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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The board of directors (the "Board") of Huan Yue Interactive Holdings Limited (formerly known as "Xingye Copper International Group Limited") (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016 together with comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2016
(Expressed in RMB)

	Note	**2016** *RMB'000*	2015 *RMB'000*
Revenue	*3 (a)*	**3,435,511**	2,942,663
Cost of sales		**(2,882,979)**	(2,684,335)
Gross profit		**552,532**	258,328
Other income	*4*	**29,292**	57,010
Distribution expenses		**(48,385)**	(26,992)
Administrative expenses		**(266,492)**	(204,364)
Other expenses	*5*	**(106,397)**	(11,319)

	Note	2016 RMB'000	2015 RMB'000
Profit from operations		**160,550**	72,663
Finance income		**4,346**	6,655
Finance costs		**(52,757)**	(53,176)
Net finance costs	*6(a)*	**(48,411)**	(46,521)
Profit before taxation		**112,139**	26,142
Income tax	*7*	**(22,330)**	(5,293)
Profit for the year		**89,809**	20,849
Attributable to:			
Equity shareholders of the Company		**84,805**	18,848
Non-controlling interests		**5,004**	2,001
Profit for the year		**89,809**	20,849
Earnings per share			
Basic *(RMB)*	*8*	**0.10**	0.02
Diluted *(RMB)*	*8*	**0.10**	0.02

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016
(Expressed in RMB)

	Note	**2016** ***RMB'000***	2015 *RMB'000*
Profit for the year		**89,809**	20,849
Other comprehensive income for the year (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas operations		**(2,190)**	3,505
Other comprehensive income for the year		**(2,190)**	3,505
Total comprehensive income for the year		**87,619**	24,354
Attributable to:			
Equity shareholders of the Company		**82,615**	22,353
Non-controlling interests		**5,004**	2,001
Total comprehensive income for the year		**87,619**	24,354

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2016
(Expressed in RMB)

	Note	**2016**	2015
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**1,098,740**	1,160,914
Lease prepayments		**13,840**	14,199
Intangible Assets		**8,760**	–
Goodwill	*9*	**138,153**	–
Deferred tax assets		**25,851**	–
Deposits for acquisition of property, plant and equipment		**3,647**	15,973
		1,288,991	1,191,086
Current assets			
Inventories	*10*	**584,416**	424,654
Trade and other receivables	*11*	**461,103**	364,729
Derivative financial instruments		**4,304**	830
Available-for-sale investment		**–**	9,000
Pledged bank deposits		**49,570**	33,298
Cash and cash equivalents		**168,942**	209,915
		1,268,335	1,042,426
Current liabilities			
Trade and other payables	*12*	**829,592**	545,863
Interest-bearing borrowings	*13*	**622,271**	487,662
Derivative financial instruments		**4,949**	1,711
Income tax payable		**23,841**	718
		1,480,653	1,035,954
Net current (liabilities)/assets		**(212,318)**	6,472
Total assets less current liabilities		**1,076,673**	1,197,558
Non-current liabilities			
Interest-bearing borrowings	*13*	**80,000**	336,710
Contingent consideration payable	*14*	**46,093**	–
Deferred income		**49,449**	50,721
Deferred tax liabilities		**15,241**	7,052
		190,783	394,483
NET ASSETS		**885,890**	803,075
CAPITAL AND RESERVES			
Share capital		**73,687**	73,687
Reserves		**784,444**	705,085
Total equity attributable to equity shareholders of the Company		**858,131**	778,772
Non-controlling interests		**27,759**	24,303
TOTAL EQUITY		**885,890**	803,075

1 REPORTING ENTITY AND BACKGROUND INFORMATION

Huan Yue Interactive Holdings Limited (the "Company", formerly known as "Xingye Copper International Group Limited") was incorporated in the Cayman Islands as an exempted company with limited liability on 19 July 2007 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27 December 2007 (the "Listing Date").

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are the manufacture and sale of high precision copper plates and strips, trading of raw materials, and provision of processing services. After the acquisition of an online games business in August 2016 (note 14), the Group's activities also include developing, publishing and operating online games and provision of related services.

Pursuant to a special resolution passed by the shareholders of the Company on 13 September 2016, the issue of a Certificate of Incorporation on Change of Name by the Registrar of Companies in the Cayman Islands on 13 September 2016 and the issue of a Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company by the Registrar of Companies in Hong Kong on 11 October 2016, the English name of the Company was changed from "Xingye Copper International Group Limited" to "Huan Yue Interactive Holdings Limited" and the dual foreign name in Chinese of the Company was changed from "興業銅業國際集團有限公司" to "歡悅互娛控股有限公司".

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRSs), which collective term includes all applicable individual International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and related Interpretations, issued by the International Accounting Standards Board (IASB), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. None of these developments have significantly impacted on the financial position and results of the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are (i) the manufacture and sales of high precision copper plates and strips, trading of raw materials, provision of processing services; and (ii) developing, publishing and operating online games and provision of related services.

