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Huan Yue Interactive Holdings Limited 歡悅互娛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 505)

COMPLETION OF DISCLOSEABLE AND CONNECTED TRANSACTION INVOLVING OFF-MARKET SHARE BUY-BACK

Reference is made to the announcements of Huan Yue Interactive Holdings Limited (the “Company”) dated 9 March 2020 and 23 January 2020 and the circular of the Company dated 13 February 2020 (the “Circular”) in relation to, among other things, the Settlement Deed and the transactions contemplated thereunder (including but not limited to the Share Buy-back). Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Board is pleased to announce that all conditions under the Settlement Deed have been fulfilled and Completion took place on 16 April 2020. The Sale Shares will be cancelled by the Company as soon as practicable after Completion.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the Company’s shareholding structure (i) immediately before Completion; and (ii) immediately after Completion and the cancellation of the Sale Shares:

	Immediately before Completion		Immediately after Completion and the cancellation of the Sale Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Hu Changyuan ^(Note 1)	278,713,000	32.58%	278,713,000	34.22%
Hu Minglie ^(Note 2)	2,603,000	0.30%	2,603,000	0.32%
Hu Mingda ^(Note 3)	3,269,000	0.38%	3,269,000	0.40%
Charity Foundation ^(Note 4)	9,000,000	1.05%	9,000,000	1.10%

	Immediately before Completion		Immediately after Completion and the cancellation of the Sale	
	Number of Shares	Approximate %	Shares	Approximate %
Trustee of the Share Award Scheme ^(Note 5)	3,497,000	0.41%	3,497,000	0.43%
Subtotal – Hu Changyuan and his concert parties	297,082,000	34.72%	297,082,000	36.47%
Vendor ^(Note 6)	43,942,223	5.14%	2,942,223	0.36%
Mr. Ren ^(Note 7)	300,000	0.04%	300,000	0.04%
Mr. Yang ^(Note 8)	105,000	0.01%	105,000	0.01%
Subtotal – the Vendor and its concert parties	44,347,223	5.19%	3,347,233	0.41%
Bostone ^(Note 9)	130,533,000	15.26%	130,533,000	16.03%
Mr. Zhu ^(Note 10)	300,000	0.04%	300,000	0.04%
Other directors of the Group ^(Note 11)	15,434,000	1.80%	15,434,000	1.89%
Subtotal – Other connected persons of the Company	146,267,000	17.10%	146,267,000	17.96%
Other public Shareholders	367,861,950	42.99%	367,861,950	45.16%
Total	855,558,173	100.00%	814,558,173	100.00%

Notes:

1. These 278,713,000 Shares' nature of interests are as below:
 - (i) as to 265,200,000 Shares are held by Luckie Strike Limited and Come Fortune International Limited which were wholly owned by Dynamic Empire Holdings Limited. The entire issued share capital of Dynamic Empire Holdings Limited is beneficially owned by the Hu Family Trust which was founded by Mr. Hu Changyuan, an executive Director and the chairman of the Company. Mr. Hu Changyuan is deemed to be interested in these Shares in these Shares by virtue of the SFO;
 - (ii) as to 13,213,000 Shares are held by Regency Success Limited, which is 100% controlled by Mr. Hu Changyuan; and

- (iii) as to 300,000 Shares are directly held by Mr. Hu Changyuan.
2. These 2,603,000 Shares are directly held by Mr. Hu Minglie, an executive Director and the Chief Executive Officer of the Company. Mr. Hu Minglie is the son of Mr. Hu Changyuan.
 3. These 3,269,000 Shares are directly held by Mr. Hu Mingda. Mr. Hu Mingda is a son of Mr. Hu Changyuan.
 4. These 9,000,000 Shares are directly held by the Charity Foundation which was founded by Mr. Hu Changyuan. There is no restriction under the constitutional documents of the Charity Foundation on the exercise of voting rights by the Charity Foundation in respect of the Shares held by it.
 5. These 3,497,000 Shares are the award Shares which are held on trust for the benefits of the grantees under the Share Award Scheme and Mr. Hu Changyuan and Mr. Hu Minglie could be two of the three members of the administration committee of the Share Award Scheme. Under the terms of the trust deed of the Share Award Scheme, the trustee of the Share Award Scheme is prohibited from exercising the voting rights in respect of the unvested award Shares held by it.
 6. These 43,942,223 Shares are held by the Vendor, which is in turn beneficially owned as to 72% by Mr. Ren and as to 28% by Mr. Yang. Mr. Ren and Mr. Yang are the Guarantors under the Settlement Deed and were also two of the guarantors to the SPA. Since Mr. Ren is a director of one of the subsidiaries of the Company, both Mr. Ren and the Vendor are regarded as core connected persons of the Company under the Listing Rules.
 7. These 300,000 Shares are directly held by Mr. Ren, which were vested to Mr. Ren pursuant to the Share Award Scheme on 31 December 2017.
 8. These 105,000 Shares are directly held by Mr. Yang, a shareholder of the Vendor and a supervisor of one of the subsidiaries of the Company. The 105,000 Shares were vested to Mr. Yang pursuant to the Share Award Scheme, among which 400,000 Shares were vested on 15 June 2017 and 300,000 Shares were vested on 15 June 2018. Mr. Yang disposed of an aggregate of 595,000 Shares in the period from June to August 2018.
 9. These 130,533,000 Shares are held by Bostone, which is in turn beneficially owned as to approximately 65.67% and 34.33% by Ms. Ma Jiafeng and Mr. Xie Shicai respectively. Both Ms. Ma Jiafeng and Mr. Xie Shicai are independent from and not connected with Mr. Hu Changyuan, the Company, its connected persons and their respective associates.
 10. These 300,000 Shares are directly held by Mr. Zhu, the chief financial officer of the Company and an executive Director. Mr. Zhu is a core connected person of the Company.
 11. These 15,434,000 Shares are held by the various directors of the Company and its subsidiaries other than Mr. Hu Changyuan, Mr. Hu Minglie, Mr. Ren and Mr. Zhu whose interests in the Company are separately shown in the table above. These directors of the Group are core connected persons of the Company.

By Order of the Board
Huan Yue Interactive Holdings Limited
Hu Minglie
Chief Executive Officer and Executive Director

Hong Kong, 16 April 2020

As at the date of this announcement, the executive Directors are Mr. Hu Changyuan, Mr. Hu Minglie and Mr. Zhu Wenjun, the non-executive Director is Mr. Dai Jianchun and the independent non-executive Directors are Mr. Chai Chaoming, Dr. Lou Dong and Ms. Lu Hong.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement 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.