



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO. FSD 204 OF 2020 (MRHJ)

In Open Court
Before the Honourable Justice Ramsay-Hale
18 December 2020

**IN THE MATTER of sections 14 to 16 and section 86 of the Companies Act (2020 Revision)
AND IN THE MATTER of Leyou Technologies Holdings Limited 樂遊科技控股有限公司**

ORDER

UPON hearing the Petition presented herein by Leyou Technologies Holdings Limited (the "**Petitioner**") on 11 September 2020, as amended by this order

AND UPON reading the reading the First Affirmation of Mr LI Yang made on 30 October 2020, the First and Second Affirmations of MR HUA Yichun made on 30 October 2020 and 6 November 2020 respectively, the First Affirmation of FUNG Kwok Lun Eric made on 1 December 2020 and the First and Second Affirmation of Mr LI Yang made on 11 December 2020 and the exhibits thereto

AND UPON hearing Counsel for the Petitioner and Counsel for Image Frame Investment (HK) Limited (the "**Offeror**")

AND UPON the Offeror by its letter of undertaking dated 29 October 2020 exhibited as exhibit LY-9 to the First Affirmation of LI Yang made on 30 October 2020 consenting and agreeing to be bound by the Scheme of Arrangement hereinafter sanctioned and undertaking to execute and to do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to such Scheme of Arrangement

THIS COURT HEREBY SANCTIONS the Scheme of Arrangement, as contained in the Scheme Document dispatched to Scheme Shareholders (as defined therein) on 11 November 2020 and a copy of which is annexed hereto, so as to be binding on the Petitioner and the Scheme Shareholders.

AND IT IS ORDERED AS FOLLOWS:

1. That the Petitioner have leave to amend the Petition in the terms attached to the Petitioner's summons dated 11 December 2020.
2. That the reduction of the issued share capital of the Petitioner effected by Special Resolution of the Petitioner passed on 11 December 2020, by which the issued share capital of the Petitioner was reduced by the cancellation of the Scheme Shares, be confirmed, and that the attached Minute be approved.
3. That the Petitioner do deliver a copy of this Order and the attached Minute to the Registrar of Companies.
4. Notice of the registration by the Registrar of Companies of the above order confirming the reduction of share capital and of the said Minute be published once in the Cayman Islands Gazette within 14 days after the said delivery to the Registrar of Companies.
5. There be no order as to costs.

DATED this 18th day of December 2020

FILED this 18th day of December 2020



**THE HONOURABLE JUSTICE RAMSAY-HALE
JUDGE OF THE GRAND COURT**

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION
CAUSE NO: FSD 204 OF 2020 (IKJ)

IN THE MATTER OF
LEYOU TECHNOLOGIES HOLDINGS LIMITED 樂遊科技控股有限公司
AND IN THE MATTER OF
SECTION 86 OF THE COMPANIES LAW (2020 REVISION)

SCHEME OF ARRANGEMENT

between

LEYOU TECHNOLOGIES HOLDINGS LIMITED 樂遊科技控股有限公司

and

THE SCHEME SHAREHOLDERS

(as hereinafter defined)



PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set out opposite them:

“BofA Securities”	Merrill Lynch (Asia Pacific) Limited, a licensed corporation under the SFO, registered to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO, financial adviser to the Offeror
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$3.3219 for every Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Company”	Leyou Technologies Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange (stock code: 1089)

“Companies Law”	the Cayman Islands Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised)
“Condition(s)”	the condition(s) of the Proposal, details of which are set out in the section headed “4. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document
“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Law, being the date on which a copy of the court order of the Grand Court sanctioning the Scheme and confirming the reduction of issued share capital resulting from the cancellation of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Law, and which is expected to be Monday, 21 December 2020 (Cayman Islands time)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	6 November 2020, being the latest practicable date for ascertaining certain information contained in this Scheme Document
“Long Stop Date”	31 December 2020
“New Shares”	new Shares to be issued to the Offeror pursuant to the Scheme, corresponding to the number of the Scheme Shares
“Offeror”	Image Frame Investment (HK) Limited, a private company limited by shares incorporated under the laws of Hong Kong which is wholly owned by Tencent Holdings Limited

