

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and is not intended to and does not constitute, or form part of, any offer to purchase or subscribe for or an invitation to purchase or subscribe for any securities of the Offeror or the Company or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. This announcement is not for release, publication or distribution in or into any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

IMAGE FRAME INVESTMENT (HK) LIMITED

(Incorporated in Hong Kong with limited liability)



LE YOU

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)

JOINT ANNOUNCEMENT

**(1) PROPOSED TAKE PRIVATE OF
LEYOU TECHNOLOGIES HOLDINGS LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES LAW
(2) PROPOSED WITHDRAWAL OF LISTING OF
LEYOU TECHNOLOGIES HOLDINGS LIMITED
(3) RESULTS OF THE COURT MEETING AND THE EGM
AND
(4) CLOSURE OF REGISTER OF MEMBERS**

Financial Adviser to the Offeror

BofA SECURITIES 

Financial Adviser to the Company

MOELIS & COMPANY

Independent Financial Adviser to the Independent Board Committee



Optima Capital Limited

RESULTS OF THE COURT MEETING AND EGM

The Court Meeting

At the Court Meeting held on Friday, 11 December 2020, the resolution to approve the Scheme was approved by the Shareholders (comprising the Disinterested Shareholders) present and voting either in person or by proxy at the Court Meeting.

The EGM

At the EGM held on Friday, 11 December 2020, (i) the special resolution to approve the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares for the purpose of giving effect to the Scheme between the Company and the Scheme Shareholders was approved; and (ii) the ordinary resolution to approve the increase in the issued share capital of the Company to its former amount, and authorise any one of the Directors to do all acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme and to apply to the Stock Exchange for the withdrawal of the listing of the Shares was approved, in each case by the Shareholders present and voting either in person or by proxy at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Friday, 18 December 2020 onwards. No transfer of Shares will be effected as from such date.

Reference is made to the scheme document dated 11 November 2020 jointly issued by Image Frame Investment (HK) Limited (the “**Offeror**”) and Leyou Technologies Holdings Limited (the “**Company**”) in relation to, among other things, the proposed take private of the Company by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Law, the proposed withdrawal of listing of the Company and the Option Offer (the “**Scheme Document**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 11 December 2020 at 10:00 a.m. Disinterested Shareholders who were present either in person or by proxy were entitled to vote in respect of all of their Shares.

In compliance with both Section 86 of the Companies Law and Rule 2.10 of the Takeovers Code, the approval required to be obtained in respect of the Scheme at the Court Meeting would be regarded as obtained if:

- (i) the Scheme was approved (by way of poll) by a majority in number of the Shareholders representing not less than 75% in value of the Shares held by the Shareholders, present and voting, either in person or by proxy at the Court Meeting;
- (ii) the Scheme was approved (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Shares held by the Disinterested Shareholders that are voted, either in person or by proxy, at the Court Meeting; and
- (iii) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting, either in person or by proxy, at the Court Meeting against the resolution to approve the Scheme at the Court Meeting was not more than 10% of the votes attaching to all Shares held by all the Disinterested Shareholders.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

	Numbers of votes (approximate %)		
	Total	For	Against
Number of the Shareholders who attended and voted in person or by proxy	87 (100%) <i>(Note)</i>	85 (97.70%)	2 (2.30%)
Number of the Disinterested Shareholders who attended and voted in person or by proxy	87 (100%) <i>(Note)</i>	85 (97.70%)	2 (2.30%)
Number of Shares held by the Shareholders who were present and voting in person or by proxy	2,636,343,866 (100%)	2,636,338,846 (99.99%)	5,020 (0.01%)
Number of Shares held by the Disinterested Shareholders who were present and voting in person or by proxy	2,636,343,866 (100%)	2,636,338,846 (99.99%)	5,020 (0.01%)
Approximate percentage of the number of Shares voted by the Disinterested Shareholders who attended and voted in person or by proxy against the Scheme (being 5,020 Shares) over the number of votes attaching to all Shares held by all the Disinterested Shareholders (being 3,085,319,017 Shares)			0.0002%

Note: In accordance with the direction from the Grand Court, HKSCC Nominees Limited was able to cast votes both for and against the Scheme in accordance with instructions received by it from CCASS Participants. HKSCC Nominees Limited was treated as a “multi-headed member” of the Company for the purposes of calculating the number of members voting at the Court Meeting. Each CCASS Participant who instructed HKSCC Nominees Limited to vote in favour of the Scheme was counted as a single member of the Company voting in favour of the Scheme, and, if applicable, each such CCASS Participant who instructed HKSCC Nominees Limited to vote against the Scheme was counted as a single member of the Company voting against the Scheme. HKSCC Nominees Limited itself, as opposed to instructing CCASS Participants, was not be counted as a member of the Company for the purpose of calculating the number of members voting. A total number of 14 CCASS Participants holding 777,944,070 Shares voted in favour of the resolution to approve the Scheme and no CCASS Participant voted against the resolution to approve the Scheme at the Court Meeting.

