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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in Huan Yue Interactive Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

- (1) PROPOSALS FOR GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**  
**(2) RE-ELECTION OF RETIRING DIRECTORS;**  
**(3) PROPOSED CHANGE OF COMPANY NAME;**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Huan Yue Interactive Holdings Limited to be held at No. 68, Jin Xi Road, Hangzhou Bay New Zone, Ningbo, Zhejiang Province, the People's Republic of China on Friday, 19 June 2020 at 10:00 a.m. is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the forthcoming annual general meeting of the Company to be held at No. 68, Jin Xi Road, Hangzhou Bay New Zone, Ningbo, Zhejiang Province, the PRC on Friday, 19 June 2020 at 10:00 a.m., notice of which is set out on pages 16 to 20 of this circular
“Articles”	the articles of association of the Company
“Awarded Shares”	the Shares awarded to and to be vested in the selected participants under the share award scheme adopted by the Company on 18 April 2016
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961) (as consolidated and revised from time to time) of the Cayman Islands
“Company”	Huan Yue Interactive Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 19 July 2007, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of the Shares in issue as at the date of passing of the resolution granting such mandate
“Latest Practicable Date”	23 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Memorandum of Association”	the memorandum of association of the Company

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## DEFINITIONS

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“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Proposed Change of Company Name”	the proposed change of the English name of the Company from “Huan Yue Interactive Holdings Limited” to “Xingye Alloy Materials Group Limited” and the change of the dual foreign name in Chinese of the Company from “歡悅互娛控股有限公司” to “興業合金材料集團有限公司”
“Repurchase Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to purchase Shares up to 10% of the total number of the Shares in issue as at the date of passing of the resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Hu Changyuan (*Chairman*)  
Mr. Hu Minglie (*Chief Executive Officer*)  
Mr. Zhu Wenjun

*Non-executive Director:*

Mr. Dai Jianchun

*Independent non-executive Directors:*

Mr. Chai Chaoming  
Dr. Lou Dong  
Ms. Lu Hong

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business  
in the PRC:*

No. 68, Jin Xi Road  
Hangzhou Bay New Zone  
Ningbo  
Zhejiang Province  
315336, PRC

*Principal place of business  
in Hong Kong:*

Suite 11, 11th Floor  
Hung Tai Industrial Building  
37-39 Hung To Road, Kwun Tong  
Kowloon, Hong Kong

29 April 2020

*To the Shareholders*

Dear Sir/Madam,

- (1) PROPOSALS FOR GENERAL MANDATES TO ISSUE AND REPURCHASE  
SHARES;**  
**(2) RE-ELECTION OF RETIRING DIRECTORS;**  
**(3) PROPOSED CHANGE OF COMPANY NAME;**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to give you notice of the AGM and provide you with information of the resolutions to be proposed at the AGM for the approval of (i) the granting of the Issue Mandate and the extension thereof; (ii) the granting of the Repurchase Mandate; (iii) the re-election of the retiring Directors and (iv) the Proposed Change of Company Name.

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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution as set out in ordinary resolution No. 4 in the notice of the AGM will be proposed at the AGM to seek the approval of the Shareholders to grant the Directors the Issue Mandate to issue, allot and deal with new Shares up to 20% of the total number of the Shares in issue as at the date of passing of the ordinary resolution.

Pursuant to the announcement made by the Company, on 18 April 2016 (the “**Adoption Date**”), the Company adopted “The Xingye Copper Share Award Scheme” (the “**Share Award Scheme**”) in which any employee and director of any members of the Group (other than excluded employees) may be selected to participate. The granting of the Issue Mandate as set out in ordinary resolution No. 4 in the notice of AGM, if approved by the Shareholders, may be used by the Director for the Share Award Scheme, the maximum number of Shares which may be issued under the Issue Mandate for the Share Award Scheme is 16,222,319, representing 2% of total issued Shares as at the Adoption Date.

As at the Latest Practicable Date, the number of Shares in issue was 814,558,173 Shares. Accordingly, the exercise of the Issue Mandate in full would enable the Company to issue a maximum of 162,911,634 new Shares (assuming no further Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution). The granting of the Issue Mandate will provide flexibility to the Directors to issue Shares when it is in the interest of the Company.

