Prior to joining the Company, Mr. Chan worked for another listed company in Hong Kong and an international accounting firm.

### **NON-COMPLIANCE WITH RULES 3.10(1) AND 3.21 OF THE LISTING RULES**

The Board noted that as a result of the cessation of Mr. Kwan's appointment on 25 August 2017, the Company only had two independent non-executive Directors, and the number of independent non-executive Directors fell below the minimum number of independent non-executive directors required under Rule 3.10(1) of the Listing Rules. In addition, following the said cessation of appointment, the number of members of the Audit Committee fell below the minimum required under Rule 3.21 of the Listing Rules.

As at the date of this announcement, following the re-appointment of Mr. Kwan as an independent non-executive Director and a member of the Audit Committee, the Company has re-complied with the requirements under Rules 3.10(1) and 3.21 of the Listing Rules.

### **DEVIATION FROM THE CORPORATE GOVERNANCE CODE**

Code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to Listing Rules stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Xu performs the dual roles of both Chairman and Chief Executive Officer of the Company with effect from the date of this announcement. In light of the rapid development of the Group, the Board believes that by vesting the roles of both chairman and chief executive officer in the same person, the Group can enjoy consistent leadership which in turn facilitates strategic planning and prompt and effective execution of business plans. In addition, under the current composition of the Board, namely three executive Directors, three non-executive Directors and three independent non-executive Directors, we believe that the interests of shareholders of the Company are adequately and fairly represented. The Board considers that the present corporate governance arrangement does not impair the balance of power and authority within the Group.

## **RE-ELECTION OF DIRECTORS**

Pursuant to the Articles of Association of the Company, a Director appointed by the Board to fill a casual vacancy on the Board shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting.

As mentioned above, Mr. Xu and Mr. Kwan were appointed on 30 June 2017 and 5 July 2017 respectively. On 25 August 2017, the Company held an extraordinary general meeting to consider and approve the adoption of a new share option scheme. Inadvertently, the Company omitted to propose the re-election of the two Directors at the said general meeting and consequently they ceased to be Directors after the meeting until their re-appointment on the date of this announcement.

As the re-appointed and newly appointed Directors together make up the majority of the Board, the Company will convene an extraordinary general meeting to consider and, if thought fit, re-elect the re-appointed and newly appointed Directors.

A circular containing, among other things, details of the Directors to be re-elected and notice of the extraordinary general meeting, will be dispatched to shareholders of the Company as soon as practicable.

The Board would like to extend its appreciation to Mr. Lin, Mr. Wu and Mr. Yau for their contribution during their tenure of office in the Company, and also welcome Mr. Cao, Mr. Li and Mr. Cheng for joining the Company and Mr. Xu, Mr. Kwan and Mr. Chan for their appointment.

By order of the Board  
**Leyou Technologies Holdings Limited**  
**Xu Yiran**  
*Chairman and Chief Executive Officer*

Hong Kong, 5 September 2017

*As at the date of this announcement, the Board comprises Mr. Xu Yiran (Chairman and Chief Executive Officer), Mr. Gu Zhenghao and Mr. Cao Bo as executive Directors, Mr. Eric Todd, Mr. Li Zhigang and Mr. Cheng Chi Ming Brian as non-executive Directors, and Mr. Hu Chung Ming, Mr. Chan Chi Yuen and Mr. Kwan Ngai Kit as independent non-executive Directors.*