Accordingly,

- (1) the resolution to approve the Scheme was duly passed (by way of poll) by a majority in number of the Shareholders representing not less than 75% in value of the Shares held by the Shareholders, present and voting, either in person or by proxy at the Court Meeting;
- (2) the resolution to approve the Scheme was duly passed (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Shares held by the Disinterested Shareholders that are voted, either in person or by proxy, at the Court Meeting; and
- (3) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting, either in person or by proxy, at the Court Meeting against the resolution to approve the Scheme at the Court Meeting was not more than 10% of the votes attaching to all Shares held by all the Disinterested Shareholders.

Therefore, both Section 86 of the Companies Law and Rule 2.10 of the Takeovers Code have been complied with.

As at the date of the Court Meeting, the total number of Shares in issue was 3,085,319,017 Shares and the total number of Shares held by the Disinterested Shareholders was 3,085,319,017 Shares, representing 100% of the total number of issued Shares. As disclosed in the Scheme Document, each member of BofA Securities group which is an exempt principal trader is a Disinterested Shareholder but is not entitled to vote at the Court Meeting, except in respect of the Shares held by it as a simple custodian for and on behalf of its non-discretionary clients where such client (i) controls the voting rights attaching to such Shares; (ii) if the Shares are voted, gives instructions as to how such Shares are to be voted; and (iii) is not the Offeror nor a person acting in concert with it; and where the Executive has confirmed that Rule 35.4 of the Takeovers Code does not apply to such Scheme Shares. Accordingly, each member of BofA Securities group which is an exempt principal trader did not exercise the voting rights attached to the Shares held in its name (other than those Shares held by such exempt principal trader as a simple custodian for and on behalf of non-discretionary clients who, to the extent it is aware having made reasonable enquiries, are entitled to vote at the Court Meeting and over which such exempt principal trader has no voting discretion) in respect of the resolution to approve the Scheme at the Court Meeting.

As at the date of this announcement, none of the Offeror and/or persons acting in concert with it beneficially owned or controlled or had any interest in any Shares. For the purpose of satisfying Rule 2.10 of the Takeovers Code, save as disclosed, no Scheme Shareholders were required to abstain from voting at the Court Meeting in accordance with the Takeovers Code or the Listing Rules, nor did any person indicate in the Scheme Document that he intended to abstain from voting on or vote against the Scheme at the Court Meeting. There were no Shares entitling the Shareholders to attend and abstain from voting in favour of the Scheme pursuant to Rule 13.40 of the Listing Rules.

Tricor Investor Services Limited acted as scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE EGM

The EGM was held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 11 December 2020 after the conclusion of the Court Meeting for the purpose of considering and, if thought fit, passing the special and ordinary resolutions set out in the notice of the EGM dated 11 November 2020.

The poll results in respect of the resolutions proposed at the EGM were as follows:

Special resolution		Number of votes (<i>approximate %</i>)		
		Total	For	Against
1.	To approve the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares for the purpose of giving effect to the Scheme between the Company and the Scheme Shareholders.	2,636,343,991 (100.00%)	2,636,338,971 (99.99%)	5,020 (0.01%)

Ordinary resolution		Number of votes (approximate %)		
		Total	For	Against
2.	<p>To:</p> <p>(A) approve, subject to and forthwith upon the reduction of capital taking effect, the increase in the issued share capital of the Company to its former amount by issuing to Image Frame Investment (HK) Limited the same number of shares as the number of Scheme Shares cancelled and extinguished;</p> <p>(B) approve the application of the credit arising in the Company's books of account as a result of the capital reduction referred to in paragraph (A) above in paying up in full at par the new shares issued, credited as fully paid, to Image Frame Investment (HK) Limited, and the authorisation of the Directors to allot and issue the same accordingly;</p>	<p>2,636,343,991 (100.00%)</p>	<p>2,636,338,971 (99.99%)</p>	<p>5,020 (0.01%)</p>

Ordinary resolution		Number of votes (approximate %)		
		Total	For	Against
(C)	authorise any one of the Directors to do all acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme, which the Grand Court may see fit to impose;	2,636,343,991 (100.00%)	2,636,338,971 (99.99%)	5,020 (0.01%)
(D)	authorise any one of the Directors to apply to the Stock Exchange for the withdrawal of the listing of the Shares.			