In addition, an ordinary resolution as set out in ordinary resolution No. 6 in the notice of the AGM will be proposed to extend the Issue Mandate to increase its limit by adding to it the number of Shares which may be repurchased under the Repurchase Mandate.

### 3. GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution as set out in ordinary resolution No. 5 of the notice of AGM will be proposed at the AGM to grant the Repurchase Mandate to the Directors.

An explanatory statement required by the Listing Rules to provide Shareholders with all information reasonably necessary for them to make an informed decision on whether to vote for or against the relevant ordinary resolution approving the Repurchase Mandate is set out in Appendix I to this circular.

### 4. RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles 87(1) and 87(2) of the Articles, Mr. Hu Changyuan (“**Mr. Hu**”), Mr. Hu Minglie and Dr. Lou Dong, who have been longest in office since their last re-election, shall retire at the AGM and, being eligible, offer themselves for re-election at the AGM.

The nomination committee of the Company and the Board have reviewed the annual written confirmation of independence of Dr. Lou Dong and assessed his independence based on the independence criteria as set out in rule 3.13 of the Listing Rules. He does not have any other relationships with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders. The nomination committee of the Company and the Board are also not aware of any circumstance that might influence him in exercising independent judgment and are satisfied that he has the required character,

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## LETTER FROM THE BOARD

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integrity, independence and experience to fulfill the role of an independent non-executive director. On this basis, Dr. Lou Dong is considered independent. The nomination committee of the Company nominated Dr. Lou Dong to the Board for it to propose to the Shareholders for re-election at the AGM.

Dr. Lou Dong is an associate professor of Finance at London School of Economic. Dr. Lou's research interests are empirical asset pricing and behavioural finance. The Board believes that the skills and experiences he acquired from an academic background will be able to beneficial to the Board with diversity of his knowledge and bring valuable contribution to the Group. Accordingly, the Board proposed that Dr. Lou Dong stand for re-election as independent non-executive Director at the AGM.

The information required to be disclosed under the Listing Rules in relation to the retiring Directors proposed for re-election are set out in Appendix II to this circular.

### 5. PROPOSED CHANGE OF COMPANY NAME

Reference is made to the announcement of the Company dated 16 April 2020 in respect of the Proposed Change of Company Name. The Board proposes to change the English name of the Company from "Huan Yue Interactive Holdings Limited" to "Xingye Alloy Materials Group Limited" and to change the dual foreign name in Chinese of the Company from "歡悅互娛控股有限公司" to "興業合金材料集團有限公司".

#### Conditions of the Proposed Change of Company Name

The Proposed Change of Company Name is subject to the following conditions:-

1. the passing of a special resolution by the Shareholders at the AGM, approving, inter alia, the Proposed Change of Company Name; and
2. approval being granted by the Registrar of Companies in the Cayman Islands for the change of English name and the dual foreign name in Chinese of the Company.

Subject to the satisfaction of the conditions set out above, the new English name and dual foreign name in Chinese of the Company will be entered onto the register of companies maintained by the Registrar of Companies in the Cayman Islands in place of the former English name and dual foreign name. The Proposed Change of Company Name will take effect from the date on which the certificate of incorporation on change of name is issued by the Registrar of Companies in the Cayman Islands. Thereafter, the Company will carry out all necessary filings with the Companies Registry in Hong Kong.

#### Reasons for the Proposed Change of Company Name

The Company changed its name to Huan Yue Interactive Holdings Limited in September 2016 to reflect the Company's diversified business strategy into online gaming business after the acquisition of the entire issued share capital in Funnytime Limited ("Funnytime"). However, as Funnytime failed to achieve its performance target for the year ended 31 December 2018, and the online gaming business currently remains a relatively small business sector of the Group, with both

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## LETTER FROM THE BOARD

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its revenue and net profit account for only 0.6% and 5.3% respectively of the Group's total revenue and net profit according to the Group's consolidated results for the year ended 31 December 2019. The Board considers that the Proposed Change of Company Name will better reflect the current status of the Group's business development and can provide the Company with a more appropriate corporate identification and image which is in line with the Group's direction of future development.