The amount of each significant category of revenue recognised during the year is as follows:

	2016	2015
	RMB'000	*RMB'000*
Copper products related		
– Sales of high precision copper plates and strips	**3,202,160**	2,560,790
– Processing service fees	**160,906**	142,704
– Trading of raw materials	**55,849**	239,169
	3,418,915	2,942,663
Online games related:		
– Technical service income	**9,580**	–
– Publishing and operating online games	**6,698**	–
– Others	**318**	–
	16,596	–
	3,435,511	2,942,663

The Group's customer base for copper products is diversified and included only one customer (2015: none) with whom the total transactions amount exceeded 10% of the Group's revenues. In 2016 revenues from sales of high precision copper plates and strips to this customer, amounted to RMB475,280,000 (2015: RMB70,784,000). Further details regarding the Group's principal activities are disclosed below:

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

Copper products – this segment carries on the business of manufacturing and selling high precision copper plates and strips products, providing processing services of copper plates and strips products and trading of raw materials.

Online games – this segment carries on the business of developing, publishing and operating online games and providing technical support services.

(i) *Segment results, assets and liabilities*

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets in the consolidated financial statements. Segment liabilities include all liabilities with the exception of unallocated corporate liabilities.

Expenses are allocated to the reportable segments with reference to the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The measure used for reporting segment profit is profit before taxation. In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue, interest income and expenses related to cash balances and borrowings managed directly by segments, depreciation and amortisation, impairment losses and additions to non-current segment assets used by the segments in their operations. No inter-segment sales have occurred for the years ended 31 December 2016 and 2015.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2016 and 2015 is set out below.

	Copper products		Online games		Total	
	2016	2015	**2016**	2015	**2016**	2015
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers and reportable segment revenue	**3,418,915**	2,942,663	**16,596**	–	**3,435,511**	2,942,663
Reportable segment profit (profit before taxation)	**105,816**	26,142	**6,323**	–	**112,139**	26,142
Interest income from bank deposits	**2,356**	5,825	**9**	–	**2,365**	5,825
Net interest expense	**(33,605)**	(38,495)	**–**	–	**(33,605)**	(38,495)
Depreciation and amortisation for the year	**(74,314)**	(64,276)	**(1,466)**	–	**(75,780)**	(64,276)
Impairment of plant and machinery	**(105,120)**	–	**–**	–	**(105,120)**	–
Reportable segment assets	**2,381,621**	2,233,512	**175,765**	–	**2,557,386**	2,233,512
Additions to non-current segment assets during the year	**122,808**	171,321	**148,539**	–	**271,347**	171,321
Reportable segment liabilities	**1,583,707**	1,430,437	**9,106**	–	**1,592,813**	1,430,437

(ii) ***Reconciliations of reportable segment assets and liabilities***

	2016	2015
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**2,557,386**	2,233,512
Elimination of inter-segment receivables	**(60)**	–
Consolidated total assets	**2,557,326**	2,233,512
Liabilities		
Reportable segment liabilities	**1,592,813**	1,430,437
Elimination of inter-segment payables	**(60)**	–
Unallocated corporate liabilities	**78,683**	–
Consolidated total liabilities	**1,671,436**	1,430,437

(iii) ***Geographic information***

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

	2016	2015
	RMB'000	*RMB'000*
Revenue		
PRC	**3,049,316**	2,516,045
Others	**386,195**	426,618
	3,435,511	2,942,663

The Group's non-current assets (excluding deferred tax assets) are all located in mainland China. The geographical location of the Group's non-current assets (excluding deferred tax assets) is based on the physical location of the asset, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets and goodwill.

4 OTHER INCOME

	2016	2015
	RMB'000	*RMB'000*
Government grants	**18,912**	31,605
Gain on liquidation of interest in a joint venture	**1,467**	–
Gains from derivate financial instruments	**6,152**	19,678
Gain on disposal of property, plant and equipment	**139**	–
Others	**2,622**	5,727
	29,292	57,010

Government grants represented unconditional government grants of RMB15,916,000 (2015: RMB30,360,000) awarded to the Group as a recognition of the Group's contribution to the development of the local economy, and the amortisation of deferred government grants of RMB2,996,000 during the year ended 31 December 2016 (2015: RMB1,245,000).

5 OTHER EXPENSES

	2016	2015
	RMB'000	*RMB'000*
Impairment losses on property, plant and equipment	**105,120**	–
Loss on disposal of property, plant and equipment	**672**	4,776
Loss on disposal of interest in an associate	**–**	2,629
Loss on disposal of interest in a subsidiary	**7**	426
Others	**598**	3,488
	106,397	11,319

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/(charging):

(a) Net finance costs

	2016	2015
	RMB'000	*RMB'000*
Interest income on bank deposits	**2,365**	5,825
Change in fair value of contingent consideration payables	**19**	–
Unrealised gains from foreign exchange forward contracts and interest rate swap contracts	**1,962**	830
Finance income	**4,346**	6,655
Interest expenses	**(43,117)**	(53,622)
Less: interest expenses capitalised*	**9,512**	15,127
Net interest expense recognised in profit or loss	**(33,605)**	(38,495)
Net foreign exchange loss	**(19,152)**	(14,681)
Finance costs	**(52,757)**	(53,176)
Net finance costs	**(48,411)**	(46,521)

* The borrowing costs were capitalised at rates of 1.02%~6.72% per annum in 2016 (2015: 1.02%~6.72% per annum).

