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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Leyou Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to provide the following update following the establishment of the Group’s new publishing brand, Athlon Games, Inc. (“**Athlon Games**”), as mentioned in the interim results announcement of the Company dated 28 August 2018.

Athlon Games is partnering with Middle-earth Enterprises, to develop and publish a free-to-play massively multiplayer online video game based on *The Lord of the Rings*, the landmark fantasy literary work of J.R.R. Tolkien. Set in the world of Middle-earth™ during the years leading to the events of *The Lord of the Rings*, the game will provide Middle-earth fans throughout the world with a new, immersive game experience for epic exploration of the Tolkien universe.

Middle-earth Enterprises is a division of The Saul Zaentz Company with headquarters located in Berkeley, California. Middle-earth Enterprises owns exclusive worldwide rights to motion picture, merchandising, stage and other rights in certain literary works of J.R.R. Tolkien, including *The Lord of the Rings* and *The Hobbit*. Middle-earth Enterprises has been producing and licensing films, merchandise and stage productions based on these Tolkien works for more than forty years.

The Group is principally engaged in the development and publishing of online multiplayer PC/console video games. It mainly focuses on high-quality video game products and is a leading player in the market of PC/console free-to-play games.

Athlon Games, an indirect wholly-owned subsidiary of the Company, is a global publisher of free-to-play console and PC games headquartered in Los Angeles. Athlon Games combines its expertise in free-to-play console and PC games with Western development to create AAA cooperative console and PC experiences that gamers will want to play for many years. With our technical know-how and expertise in free-to-play game development and publishing, which has seen success with the Group's other game titles such as *Warframe*, the Board believes that the development and publishing of this new title based on *The Lord of the Rings* will help further the Group's goal of creating top quality console and PC games that have global appeal and expand the Group's footprint in the West. In light of the resurgence of interest in *The Lord of the Rings* IP, the Board expects that this good opportunity to work with Middle-earth Enterprises will generate more revenue for the Group and create more values for the shareholders of the Company. Accordingly, the Board is of the view that the development and publishing of this new title based on *The Lord of the Rings* is in the interest of the Company and its shareholders as a whole.

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

Hong Kong, 3 September 2018

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.