“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror in relation to the Company which comprise BofA Securities only
“Option Offer”	the cash offer made by or on behalf of the Offeror to the Optionholders for the cancellation of all outstanding Options in accordance with the Takeovers Code
“Optionholder(s)”	the holder(s) of the outstanding option(s) granted by the Company from time to time under the share option scheme adopted by the Company on 25 August 2017
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, the implementation of the Option Offer, the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares, and the withdrawal of the listing of the Shares from the Stock Exchange, in each case, on the terms and subject to the Conditions set out in this Scheme Document
“Register”	the register of members of the Company
“Scheme”	the scheme of arrangement under Section 86 of the Companies Law, with or subject to any modification, addition or condition as may be approved or imposed by the Grand Court and agreed to by the Offeror, involving the cancellation of all of the Scheme Shares and the restoration of the issued share capital of the Company to the amount immediately before the cancellation of the Scheme Shares
“Scheme Document”	this composite document, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time
“Scheme Record Date”	Monday, 21 December 2020, or such other date as shall have been announced for determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Shareholder(s)”	the Shareholder(s) at the Scheme Record Date
“Scheme Share(s)”	Share(s) held by the Scheme Shareholders
“SFC”	the Securities and Futures Commission of Hong Kong

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers (as revised from time to time)
“Tencent Holdings Limited”	Tencent Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700)

- (B) The Company was incorporated in the Cayman Islands on 22 February 2010 under the provisions of the Companies Law as an exempted company with limited liability.
- (C) As at the Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000.00 divided into 10,000,000,000 ordinary shares of a single class with a par value of HK\$0.10 each. As at the Latest Practicable Date, the issued share capital of the Company was HK\$308,531,901.70 divided into 3,085,319,017 Shares, with the remainder being unissued. Since 11 January 2011, the issued shares of the Company have been listed and traded on the Main Board of the Stock Exchange.
- (D) The Offeror has proposed the privatisation of the Company by way of the Scheme.
- (E) The primary purpose of the Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration of the Cancellation Price so that thereafter the Offeror will own 100% of the Company. Simultaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be restored to its former amount by the issue to the Offeror at par, credited as fully paid, the same number of New Shares as is equal to the number of Scheme Shares cancelled and extinguished.
- (F) As at the Latest Practicable Date, neither the Offeror nor any Offeror Concert Parties legally or beneficially owns any Shares in the Company.
- (G) Each of the Offeror Concert Parties which, being presumed to be acting in concert with the Offeror under the Takeovers Code, will procure that any Shares in respect of which they are legally or beneficially interested will not be represented or voted at the meeting convened at the direction of the Grand Court for the purpose of considering and, if thought fit, approving the Scheme. As at the Latest Practicable Date, the Offeror Concert Parties are not interested in any Shares.

- (H) The Offeror has undertaken to the Grand Court to be bound by the Scheme, and will execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

PART I

Cancellation of the Scheme Shares

1. On the Effective Date:
 - (a) the issued share capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares and the Scheme Shareholders shall cease to have any rights with respect to the Scheme Shares except the right to receive the Cancellation Price;
 - (b) subject to and forthwith upon such reduction of share capital taking effect, the issued share capital of the Company will be increased to its former amount by issuing to the Offeror the same number of New Shares as is equal to the number of Scheme Shares cancelled and extinguished; and
 - (c) the Company shall apply the credit arising in its books of account as a result of the capital reduction referred to in paragraph 1(a) above in paying up in full at par such number of New Shares as is equal to the number of Scheme Shares cancelled, which shall be allotted and issued to the Offeror, credited as fully paid, as mentioned in paragraph 1(b) above.

PART II

Consideration for the cancellation and extinguishment of the Scheme Shares

2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Offeror shall pay or cause to be paid to each Scheme Shareholder the Cancellation Price.

PART III

General

3. (a) As soon as possible and not later than seven (7) Business Days after the Effective Date, the Offeror shall send or cause to be sent to Scheme Shareholders cheques in respect of the Cancellation Price payable to such Scheme Shareholders pursuant to Clause 2 of this Scheme.
- (b) Unless otherwise indicated in writing to the branch share registrar of the Company in Hong Kong, being Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, all such cheques payable to the Scheme Shareholders shall be sent by ordinary post in pre-paid envelopes addressed to such Scheme Shareholders at their respective addresses as appearing on the Register at the Scheme Record Date or, in the case of joint holders, at the address as appearing on the Register at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
- (c) Cheques shall be posted at the risk of the addressee and none of the Offeror, the Company or BofA Securities and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in the despatch of the same.
- (d) Each cheque shall be payable to the order of the person to whom, in accordance with the provisions of paragraph (b) of this Clause 3, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the monies represented thereby.