(b) Personnel costs

	2016	2015
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**120,359**	90,940
Contributions to defined contribution plan	**6,021**	4,586
	126,380	95,526

The Group participates in pension funds organised by the PRC government. According to the related pension fund regulations, the Group is required to pay annual contributions during the year. The Group remits all the pension fund contributions to the respective social security offices, which are responsible for the payments and liabilities relating to the pension funds. The Group has no obligation for payment of retirement and other post-retirement benefits of employees other than the contributions described above.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees employed by the Company in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(c) Other items

	2016	2015
	RMB'000	*RMB'000*
Cost of inventories (i)	**2,878,577**	2,684,335
Depreciation	**73,981**	63,918
Amortisation		
– Lease prepayments	**359**	358
– Intangible assets	**1,440**	–
Impairment loss on property, plant and equipment (ii)	**105,120**	–
Research and development expenditure (included in administrative expenses)	**164,947**	128,655
Operating lease charges	**648**	587
Auditor's remuneration-audit services	**2,890**	1,700

(i) Cost of inventories includes RMB91,588,000 (2015: RMB81,835,000) relating to staff costs and depreciation expenses which amounts are also included in the respective total amounts disclosed separately above or in note 6(b) for each type of expenses.

(ii) In October 2016, the Group terminated the operation of a subsidiary, Yingtan Xingye Electronic Metal Materials Co., Ltd., and certain production machinery and equipment became idle. The Group assessed the recoverable amount of the related machinery and equipment and as a result the carrying amount of the machinery and equipment was written down to their recoverable amount of RMB8,674,000. An impairment loss of RMB24,849,000 was recognised in "Other expenses". The estimates of recoverable amount were based on fair value less costs of disposal, using the market approach by reference to the estimated sales value as at 31 December 2016. The fair value on which the recoverable amount is based is categorised as a Level 2 measurement.

During the year ended 31 December 2016, the Group identified indicators of potential impairment of a copper product production line with a carrying amount of RMB344,407,000 as at 31 December 2016, because certain technical specifications of the production line's key machinery were not satisfactory enough to produce the budgeted specialised output and also because the capacity of the production line was affected, which could lead to economic or functional obsolescence. The Group assessed the recoverable amount of the related machinery and equipment and as a result the carrying amount of the machinery and equipment was written down to their recoverable amount of RMB264,136,000. An impairment loss of RMB80,271,000 was recognised in "Other expenses". The estimates of recoverable amount were based on fair value less costs of disposal, using a cost approach. The fair value on which the recoverable amount is based is categorised as a Level 3 measurement.

7 INCOME TAX

	2016	2015
	RMB'000	*RMB'000*
Current tax		
Provision for the year	41,854	12,479
Over-provision in respect of prior year	(812)	(1,750)
	41,042	10,729
Deferred tax		
Origination and reversal of temporary differences	(33,712)	(5,917)
PRC withholding tax	15,000	481
	22,330	5,293

(i) Pursuant to the tax rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

(ii) The applicable profits tax rate of the Group's subsidiaries incorporated in Hong Kong was 16.5% (2015: 16.5%).

(iii) The provision for PRC income tax is based on the respective Corporate Income Tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

For the year ended 31 December 2016, the standard income tax rate for all companies established in the PRC was 25%, except for Ningbo Xingye Shengtai Group Limited ("Shengtai Group"), which has been granted the status of High and New-Technology Enterprise by the local tax authorities and is entitled to a reduced tax rate of 15% for the three years from 2014 to 2016.

(iv) The PRC Corporate Income Tax Law and its relevant regulations impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividend distributions out of the PRC from earnings accumulated from 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. As at 31 December 2016, deferred tax liabilities of RMB15,000,000 (2015: RMB1,500,000) have been recognised in connection with withholding tax that would be payable on the distribution of retained profits of the Group's PRC subsidiaries.

8 BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB84,805,000 (2015: RMB18,848,000) and the weighted average number of 809,806,092 ordinary shares (2015: 755,733,950) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2016	2015
Ordinary shares in issue at 1 January	**811,115,950**	699,501,950
Effect of share options exercised	**–**	1,275,000
Effect of new shares issued	**–**	54,957,000
Effect of treasury shares held for Share Award Scheme	**(1,309,858)**	–
Weighted average number of ordinary shares in issue at 31 December	**809,806,092**	755,733,950

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB84,805,000 (2015: RMB18,848,000) and the weighted average number of ordinary shares outstanding after adjustment of all dilutive potential ordinary shares of 817,914,330 ordinary shares (2015: 755,733,950), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2016	2015
Weighted average number of ordinary shares at 31 December (basic)	**809,806,092**	755,733,950
Effect of contingent issuable ordinary shares	**8,108,238**	–
Weighted average number of ordinary shares at 31 December (diluted)	**817,914,330**	755,733,950

9 GOODWILL

	RMB'000
Cost:	
At 1 January 2016	–
Acquisition through business combination *(note 14)*	138,153
At 31 December 2016	138,153
Accumulated impairment loss:	
At 1 January 2016	–
Impairment loss	–
At 31 December 2016	–
Net book value:	
At 31 December 2016	138,153
At 31 December 2015	–

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating unit ("CGU") identified according to operating segment as follows:

	2016	2015
	RMB'000	*RMB'000*
Online games	**138,153**	–

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3%. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a pre-tax discount rate of 38%. The discount rate used reflects specific risks relating to the relevant business.