The Group's online business will continue to be in operation and will not be affected as a result of the Proposed Change of Company Name.

The Board considers that the Proposed Change of Company Name is in the best interests of the Company and the Shareholders as a whole.

### **Effect of the Proposed Change of Company Name**

The Proposed Change of Company Name will not affect any rights of the Shareholders or the Company's daily business operation and its financial position. After the Proposed Change of Company Name has become effective, any new issue of share certificates of the Company will be issued in the new English name and the dual foreign name in Chinese of the Company. All existing share certificates of the Company in issue bearing the existing name of the Company will, after the Proposed Change of Company Name has become effective, continue to be valid evidence of title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangements for free exchange of the existing share certificates of the Company for new share certificates bearing the new name of the Company.

In addition, subject to the confirmation by the Stock Exchange, the English stock short name and the Chinese stock short name for trading of the Shares in the Stock Exchange will also be changed after the Proposed Change of Company Name has become effective.

The Company will make further announcement(s) to inform the Shareholders of the poll results of the AGM, the effective date of the Proposed Change of Company Name and the new stock short names, logo and website address of the Company as and when appropriate.

## **6. AGM AND PROXY**

A notice convening the AGM is set out on pages 16 to 20 of this circular. At the AGM, ordinary resolutions will be proposed to approve, among other things, the proposed re-election of the retiring Directors, the granting of the Issue Mandate and the extension thereof, and the granting of the Repurchase Mandate; and special resolution will be proposed to approve the Proposed Change of Company Name.

A form of proxy for use at the AGM is also enclosed to this circular. Such form is also published on the designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.huanyue.com.hk](http://www.huanyue.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183



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## **LETTER FROM THE BOARD**

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Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude you from attending and voting in person at the AGM should you so desire.

### **7. VOTING AT THE AGM**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the AGM will therefore demand a poll for every resolution put to vote at the AGM pursuant to Article 66 of the Articles. An announcement on the voting results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **8. CLOSURE OF REGISTER OF MEMBERS**

For determining the identity of Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from 16 June 2020 to 19 June 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all Share transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 15 June 2020.

### **9. RECOMMENDATIONS**

The Board is pleased to recommend the retiring Directors, details of whom are set out in Appendix II to this circular, for re-election at the AGM.

The Board considers that the proposals for the Issue Mandate, the extension thereof, the Repurchase Mandate, the re-election of the retiring Directors and the Proposed Change of Company Name are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant ordinary resolutions and the special resolution to be proposed at the AGM.

### **10. GENERAL INFORMATION**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Your attention is drawn to the additional information set out in the appendices to this circular.

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## LETTER FROM THE BOARD

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### 11. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
For and on behalf of  
**Huan Yue Interactive Holdings Limited**  
**Hu Minglie**  
*Chief Executive Officer and Executive Director*

*This appendix serves as an explanatory statement which contains particulars that are required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the Repurchase Mandate.*

### **THE REPURCHASE MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will be proposed to grant the Directors the new general and unconditional mandate to exercise all the powers of the Company to repurchase Shares up to 10% of the issued Shares as at the date of passing of the relevant resolution.

The Repurchase Mandate will continue to be in force until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles or any applicable laws of the Cayman Islands; or (iii) the revocation or variation of the authority given under the mandate by ordinary resolution of Shareholders in general meeting, whichever is the earlier.

### **EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the number of Shares in issue was 814,558,173 Subject to the passing of the proposed ordinary resolution approving the proposed Repurchase Mandate and on the basis that no further Shares is issued or repurchased by the Company prior to the AGM, the exercise of the proposed Repurchase Mandate in full would allow the Company to repurchase up to 81,455,817 Shares.

