

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNOUNCEMENT ON LITIGATION

This announcement is made by the board of directors (the “**Board**”) of the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Company recently received a Notification of Proceedings served by Nankai District People’s Court of Tianjin Province (天津市南開區人民法院) in the PRC pursuant to which a Ping An Bank Company Limited (Tianjin Branch) (the “**Plaintiff**”) commenced a legal proceedings against Ningbo Xinglie Trade Company Limited (“**Xinglie**”), a wholly-owned subsidiary of the Company as the third respondent and Ningbo Xingye Shengtai Group Limited (“**Shengtai Group**”), a non-wholly-owned subsidiary of the Company as the fourth respondent (the “**Litigation Proceedings**”).

Under the Summons and Notification of Proceedings, it is alleged that the Plaintiff and the first respondent has entered into a loan agreement and in order to secure the loan amount, the first respondent has assigned to the Plaintiff an alleged accounts receivables due from Xinglie and Shengtai Group. The Plaintiff further alleged that, among other things, as the first respondent had failed to endorse its repayment obligation under the loan agreement for the sum of about RMB15 million, Xinglie and Shengtai Group is liable to pay the alleged accounts receivables together with interest to the Plaintiff in the total sum of approximately RMB17.6 million.

Pursuant to the notice of response, Xinglie and Shengtai Group are required to submit a written defence or counter-claim and related documentary evidence to Nankai District People’s Court of Tianjin Province (天津市南開區人民法院) within 15 days from receipt of the Summons and Notification of Proceedings. As at the date of this Announcement, the date of hearing of the Litigation Proceedings has not been scheduled by the Nankai District People’s Court of Tianjin Province (天津市南開區人民法院). The Company, Xinglie and Shengtai Group have sought legal advice regarding the Litigation Proceedings.

The Company has conducted inquiries with Xinglie and Shengtai Group and understands that no such alleged accounts receivables has been entered or exists. As such, the Company would deny the allegations made by the Plaintiff under the Litigation Proceedings and will strenuously contest the allegations and take all appropriate steps to defend its position.

The Company will keep the shareholders of the Company and potential investors informed of any further material development in connection with the Litigation Proceedings by way of further announcement(s) as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. HU Changyuan, Mr. HU Minglie, Mr. CHEN Jianhua, Mr. REN Hao and Mr. ZHU Wenjun, 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.