10 INVENTORIES

	2016	2015
	RMB'000	*RMB'000*
Raw materials	**110,656**	71,910
Work in progress	**381,816**	273,076
Finished goods	**91,425**	79,214
Others	**519**	454
	584,416	424,654

Provisions of RMB3,768,000 (2015: RMB12,739,000) were made against those inventories with net realisable value lower than carrying value as at 31 December 2016. Except for the above, none of the inventories as at 31 December 2016 were carried at net realisable value (2015: Nil).

Certain inventories with aggregate carrying amount of RMB255,670,000 were pledged as security for bank loans at 31 December 2016 (2015: RMB272,916,000) (see note 13).

11 TRADE AND OTHER RECEIVABLES

	2016	2015
	RMB'000	*RMB'000*
Trade and bill receivables	**358,093**	234,234
Deposits for metal future contracts	**11,632**	15,005
VAT recoverable	**76,792**	81,257
Prepayments	**12,004**	19,240
Others	**2,582**	14,993
	461,103	364,729

Credit terms granted to customers ranged from 7 to 90 days depending on the customer's relationship with the Group, its creditworthiness and past settlement records.

As at 31 December 2016, the Group discounted certain bank acceptance bills to banks for cash proceeds and endorsed certain bank acceptance bills to suppliers for settling trade payables of the same amount on a full recourse basis, with an amount of RMB11,140,000 (2015: RMB7,866,000). In the opinion of the directors, the Group has not transferred the substantial risks and rewards relating to these bank acceptance bills, and accordingly, it continued to recognise the full carrying amounts of these bills receivable and the associated trade payables settled, and has recognised the cash received on the transfer as cash advances under discounted bills.

As at 31 December 2016, the Group discounted certain bank acceptance bills to banks for cash proceeds and endorsed certain bank acceptance bills to suppliers for settling trade payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and the payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than six months from the end of the reporting period. In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable.

As at 31 December 2016, the Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to banks or suppliers in respect of the discounted bills and endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB12,803,000 (2015: RMB38,860,000).

(a) Ageing analysis

As at the end of reporting period, the ageing analysis of trade and bill receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts is as follows:

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**333,285**	198,341
Over 3 months but less than 6 months	**23,949**	35,408
Over 6 months but less than 1 year	**792**	116
Over 1 year	**67**	369
	358,093	234,234

As at 31 December 2016, the Group's bill receivables with aggregate carrying value of approximately RMB70,023,000 (2015: RMB46,035,000) were pledged to banks for issuance of bank acceptance bills.

(b) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	2016	2015
	RMB'000	*RMB'000*
Neither past due nor impaired	**350,465**	219,088
Less than 3 months past due	**6,769**	14,662
Over 3 months past due	**859**	484
	7,628	15,146
	358,093	234,234

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers for whom there is no recent history of default. Based on past experience in collection of trade receivables from customers, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality of customers and the balances are still considered fully recoverable.

12 TRADE AND OTHER PAYABLES

	2016	2015
	RMB'000	*RMB'000*
Trade and bill payables	**652,903**	430,279
Advances received from customers	**37,288**	35,506
Staff benefits payable	**23,225**	14,927
Payables for purchase of property, plant and equipment	**55,839**	56,073
Cash consideration payable in connection with business combination *(note 14)*	**16,638**	–
Contingent share consideration payable *(note 14)*	**15,952**	–
Accrued expenses and others	**27,747**	9,078
	829,592	545,863

As of the end of the reporting period, the ageing analysis of trade and bill payables (which is included in trade and other payables), based on the invoice date or issuing date, is as follows:

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**473,412**	361,791
Over 3 months but within 6 months	**150,283**	64,575
Over 6 months but within 1 year	**27,037**	946
Over 1 year	**2,171**	2,967
	652,903	430,279

13 INTEREST-BEARING BORROWINGS

At 31 December 2016, the interest-bearing borrowings were repayable based on scheduled repayment dates set out in the loan agreements as follows:

	2016	2015
	RMB'000	*RMB'000*
Current		
Short-term secured bank loans	**172,700**	332,500
Unsecured bank loans	**200,803**	78,584
Bank advances under discounted bills	**20,000**	42,850
Current portion of non-current secured bank loans	**228,768**	33,728
	622,271	487,662
Non-current		
Secured bank loans	**80,000**	336,710
	702,271	824,372

(i) The Group's long-term bank loans were repayable as follow:

	2016	2015
	RMB'000	*RMB'000*
Within 1 year	**228,768**	33,728
Over 1 year but less than 2 years	**–**	236,710
Over 2 years but less than 5 years	**80,000**	100,000
	80,000	336,710
	308,768	370,438

(ii) The Group's interest-bearing borrowings in the amount of RMB80,000,000 (2015: RMB100,000,000) are subject to the fulfilment of financial covenants relating to certain of the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. As at and during the year ended 31 December 2016 none of these covenants relating to drawn down facilities was breached.