### **REASONS FOR REPURCHASES**

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. Repurchases will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

### **FUNDING OF REPURCHASES**

In making a repurchase, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules, the Companies Law and the applicable laws of Hong Kong and the Cayman Islands. Any repurchases by the Company may be made out of capital paid up on the Shares to be repurchased (if so authorised by the Articles and subject to the provisions of the Companies Law). The laws of the Cayman Islands provide that the purchase of Shares may only be paid out from the profits of the Company and/or out of the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can immediately following such payment pay its debts as they fall due in the ordinary course of business.

**IMPACT OF REPURCHASE**

There may be an adverse impact on the working capital requirements or gearing levels of the Company as compared with the position disclosed in the audited financial statements of the Company contained in the annual report for the year ended 31 December 2019 in the event that the Repurchase Mandate is to be exercised in full during the proposed repurchase period.

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company as compared with the position disclosed in the latest published audited financial statements of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**SHARES REPURCHASES MADE BY THE COMPANY**

In the six months preceding the Latest Practicable Date, the Company had bought back its Shares off the Stock Exchange, pursuant to a special resolution passed by the independent Shareholders at an extraordinary general meeting held on 9 March 2020 as follows:

<b>Date of Repurchase (Buy-back)</b>	<b>Number of Shares</b>	<b>Price per Share Highest/Lowest</b>
16 April 2020	41,000,000	HK\$0.80

Save as disclosed above, no repurchases of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the previous six months immediately preceding the Latest Practicable Date.

**TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company's exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

In the event that the Directors exercise the Repurchase Mandate in full, the total number of Shares which will be repurchased pursuant to the Repurchase Mandate shall be 81,455,817 Shares (being 10% of the issued Shares as at the Latest Practicable Date). As at the Latest Practicable Date, as far as the Directors are aware, Luckie Strike Limited and Come Fortune International Limited (being wholly owned companies of Dynamic Empire Holdings Limited) were interested in a total of 265,200,000 Shares. The entire issued share capital of Dynamic Empire Holdings Limited was beneficially owned by the Hu Family Trust which was founded by Mr. Hu. Mr. Hu was deemed to be interested in these Shares by virtue of the SFO, and had direct and indirect interests in a total of 13,513,000 Shares, who are presumed to be acting in concert under

the Takeovers Code (collectively known as the “**Concert Group**”). Accordingly, the Concert Group was interested in an aggregate of 278,713,000 Shares, representing approximately 34.22% of issued Shares. The percentage of shareholding of the Concert Group will increase to approximately 38.02% of the issued Shares immediately following the full exercise of the Repurchase Mandate, and such increase would give rise to an obligation to make a mandatory offer on the part of the Concert Group under Rules 26 and 32 of the Takeovers Code. The Directors do not have any intention to exercise the Repurchase Mandate to the extent that would trigger a mandatory offer under the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of the exercise of the Repurchase Mandate. In any event, the Repurchase Mandate will be exercised only if the number of Shares held by the public would not fall below 25%.

### SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the past twelve months preceding the Latest Practicable Date were as follows:

	Share Prices (per Share)	
	Highest (HK\$)	Lowest (HK\$)
<b>2019</b>		
April	0.720	0.640
May	0.690	0.620
June	0.700	0.580
July	0.680	0.550
August	0.690	0.465
September	0.590	0.460
October	0.580	0.470
November	0.590	0.465
December	0.680	0.435
<b>2020</b>		
January	0.660	0.530
February	0.790	0.550
March	0.900	0.650
April (up to the Latest Practicable Date)	0.900	0.740

### GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum of Association and the Articles, and the applicable laws and regulations of the Cayman Islands.

