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)

POSITIVE PROFIT ALERT

This announcement is made by Huan Yue Interactive Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group, the profit attributable to the equity shareholders of the Group for the year ended 31 December 2019 (the "**Current Year**"), is expected to increase by more than 100% as compared to the profit attributable to the equity shareholders of the Group for the year ended 31 December 2018 (the "**Prior Year**"). The improvement in the profitability for the Current Year is mainly attributable to the following reasons: 1) the Group recorded less impairment loss on goodwill of RMB28.3 million in the Current Year as compared with RMB109.9 million in the Prior Year; 2) the Group recorded significant decrease in finance income in the Current Year compared to those of the in the Prior Year. The lower finance income was mainly due to a significant decrease of RMB50.5 million in the change in fair value of contingent consideration receivables and contingent consideration payables.

The Company is still in the process of finalising the annual results of the Group for the Current Year. The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the Current Year and the information currently available to the Company and have not been audited or reviewed by the Company's auditor, and may be subject to adjustments. Details of the Group's annual results for the Current Year will be disclosed as and when the annual results of the Group for the Current Year is announced which is expected to be published in due course.

Shareholders and potential investors should 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, 20 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. HU Changyuan, Mr. HU Minglie 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.