(iii) The secured bank loans as at 31 December 2016 bore interest at rates ranging from 1.28% to 6.72% (2015: 1.02% to 8.4%) per annum and were pledged by the following assets:

	2016	2015
	RMB'000	*RMB'000*
Carrying amounts of assets:		
Inventories	**255,670**	272,916
Property, plant and equipment	**897,591**	686,926
Lease prepayments	**13,840**	8,326
	1,167,101	968,168

(iv) Unsecured bank loans as at 31 December 2016 bore interest at rates ranging from 1.28% to 4.57% (2015: 1.02% to 1.17%) per annum.

14 ACQUISITION OF SUBSIDIARIES

On 5 August 2016 ("the Acquisition Date"), the Group obtained control of Funnytime Limited ("Funnytime") and its subsidiaries (collectively, the "Target Group") by acquiring 100% of the shares and voting interest in Funnytime. The Target Group is principally engaged in developing, publishing and operating of internet and mobile games products.

Acquisition of internet and mobile games business diversifies the Group's existing business portfolio, reduces the overall risk profile, and broadens the source of income of the Group.

The post-acquisition revenue and net profit that the Target Group contributed to the Group during the year ended 31 December 2016 are RMB16,596,000 and RMB6,162,000, respectively. Had the acquisition occurred on 1 January 2016, management estimates that the Group's consolidated revenue and consolidated profit for the year ended 31 December 2016 would have been RMB3,453,355,000 and RMB99,537,000, respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the above acquisition would have been the same if the acquisition had occurred on 1 January 2016.

The total consideration payable by the Group comprises fixed cash consideration of HKD97,400,000 (equivalent to RMB83,649,000) and contingent consideration to be settled in the form of cash and newly issued ordinary shares of the Company depending on achievement of the Target Group's adjusted net profit for each performance year from 2016 to 2018 (as defined by the sale and purchase agreement dated 21 June 2016 in relation to the acquisition of Funnytime by the Company (the "Sale and Purchase Agreement"), which are payable within three years. The fair value of the contingent consideration payable at the Acquisition Date was estimated to be HKD87,985,000 (equivalent to RMB75,563,000) (including contingent cash consideration of HKD15,574,000 (equivalent to RMB13,375,000) and contingent share consideration of HKD72,411,000 (equivalent to RMB62,188,000)). At 31 December 2016, the performance target for contingent cash consideration was achieved, thus the cash consideration of HKD18,600,000 (equivalent to RMB16,638,000) was recognised in trade and other payables as at 31 December 2016 (note 12), with the fair value increase of HKD3,026,000 (equivalent to RMB2,590,000) recognised in finance income (note 6(a)). The fair value of contingent share consideration had decreased to HKD69,362,000 (equivalent to RMB62,045,000), with the fair value decrease of HKD3,049,000 (equivalent to RMB2,609,000) recognised in finance income (note 6(a)). Contingent consideration payable of RMB15,952,000 is included in trade and other payables (note 12) and RMB46,093,000 is included in non-current contingent consideration payable, respectively, in the Group's consolidated statement of financial position as at 31 December 2016.

The Group incurred acquisition-related costs of RMB2,391,000 related to legal fees and due diligence costs. These costs are included in "administrative expenses".

Details of the fair value of net identified assets acquired are as follows:

	Pre-acquisition carrying amount	**Fair value adjustment**	**Recognised values on acquisition**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	155	–	155
Intangible assets	–	10,200	10,200
Trade and other receivables	13,389	–	13,389
Cash and cash equivalents	1,141	–	1,141
Trade and other payables	(1,276)	–	(1,276)
Deferred tax liabilities	–	(2,550)	(2,550)
Net identifiable assets	13,409	7,650	21,059
Goodwill			138,153
Total consideration			159,212
Satisfied by:			
Fixed cash consideration			83,649
Fair value of contingent cash and share consideration			75,563
			159,212
Analysis of the net cash outflow in respect of the acquisition			
Cash consideration paid			83,649
Less: cash acquired			1,141
Net cash outflow in acquisition			82,508

Pre-acquisition carrying amounts were determined based on applicable IFRSs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values.

Goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the Target Group's work force. None of the goodwill recognised is expected to be deductible for tax purposes.

15 DIVIDENDS

No final dividend was declared to equity shareholders of the Company for the years ended 31 December 2015 and 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders of the Company at an extraordinary general meeting held on 13 September 2016, the name of the Company has been changed from "Xingye Copper International Group Limited" to "Huan Yue Interactive Holdings Limited" and the adoption of the Chinese name "歡悅互娛控股有限公司" as the dual foreign name in Chinese of the Company. The Certificate of Incorporation on Change of Name has been issued by the Registrar of Companies in the Cayman Islands on 13 September 2016 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company confirming the registration of the Company's new English and Chinese names of "Huan Yue Interactive Holdings Limited" and "歡悅互娛控股有限公司" respectively in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) was issued by the Registrar of Companies in Hong Kong on 11 October 2016. The stock short names for trading in the shares on the Stock Exchange has been changed to "HUAN YUE INTER" in English and "歡悅互娛" in Chinese with effect from 9:00 a.m. on 20 October 2016.

OVERALL BUSINESS REVIEW

The Group's turnover amounted to RMB3,435.5 million, representing a growth rate of 16.7% compared to RMB2,942.7 million in 2015. The Group's profit attributable to the shareholders increased by 351.1% to RMB84.8 million, from RMB18.8 million in 2015.