None of the Directors nor, to the best of the Directors' knowledge, having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

As at the Latest Practicable Date, no core connected persons (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

*This biographical details of the retiring Directors proposed to be re-elected at the AGM are set out as follows:*

**Mr. Hu Changyuan**, aged 71, is an executive Director and Chairman of the Board of the Company since 13 September 2007. Mr. Hu was recognized as a senior economist by the Municipal Personnel Bureau of Zhejiang Province (浙江省人事廳) in 1995. He is the founder of the Group. Mr. Hu has more than 29 years of experience in the copper plates and strips industry. He was a committee member of the first council of the China Nonferrous Metals Industry Association (中國有色金屬工業協會) (the “CNMFIA”), a member of the People’s Political and Consultation Commission of Cixi City (慈溪市政協) and was a representative to the People’s Congress of Ningbo City (寧波市人大). Mr. Hu was awarded the title of “Labor Model of Ningbo City” (寧波市勞動模範) by Ningbo People’s Government (寧波市人民政府) in 1991. In 2005, Mr. Hu served as a vice president of the Zhejiang Charity Federation (浙江省慈善總會). In 2005, Mr. Hu was awarded Zhejiang Charitable Individual (浙江慈善個人獎) by the People’s Government of Zhejiang. He was also awarded the title of outstanding Chinese Entrepreneur (中國優秀企業家) by the Chinese International Hua Shang Association (中國國際華商會) and International Hua Shang Magazine (國際《華商》雜誌社) in 2006. In 2007, he was awarded “Outstanding Contributions to Chinese Charities” (中華慈善事業突出貢獻獎) and the title of “China’s Charity Figure” (中華慈善人物) by China Charity Federation (中華慈善總會). Mr. Hu is the father of Mr. Hu Minglie, an executive Director and Chief Executive Officer of the Group and a director of Luckie Strike Limited and Come Fortune International Limited, substantial Shareholders. Mr. Hu is the spouse of Ms. Yu Yuesu, a substantial Shareholder.

Mr. Hu has entered into a service contract with the Company for a term of three years until terminated in accordance with the terms of the service contract. Under the service contract, either party may terminate such contract at any time by giving the other not less than three months’ prior notice in writing. His appointment is also subject to retirement by rotation and re-election in accordance with the Articles. Mr. Hu is currently entitled to an annual remuneration of RMB700,000. The amount of annual remuneration is subject to approval by the Board with recommendation from remuneration committee of the Board, at its discretion and having regard to his duties and responsibilities. Mr. Hu is also entitled to receive an annual bonus determined by the Board at its absolute discretion according to his performance and the operating results of the Company.

As at the Latest Practicable Date, Mr. Hu was deemed to be interested in 278,913,000 Shares. Among the above 278,913,000 Shares, 265,200,000 Shares were held by Luckie Strike Limited and Come Fortune International Limited which was wholly owned by Dynamic Empire Holdings Limited, 13,213,000 Shares were held by Regency Success Limited, 300,000 Shares and 200,000 underlying Shares under the Awarded Shares were held directly by Mr. Hu. The entire issued share capital of Dynamic Empire Holdings Limited (being substantial Shareholder) was beneficially owned by the Hu Family Trust which was founded by Mr. Hu. Mr. Hu was deemed to be interested in these Shares by virtue of the SFO. Apart from these, as at the Latest Practicable Date, Mr. Hu did not have any other interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at Latest Practicable Date, Mr. Hu had not held directorships of any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group; and Mr. Hu was not connected with any Directors, senior management of the Company, substantial or controlling Shareholders (as defined in the Listing Rules).

Save as aforesaid, there is no information in relation to Mr. Hu that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Hu Minglie**, aged 38, is an executive Director of the Company and Chief Executive Officer of the Group since 17 November 2014. He graduated from the University of Arizona with a master degree in Optical Science Engineering, and has received a MBA degree from UCLA Anderson School of Management. Mr. Hu Minglie is the founding partner and chairman of Lighthouse Capital Management LLC (the “**Lighthouse Capital**”), an equity investment fund management company established in Mainland China. At the time when he established Lighthouse Capital, he had been the partner of Tianjin Raystone Taihe Fund Management LLP, another equity investment fund management company established in Mainland China, for more than four years. During his service in Lighthouse Capital, he was responsible for the structuring and management of two funds with assets under management of over RMB300 million. The funds invested in more than 20 growth oriented projects in China and overseas, which were mainly medical, equipment and mobile internet projects. Mr. Hu Minglie has also actively participated in the charity activities in Mainland China and Hong Kong, and is the director of Cixi Xingye Xi Yang Hong Charitable Foundation and Si Ming Care for Aged and Children Charitable Foundation Limited. Mr. Hu Minglie is the son of Mr. Hu and Ms. Yu Yuesu.