- (e) On or after the day being six (6) calendar months after the posting of the cheques pursuant to paragraph (b) of this Clause 3, the Offeror shall have the right to cancel or countermand any cheque which has not been encashed or that has been returned uncashed and shall place all monies represented thereby in a deposit account in the Offeror's name with a licensed bank in Hong Kong selected by the Offeror. The Offeror shall hold such monies on trust for those entitled to it under the terms of this Scheme until the expiration of six years from the Effective Date and shall, prior to such date, make payments thereout of the sums payable pursuant to Clause 2 of this Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques referred to in paragraph (b) of this Clause 3 of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Scheme. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiration of six (6) years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under this Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account in its name, including accrued interest subject to, if applicable, any deduction of interest, tax or any withholding tax or any other deduction required by law and expenses incurred.
- (g) Paragraph (f) of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
- (h) Upon cancellation of the Scheme Shares, the Register shall be updated to reflect such cancellation.
4. Each instrument of transfer and certificate existing at the Scheme Record Date in respect of a holding of any number of Scheme Shares shall on the Effective Date cease to be valid for any purpose as an instrument of transfer or a certificate for such Scheme Shares and every holder of such certificate shall be bound at the request of the Offeror to deliver up the same to the Offeror for the cancellation thereof.
5. All mandates or relevant instructions to the Company in force at the Scheme Record Date relating to any of the Scheme Shares shall cease to be valid as effective mandates or instructions on the Effective Date.

6. Subject to the Conditions having been satisfied in full or waived by the Offeror in the manner described in the section headed "4. Conditions of the Proposal and the Scheme" in Part VII – Explanatory Memorandum of this Scheme Document, this Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning this Scheme under Section 86 of the Companies Law and confirming the reduction of issued share capital resulting from the cancellation of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Law.
7. Unless this Scheme shall have become effective on or before the Long Stop Date (or such later date, if any, as the Company and the Offeror may agree, or to the extent applicable as the Grand Court, on application of the Company and/or the Offeror may direct, and in all cases, as permitted by the Executive), this Scheme shall lapse.
8. The Company and the Offeror may consent jointly for and on behalf of all concerned to any modification of or addition to this Scheme or to any condition which the Grand Court may think fit to approve or impose.
9. All costs, charges and expenses of the advisers and counsels appointed by the Company will be borne by the Company whereas all costs, charges and expenses of the advisers and counsels appointed by Offeror will be borne by the Offeror, and other costs, charges and expenses of the Scheme of Arrangement will be shared between the Company and the Offeror equally.

11 November 2020

LEYOU TECHNOLOGIES HOLDINGS LIMITED 樂遊科技控股有限公司

Registration #237436

MINUTE OF REDUCTION OF SHARE CAPITAL APPROVED BY AN ORDER OF THE GRAND COURT OF
THE CAYMAN ISLANDS DATED 18 DECEMBER 2020

The issued share capital of Leyou Technologies Holdings Limited 樂遊科技控股有限公司 (the "**Company**") was by virtue of a special resolution of the Company dated 11 December 2020 (the "**Special Resolution**") and with the confirmation of an order of the Grand Court of the Cayman Islands dated 18 December 2020 (the "**Order**") reduced from HK\$308,531,901.70 divided into 3,085,319,017 shares of HK\$0.10 each to nothing. An ordinary resolution of the Company dated 11 December 2020 (the "**Ordinary Resolution**") further provides that subject to and forthwith upon such reduction of capital taking effect, the issued share capital of the Company be increased to its former amount of HK\$308,531,901.70 by the issue of 3,085,319,017 shares of HK\$0.10 each.

By virtue of a Scheme of Arrangement sanctioned by the Order, the Special Resolution and the Ordinary Resolution, the issued share capital of the Company at the time of the registration of this minute is accordingly HK\$308,531,901.70 divided into 3,085,319,017 shares of HK\$0.10 each.