ONLINE GAMES BUSINESS

Market and industry review

In 2016, China's gaming industry achieved a scale of RMB165.57 billion, with year-on-year growth of 17.7%. The number of Chinese game players reached 566 million, with year-on-year growth of 5.9%. In 2016, revenue of China's online web game market was RMB18.71 billion. The online web game market gradually turned into a stable stage of development, with a stable industry structure. At the same time, the market demand of game products, such as boutique products, segmented products and new types of products, significantly improved. Also, in 2016, the game market scale in North America was USD25.4 billion, with year-on-year growth of 4.1%; the game market scale in Europe was USD23.5 billion, with year-on-year growth of 7.3%, which provides a strong support to the globalisation strategy of Chinese online gaming companies.

Business review

In August 2016, the Group completed the acquisition of Funnytime Limited ("Funnytime"), which mainly engages in the development, distribution and operation of online games through its wholly-owned subsidiary Soul Dargon Limited and a domestic company Hefei Zhangyue Network Technology Co., Ltd. ("Zhangyue") controlled through contractual agreements.

Funnytime realised total revenue of RMB34.4 million and net profit of RMB17.4 million for the year end 31 December 2016. Adjusted net profit (as defined in Sale and Purchase Agreement) of RMB19.2 million for year 2016 achieved the performance target stipulated in Sales and Purchase Agreement. Funnytime was consolidated into the Group's financial statements from the acquisition date, with its net profit of RMB6.2 million from the acquisition date to 31 December 2016.

Game development: in 2016, Zhangyue developed three online games, which had been on line or in the test phase, including the "Martial Peak" (《武煉巔峰》), as the key Intellectual Property ("IP") product cooperated by Zhangyue and Qidian Chinese Net (起點中文網), a well-known online literature website in China, had been on line in China in December 2016.

Game operation: Game operation is the strength of Zhangyue and its main source of profit. In 2016, the total charging record of online games under operation reached RMB130 million and there were ten online web games, of which a well-known IP game called "Scions of Fate" (《熱血江湖傳》) made contribution of more than 90% of the revenue. In the end of 2016, Zhangyue started to operate two rating products, including "Battle of Gaza City" (《百戰沙城》) with more than RMB one million of monthly game charging revenue. Online game called "Adventure World" (《冒險世界》), which was online in December 2016, has entered the QQ Game Hall (Tencent game platform). In addition, the game operating business of Zhangyue has shifted its strategy to focus on the leisure sports market and mobile games market with long-term income through effective product positioning. As at the end of 2016, Zhangyue had four sub-categories web game products including "Happy Racing" (《開心賽車》), "Bosozoku" (《暴走裝甲》), "King of Gun Battle" (《槍王對決》) and "Cocoa food war" (《可可美食戰記》), all of which were expected to be operated on Tencent's game platforms.

COPPER PLATES AND STRIPS BUSINESS

Market and industry review

In 2016, prices of nonferrous metals were relatively stable during the first half year and relatively high in the second half year, for example, the price of cathode copper showed a stable pattern in the first three quarters, but under the booming influence of other bulk commodities in the fourth quarter, it showed a price increase, which has been rarely seen in recent years. It is estimated that the prices of nonferrous metals will be volatile with a rising trend. In 2016, as China's economy continued to promote supply-side reform as well as transformation and upgrading, the copper plates and strips industry also experienced structured change, with certain enterprises having been eliminated, and other enterprises in assets reorganisation. Industry performance rebounded compared with that of previous years.

Business review

During the reporting period, the Group's copper processing business realised a total revenue of RMB3,418.9 million and sales volume of 126,598 tons, representing an increase of 16.2% and 23.0% respectively over 2015. The revenue of precision copper plates and strips was RMB3,202.2 million, representing an increase of 25.0% from RMB2,560.8 million of last year. The sales volume of precision copper plates and strips was 89,541 tons, representing an increase of 34.4% from 66,619 tons in the same period of last year. The increase in copper plates and strips revenue was mainly due to the Group's increased sales volume of high value-added brass products during the reporting period. During the reporting period, copper products processing services revenue reached RMB160.9 million, representing an increase of 12.8% from RMB142.7 million of last year. The volume of processing services were 32,231 tons, representing an increase of 15.9% from 27,799 tons of last year. During the reporting period, the revenue of trading of raw materials was RMB55.8 million, representing a decrease of 76.7% from RMB239.2 million of last year. While trade sales were 4,826 tons, representing a decrease of 43.5% from 8,545 tons of last year. The decrease in revenue and sales volume was mainly attributable to the reduction in the trading of raw materials resulting from the Group's sales structure.

Business development

Innovative research and development: In 2016, the Group continued to strengthen process innovation and product innovation. Process innovation has significantly increased the quality and yield of lead frame series of a high value-added brass products. We conducted effective marketing strategies for targeted customers, and these new products not only gained customer's recognition, but also contributed to the Group's profits. During the reporting period, the Group's copper plates and strips operating company Ningbo Xingye Shengtai Group Ltd. ("**Shengtai Group**") became one of the units for the Tenth Five-Year Plan major R&D project: "high-performance high-precision copper and copper alloy plate and strip manufacturing". During the reporting period, Shengtai Group developed two new products of copper and nickel as well as copper and zinc alloy, and declared new product achievements to the industry associations and local government.