Mr. Hu Minglie has entered into a service contract with the Company for a term of three years until terminated in accordance with the term of the service contract. Under the service contract, either party may terminate such contract at any time by giving the other not less than three months’ prior notice in writing. His appointment is also subject to retirement by rotation and re-election in accordance with the Articles. Mr. Hu Minglie is currently entitled to an annual remuneration of RMB1,200,000. The annual remuneration is determined by the Board with recommendation from the remuneration committee of the Board, with reference to his duties and responsibilities within the Group and the prevailing market condition. Mr. Hu Minglie is also entitled to receive an annual bonus determined by the Board at its absolute discretion according to his performance and the operating results of the Company.

As at the Latest Practicable Date, Mr. Hu Minglie was interested in 2,603,000 Shares and 1,000,000 underlying Shares under the Awarded Shares. Apart from these, and as at the Latest Practicable Date, Mr. Hu Minglie did not have any other interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Hu Minglie had not held directorships of any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group; and Mr. Hu Minglie was not connected with any Directors, senior management of the Company, substantial or controlling Shareholders (as defined in the Listing Rules).

Save as aforesaid, there is no information in relation to Mr. Hu Minglie that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.



**Dr. Lou Dong**, aged 38, is an independent non-executive Director of the Company since August 2015.

He is also the chairman of remuneration committee and a member of nomination committee of the Company. He graduated from Columbia University with a degree of Bachelors of Computer Science in 2004 and obtained a doctoral degree from Yale University in Financial Economics in 2009. Dr. Lou worked as an assistant professor in Finance at the London School of Economics and Political Science from 2009–2015, where he is currently an associate professor (tenured professor) in Finance. Dr. Lou is a researcher at the Centre for Economic Policy Research in the United Kingdom from 2013 to the present and an associate editor at Management Science and Journal of Empirical Finance from 2014 to the present.

Pursuant to his letter of appointment, Dr. Lou's appointment is for a term of three years subject to retirement by rotation and re-election in accordance with the Articles. Under the said letter of appointment, he is entitled to an annual director's fee of RMB102,000 for being an independent non-executive Director. The annual director's fee is determined by the Board based on the recommendation from the remuneration committee of the Company with reference to the prevailing market conditions, performance, qualification and experience of Dr. Lou.

As at the Latest Practicable Date, Dr. Lou had 100,000 Shares and 100,000 underlying Shares under the Awarded Shares. Apart from these, and as at the Practicable Date, Dr. Lou did not have any other interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Dr. Lou had not held directorships in any other public companies the securities of which are listed in Hong Kong or overseas in the last three years; and had not held any other position with the Company and other members of the Group; and Dr. Lou was not connected with any Directors, senior management of the Company, substantial or controlling Shareholders (as defined in the Listing Rules).

Save as aforesaid, there is no information in relation to Dr. Lou Dong that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Huan Yue Interactive Holdings Limited (the “**Company**”) will be held at No. 68, Jin Xi Road, Hangzhou Bay New Zone, Ningbo, Zhejiang Province, the People’s Republic of China on Friday, 19 June 2020 at 10:00 a.m. for the following purposes:

1. To consider, receive and adopt the audited consolidated financial statements and the reports of directors and independent auditor of the Company (the “**Directors**” and “**Auditor**” respectively) for the year ended 31 December 2019.
2. (a) To re-elect the following retiring Directors:
  - (i) Mr. Hu Changyuan as executive Director;
  - (ii) Mr. Hu Minglie as executive Director; and
  - (iii) Dr. Lou Dong as independent non-executive Director.
- (b) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration for the ensuing year.
3. To re-appoint KPMG as the Auditor for the ensuing year and to authorize the Board to fix the remuneration of the Auditor.