Accordingly,

- (1) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares for the purpose of giving effect to the Scheme between the Company and the Scheme Shareholders was duly passed by not less than 75% of the votes cast by the Shareholders present and voting in person or by proxy, at the EGM; and
- (2) the ordinary resolution to:
 - (A) approve, subject to and forthwith upon the reduction of capital taking effect, the increase in the issued share capital of the Company to its former amount by issuing to Image Frame Investment (HK) Limited the same number of shares as the number of Scheme Shares cancelled and extinguished;

- (B) approve the application of the credit arising in the Company's books of account as a result of the capital reduction referred to in paragraph (A) above in paying up in full at par the new shares issued, credited as fully paid, to Image Frame Investment (HK) Limited, and the authorisation of the Directors to allot and issue the same accordingly;
- (C) authorise any one of the Directors to do all acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme, which the Grand Court may see fit to impose;
- (D) authorise any one of the Directors to apply to the Stock Exchange for the withdrawal of the listing of the Shares,

was duly passed by more than 50% of the votes cast in favour of the ordinary resolution by the Shareholders present and voting either in person or by proxy, at the EGM.

The total number of Shares entitling the Shareholders to attend and vote on each of the special resolution and the ordinary resolution above was 3,085,319,017 Shares. There were no Shares entitling the Shareholders to attend and abstain from voting in favour of each such resolution pursuant to Rule 13.40 of the Listing Rules. No Shareholders were required to abstain from voting on each of the special resolutions and the ordinary resolution above at the EGM, nor did any person indicate in the Scheme Document that he intended to abstain from voting on or vote against such resolutions at the EGM.

Tricor Investor Services Limited acted as scrutineer for the vote-taking at the EGM.

CLOSURE OF REGISTER OF MEMBERS

Assuming that the Scheme Record Date falls on Monday, 21 December 2020, it is proposed that the register of members of the Company will be closed from Friday, 18 December 2020 (or such other date as Shareholders may be notified by an announcement) onwards in order to determine entitlements to qualify under the Scheme. No transfer of Shares will be effected as from such date. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfers of Shares to them are lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration in their names or in the names of their nominees no later than 4:30 p.m. (Hong Kong time) on Thursday, 17 December 2020.

Payment of the Cancellation Price to Scheme Shareholders

Subject to the Scheme becoming effective, the Cancellation Price will be paid to the Scheme Shareholders whose names appear in the register of members of the Company on the Scheme Record Date as soon as possible but in any event within seven (7) Business Days following the Effective Date. On the basis that the Scheme becomes effective on Monday, 21 December 2020 (Cayman Islands time), the cheques for the payment of the Cancellation Price are expected to be despatched on or before Thursday, 31 December 2020. Cheques for the payment of the Cancellation Price will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the register of members of the Company in respect of the joint holding. All such cheques will be posted at the risk of the persons entitled thereto and none of the Offeror, the Company, BofA Securities and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in transmission. For details of the payment of the Cancellation Price to Scheme Shareholders, please refer to the paragraph headed "19. Registration and Payment" in the Explanatory Memorandum in Part VII of the Scheme Document.

Payment in respect of the Option Offer Price to Optionholders

As the implementation of the Option Offer is conditional upon the Scheme becoming effective only, the Option Offer will become unconditional immediately upon the Scheme becoming effective and prior to the listing of the Shares being withdrawn from the Stock Exchange.

On the basis that the Scheme becomes effective, cheque for payment of the Option Offer Price payable under the Option Offer are expected to be despatched as soon as possible but in any event within seven (7) Business Days following the Effective Date or receipt of the relevant validly completed Form of Acceptance, whichever is the later. Payment will be made by cheque drawn in the name of Computershare Hong Kong Investor Services Limited (“**Computershare**”) as the Optionholder’s agent and delivered to Computershare at its registered office. Optionholders should refer to the Option Offer Letter and the Form of Acceptance for further details of the election. All such cheques will be despatched at the risk of the person(s) entitled thereto and none of the Offeror, the Company, BofA Securities and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch. For details of the payment in respect of the Option Offer Price to Optionholders, please refer to the paragraph headed “19. Registration and Payment” in the Explanatory Memorandum in Part VII of the Scheme Document.

PROPOSED WITHDRAWAL OF LISTING OF THE SHARES

The Company has applied to the Stock Exchange for, and the Stock Exchange has approved the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from 9:00 a.m. on Wednesday, 23 December 2020, subject to the Scheme becoming effective.

EXPECTED TIMETABLE

Shareholders should note that the expected timetable set out below is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the expected timetable below.