Management system optimisation: In 2016, in order to adapt to large-scale production and management after major technological transformation and upgrading of equipment, Shengtai Group optimised its organisational framework and established a new material center, which regulated and controlled all kinds of resource elements required in the established production process, as well as optimising the sales center and manufacturing, to be more convenient for connections between production and external clients.

OUTLOOK

In 2017, we will continue to uphold the concept of innovation and development. Under the business idea of "sound management of heavy asset business, actively develop light asset business", we will continue to develop our copper plate and strip business, and strive to make the online games business into the ranks of well-known gaming companies in China, ultimately seeking to achieve greater benefits and returns for the Company's shareholders.

FINANCIAL REVIEW

Revenue and gross profit

The Group's copper business achieved a total revenue of RMB3,418.9 million for the year ended 31 December 2016, and the Group's online gaming business achieved revenue of RMB16.6 million since it was consolidated into the Group from the acquisition date.

For the year ended 31 December 2016, the Group recorded total sales revenue of RMB3,435.5 million, which increased by 16.7% from RMB2,942.7 million of last year. The increase in sales revenue of the Group's copper business was mainly due to an increase in sales volume of copper products during 2016.

The Group sold 126,598 tons of copper products, which increased by 23.0% from 102,963 tons of 2015.

The Group recorded a gross profit of RMB552.5 million in 2016, which increased by 113.9% as compared with 2015. The increase in gross profit is mainly due to an increase in copper price, and the largest customer of the Group having made more orders on a high margin brass product during 2016.

Other income

For the year ended 31 December 2016, the Group recorded other income of RMB29.3 million, which decreased by RMB27.7 million as compared to 2015, which was mainly attributable to a decrease in government grants.

Other expenses

For the year ended 31 December 2016, other expenses of the Group was RMB106.4 million, which increased by RMB95.1 million from RMB11.3 million in 2015. This was mainly attributable to the impairment loss of property, plant and equipment of the Group's copper business in 2016.

In October 2016, the Group terminated the operation of a subsidiary, Yingtan Xingye Electronic Metal Materials Co., Ltd., and certain production machinery and equipment became idle. The Group assessed the recoverable amount of the related machinery and equipment and as a result the carrying amount of the machinery and equipment was written down to their recoverable amount of RMB8,674,000. An impairment loss of RMB24,849,000 was recognised in "Other expenses".

During the year ended 31 December 2016, the Group identified indicators of potential impairment of a copper product production line with a carrying amount of RMB344,407,000 as at 31 December 2016 because certain technical specifications of the production line's key machinery were not satisfactory enough to produce the budgeted specialised output and also because the capacity of the production line was affected, which might lead to economic or functional obsolescence. The Group assessed the recoverable amount of the related machinery and equipment and as a result the carrying amount of the machinery and equipment was written down to their recoverable amount of RMB264,136,000. An impairment loss of RMB80,271,000 was recognised in "Other expenses".

Distribution expenses

For the year ended 31 December 2016, the distribution expenses of the Group increased by RMB21.4 million from RMB27.0 million of 2015 to RMB48.4 million, which was mainly attributable to an increase in freight expenses due to an increase in sales volumes, and the Group having engaged a third party to handle distribution services in Xiamen, China with a volume based fee.

Administrative expenses

For the year ended 31 December 2016, administrative expenses of the Group increased by RMB62.1 million from RMB204.4 million of 2015 to RMB266.5 million, which was mainly due to an increase in R&D (research and development) expenses.

Net finance costs

For the year ended 31 December 2016, the Group's net finance costs increased to RMB48.4 million from RMB46.5 million of 2015. It is mainly because the net loss of foreign exchange of 2016 is more than that of 2015 by RMB4.5 million.

Income tax

For the year ended 31 December 2016, the Group's income tax expenses increased by RMB17.0 million to RMB22.3 million from RMB5.3 million of 2015, while the effective tax rate remained stable.

Profit attributable to the shareholders of the Company

As a result of the aforementioned factors, during the year, the profit attributable to the shareholders of the Company was increased by RMB66.0 million to RMB84.8 million from RMB18.8 million of 2015.

Liquidity and financial resources

As at 31 December 2016, the Group recorded net current liabilities of RMB212.3 million, compared with net current assets of RMB6.5 million as at 31 December 2015, which was primarily due to the acquisition of the gaming business of RMB82.5 million (net of cash acquired) for the first installment of cash consideration and the purchase of property, plant and equipment of RMB94.2 million during the reporting period.

The short-term interest-bearing borrowings represented 88.6% of total interest-bearing borrowings as of 31 December 2016. As at the date of this announcement, the Group had not experienced any difficulty in raising funds by securing and rolling over the short-term loans borrowed from various banks in the PRC, which were renewed on an annual basis in accordance with local market practice.

The Group is able to generate cash from operating activities, has good credit standing and relationships with principal lending banks, and possesses available undrawn banking facilities together with bank deposits of RMB762.9 million (including long term loan facilities amounted to RMB182.1 million effective until 2018) and RMB218.5 million (comprised of pledged deposits of RMB49.6 million and cash and cash equivalents of RMB168.9 million) respectively. Based on previous experience and the Group's relationships with its principal lending banks, the Board believes that the Group can roll over existing short-term bank borrowings upon maturity in the coming year. The Board is confident that the Group has adequate financial resources to sustain its working capital requirements and meet its foreseeable debt repayment requirements.