#### **As Special Business**

#### **ORDINARY RESOLUTIONS**

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (the “**Shares**”) or securities convertible into Shares, or options,

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## NOTICE OF ANNUAL GENERAL MEETING

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warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as defined in paragraph (d) of this resolution);
  - (ii) an exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
  - (iii) an exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or such other persons eligible to participate in any such scheme(s) or arrangement of Shares or rights to acquire Shares;
  - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles**”); or
  - (v) a specific authority granted by the shareholders of the Company (the “**Shareholders**”) in general meeting,

shall not exceed 20 per cent. of the total number of the Shares in issue as at the date of passing of this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of Shares into a smaller or larger number of Shares after the passing of this resolution) and the said approval shall be limited accordingly;

- (d) for the purpose of this resolution:
  - (i) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
    - (aa) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
  - (cc) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.
- (ii) “**Rights Issue**” means an offer of Shares or other equity securities of the Company open for a period fixed by the Directors to the holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China applicable to the Company).”
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (b) below of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and regulations of Hong Kong and the Cayman Islands, the Memorandum and Articles of Association of the Company and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period (as defined in paragraph (d) of this resolution) shall not exceed 10 per cent. of the total number of the Shares in issue as at the date of passing of this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of Shares into a smaller or larger number of Shares after the passing of this resolution) and the said approval shall be limited accordingly;
- (c) for the purpose of this resolution:

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions 4 and 5 set out in the notice of annual general meeting dated 29 April 2020 (the “**Notice of AGM**”), the total number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the general mandate granted under resolution 4 set out in the Notice of AGM be and is hereby extended by the addition thereto of the total number of the Shares which may be repurchased by the Company pursuant to and in accordance with the general mandate granted under resolution 5 set out in the Notice of AGM, provided that such number shall not exceed 10 per cent. of the total number of the Shares in issue as at the date of passing of this Resolution 6 (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of Shares into a smaller or larger number of Shares after the passing of this resolution).”

### As Special Business

#### SPECIAL RESOLUTION

7. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

“**THAT** subject to and conditional upon the approval being granted by the Registrar of Companies in the Cayman Islands, the English name of the Company be changed from “Huan Yue Interactive Holdings Limited” to “Xingye Alloy Materials Group Limited” and the dual foreign name in Chinese of the Company be changed from “歡悅互娛控股有限公司” to “興業合金材料集團有限公司” (the “**Change of Company Name**”) with effect from the date on which the Certificate of Incorporation on Change of Name is issued by the Registrar of Companies in the Cayman Islands and that any one or more of the directors of the Company or a committee thereof be and are hereby authorised to do all such acts and things and execute all such documents as he/she/they consider necessary (whether by hand, under seal or as a deed),

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## NOTICE OF ANNUAL GENERAL MEETING

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desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Change of Company Name and to attend to any necessary registration and/or filing for and on behalf of the Company.”

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

Hong Kong, 29 April 2020

*Notes:*

1. Any member of the Company entitled to attend and vote at the above meeting of the Company is entitled to appoint a proxy to attend and vote instead of him. A member of the Company who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting of the Company. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours (i.e. before 10:00 a.m. on 17 June 2020, Hong Kong time) before the time appointed for holding the meeting or any adjourned meeting thereof.
3. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint holders of any Share, any one of such joint holder may vote at the meeting, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. For determining the identity of Shareholders who are entitled to attend and vote at forthcoming annual general meeting, the register of members of the Company will be closed from 16 June 2020 to 19 June 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 15 June 2020.
6. With regard to item No. 2 in this notice, the Board proposes that the retiring Directors namely, Mr. Hu Changyuan, Mr. Hu Minglie and Dr. Lou Dong be re-elected as Directors. Details of these retiring Directors are set out in Appendix II to the circular to Shareholders dated 29 April 2020.
7. The granting of the Issue Mandate as set out in ordinary resolution No. 4 in the Notice of AGM, if approved by the Shareholders, may be used by the Director for issuing new Shares pursuant to the share award scheme, the maximum number of Shares which may be issued under the Issue Mandate for the share award scheme is 16,222,319, representing 2% of total issued Shares as at the date of adoption of share award scheme on 18 April 2016.

*As at the date of this Notice of AGM, 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.*