Hong Kong time
(unless otherwise stated)

Expected last day for trading in the Shares on the Stock Exchange	4:10 p.m. on Monday, 14 December 2020
Latest Option Exercise Date (<i>Note 1</i>)	2:30 p.m. on Thursday, 17 December 2020
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Thursday, 17 December 2020
Register of members of the Company closed for determining entitlements to qualify under the Scheme (<i>Note 2</i>)	from Friday, 18 December 2020 onwards
Court hearing of the petition to sanction the Scheme and to confirm the capital reduction	Friday, 18 December 2020 (Cayman Islands time)
Announcement of the results of the court hearing of the petition to sanction the Scheme and to confirm the capital reduction, the expected Effective Date and the expected date of withdrawal of listing of Shares on the Stock Exchange	Monday, 21 December 2020

Hong Kong time
(unless otherwise stated)

Scheme Record Date Monday, 21 December 2020

Effective Date (*Note 3*) Monday, 21 December 2020
(Cayman Islands time)

Announcement of the Effective Date and
the withdrawal of the listing of the Shares on
the Stock Exchange before 8:30 a.m. on Tuesday,
22 December 2020

Expected withdrawal of the listing of
Shares on the Stock Exchange becomes effective (*Note 4*) 9:00 a.m. on Wednesday,
23 December 2020

Latest time to despatch cheques for cash payment
under the Scheme (*Note 5*) Thursday, 31 December 2020

Option Record Date (*Note 6*) Tuesday, 5 January 2021

Latest time and date to accept the Option Offer 4:30 p.m. on Tuesday,
5 January 2021

Announcement of results of the Option Offer not later than 7:00 p.m.
on Tuesday, 5 January 2021

Latest time to despatch cheque for cash payment
under the Option Offer (*Note 7*) Thursday, 14 January 2021

Lapse of all Options (*Note 8*) Thursday, 21 January 2021

Notes:

- (1) If Optionholders wish to qualify for entitlements under the Scheme, they must exercise their Options and lodge their notices of exercise before the time specified above on the Latest Option Exercise Date and, subject to the customary process for allotment and issue of Shares by the Company, become registered holders of Shares by the time of the Scheme Record Date.

- (2) The register of members of the Company will be closed as from such time and on such date for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
- (3) The Scheme shall become effective upon all the Conditions set out in the paragraph headed “4. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of the Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be).
- (4) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at or before 9:00 a.m. on Wednesday, 23 December 2020.
- (5) Cheques for cash payment under the Scheme will be despatched by post within seven (7) Business Days from the Effective Date.
- (6) Forms of Acceptance, duly completed in accordance with the instructions on them, must be lodged with the Offeror, care of Leyou Technologies Holdings Limited at Suite 3201, Tower Two, Lippo Centre, 89 Queensway, Admiralty, Hong Kong, for the attention of the Company Secretary of the Company and marked “Leyou Technologies Holdings Limited – Option Offer” by no later than 4:30 p.m. (Hong Kong time) on Tuesday, 5 January 2021 (or such later date and time as may be notified to the Optionholders by the Offeror, BofA Securities and the Company or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange).
- (7) Cheques for cash payment under the Option Offer in respect of validly completed Forms of Acceptance received before 4:30 p.m. on Tuesday, 5 January 2021 will be despatched by post within seven (7) Business Days following the Effective Date or receipt of such validly completed Forms of Acceptance, whichever is the later.
- (8) Pursuant to the terms of the Share Option Scheme, all Options shall lapse automatically and not be exercisable at the expiry of one calendar month after the Effective Date.

All references to times and dates in this announcement are references to Hong Kong times and dates, unless otherwise stated.

GENERAL

Immediately before 20 September 2019 (being the commencement date of the Offer Period) and as at the date of this announcement, none of the Offeror, its directors and/or persons acting in concert with it owned or controlled or had any interest in any Shares, Options, convertible securities, warrants or options or any derivatives in respect of such securities. None of the Offeror and persons acting in concert with it had acquired or agreed to acquire any Shares or any convertible securities, warrants, options, or derivatives in respect of the Shares during the Offer Period. As at the date of this announcement, neither the Offeror nor any persons acting in concert with it (excluding BofA Securities group entities that are exempt principal traders or exempt fund managers) had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

WARNING

Shareholders and/or potential investors should be aware that the implementation of the Proposal will only become effective upon all of the Conditions being satisfied or validly waived (as applicable) and thus the Proposal and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise caution when dealing in Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

By Order of the board
Image Frame Investment (HK) Limited
Ma Huateng
Director

By Order of the Board
Leyou Technologies Holdings Limited
Xu Yiran
Chairman

Hong Kong, 11 December 2020

As at the date of this announcement, the directors of the Offeror are Mr. Ma Huateng and Mr. Charles St Leger Searle, who jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Directors are Mr. Xu Yiran (Chairman and Chief Executive Officer), Mr. Li Yang (Deputy Chairman), Dr. Alan Chen (Chief Operating Officer), Mr. Gu Zhenghao, and Mr. Cao Bo 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement in relation to the Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in the announcement misleading.