As at 31 December 2016, the Group had outstanding bank loans and other borrowings of approximately RMB622.3 million which shall be repaid within 1 year. As at 31 December 2016, 68.6% of the Group's debts were a secured basis.

The net gearing ratio as at 31 December 2016 was 38.3% (31 December 2015: 44.1%), which is calculated as net debt divided by total capital. Net debt is calculated as total debt (including all interest-bearing borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity attributable to equity shareholders of the Company, as shown in the consolidated statement of financial position, plus net debt.

Charge on assets

As at 31 December 2016, the Group pledged assets with an aggregate carrying value of RMB1,167.1 million (31 December 2015: RMB968.2 million) to secure bank loan facilities.

Capital expenditure

For the year ended 31 December 2016, the Group had invested RMB94.2 million in the purchase of property, plant and equipment. These capital expenditures were largely financed by internal resources and bank loans. The Group acquired its gaming business subsidiaries in 2016, and paid RMB82.5 million (net of cash acquired) for the first installment of cash consideration for the acquisition. The acquisition was largely financed by internal resources.

Capital commitments

As at 31 December 2016, future capital expenditures, for which the Group had contracted but not provided for, amounted to approximately RMB8.1 million.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group did not have any significant contingent liabilities.

MARKET RISK

The Group was exposed to various types of market risks, including fluctuation in copper prices and other commodities' prices and changes in interest rates and foreign exchange rates.

EMPLOYEES

As at 31 December 2016, the Group had 1,282 employees, of which the copper business and online gaming business had 1,193 and 89 employees respectively. Remuneration policies are reviewed regularly to ensure that the Group is offering competitive employment packages to our employees. Benefits of the employees include salaries, pension, medical insurance scheme and other applicable social insurance. In addition, share options or share award may be granted or awarded to eligible employees of the Group (including directors) in accordance with the terms of the approved share option scheme or share award scheme respectively. Promotion and salary increments are assessed based on performance. The Group's growth is dependent upon the skills and dedication of its employees. The Group recognises the importance of human resources in a competitive industry and has devoted resources to train employees. The Group has established an annual training program for our employees so that new employees can master the skills required to perform their roles and responsibilities and the existing employees can upgrade or improve their skills.

ENVIRONMENTAL AND REGULATORY POLICES

Environmental protection and energy conservation are the fundamental standards in our production and operations. The Group has made vigorous endeavors to foster the recycling of resources and has established dedicated recovery plants that recycle the relevant metals and other resources for remanufacturing purposes in order to minimise the impact on the environment. As part of our efforts to cut energy consumption, the Group has renovated certain equipment with high energy consumption. The Group will continue to use different ways to lower energy consumption and augment utilisation efficiency of energy.

The Group has required strict compliance of its suppliers with environmental regulations and will return and reject raw materials containing hazardous substances exceeding the recommended limits in terms of concentration or goods for which certificates, approval and verification issued by relevant regulatory authorities have not been obtained.

In 2016, Shengtai Group was honored by the local government as a Clean Production Enterprise of Ningbo City.

The principal operating companies of the Group are situated in mainland China, whilst the Company was incorporated in the Cayman Islands and its shares are listed in Hong Kong. The Group has complied with all the relevant laws, rules and regulations in mainland China, the Cayman Islands and Hong Kong.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016, except that the trustee of the share award scheme adopted by the Company on 18 April 2016 (the "Share Award Scheme"), pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 4,021,000 shares of the Company at a total consideration of HKD3,711,641 (equivalent to RMB3,256,000) during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules during the year. Having made specific enquiries of Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2016.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2016.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of its Directors, as at the date of this announcement, the Company has maintained a public float of not less than 25% of the issue share capital of the Company as required under the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company comprises two independent non-executive Directors namely, Mr. Chai Chaoming, Ms. Lu Hong and one non-executive Director, Mr. Dai Jianchun. The audit committee has reviewed the audited financial statements for the year ended 31 December 2016 and has also discussed audit, risk management, internal control and financial reporting matters including accounting practices and principles adopted by the Group.

AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditors, KPMG, to the amounts set out in the Group's consolidated financial statements for the year.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the shareholders of the Company who are entitled to attend and vote at the forthcoming annual general meeting to be held on 26 May 2017, the register of members of the Company will be closed from 23 May 2017 to 26 May 2017, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 22 May 2017.

PUBLICATION OF 2016 ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (www.huanyue.com.hk) and the Stock Exchange's designated website (www.hkexnews.com.hk). The Company's 2016 Annual Report and notice of annual general meeting will be made available on the above websites and will be despatched to the Company's shareholders in due course.

By order of the Board
Huan Yue Interactive Holdings Limited
HU Changyuan
Chairman

Hong Kong, 24 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Hu Changyuan, Mr. Hu Minglie, Mr. Ren Hao, Mr. Zhu Wenjun and Mr. Chen Jianhua, the non-executive director of the Company is Mr. Dai Jianchun and the independent non-executive directors of the Company are Mr. Chai Chaoming, Dr. Lou Dong and Ms. Lu Hong.