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Inke Limited
映客互娛有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3700)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF FINANCIAL PRODUCTS

SUBSCRIPTION OF NEW BOCHK FINANCIAL PRODUCTS

On 30 April 2019, Inke Limited subscribed for the Previous BOCHK Financial Product with a principal amount of USD8 million. As at the date of this announcement, the Previous BOCHK Subscription has not matured.

On 30 September 2019, Inke Limited subscribed for two New BOCHK Financial Products with an aggregate principal amount of USD43 million. The Company mainly funded the subscriptions utilizing surplus cash of the Group.

LISTING RULES IMPLICATIONS

Before the subscription of the New BOCHK Financial Products, as all of the applicable percentage ratios in relation to the Previous BOCHK Subscriptions calculated, whether on a stand-alone basis or on an aggregated basis, pursuant to Rule 14.07 of the Listing Rules, are below 5%, the Previous BOCHK Subscription does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. However, after the subscription of the New BOCHK Financial Products, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscription of New BOCHK Financial Products and the Previous BOCHK Subscription calculated on an aggregated basis, exceed 5% but none of such percentage ratios is 25% or above, the subscription of the New BOCHK Financial Products and the Previous BOCHK Subscription in aggregate constitute a disclosable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

SUBSCRIPTIONS OF THE NEW BOCHK FINANCIAL PRODUCTS

The Board announces that, on 30 September 2019, Inke Limited, the holding company of the Group, entered into two subscription agreements with BOCHK pursuant to which it subscribed for two New BOCHK Financial Products with BOCHK on 30 September 2019 in an aggregate principal amount of USD43 million.

The major terms of the relevant subscription agreements are set out below:

No.	Product name	Principal subscription amount (USD)	Expected annual return rate (%)	Investment Term (days)	Maturity date
1	BOCHK Financial product I — Short Term Cash Management Fund	20,000,000	4.50	365	30 September 2020
2	BOCHK Financial product II — All Weather Short Term Bond Fund	23,000,000	3.89	— (Note)	— (Note)
Total		43,000,000			

Note: This financial product is highly liquid and can be redeemed by Inke Limited at any business day according to its net value.

Other salient terms of the New BOCHK Financial Products

The investment term of the New BOCHK Financial Products represents the term commencing on the date of the respective subscription agreements of the New BOCHK Financial Products and ending on the maturity date. The Company funded these subscriptions of the New BOCHK Financial Products by utilising the unused surplus funds of the Group and the principal amounts of the New BOCHK Financial Products had been or will be transferred to BOCHK on the date of the commencement of the relevant investment term.

The New BOCHK Financial Products are:

- (i) for item (1) set out above, non-principal guaranteed wealth management financial product each with guaranteed rate of return of 4.5%; and
- (ii) for item (2) set out above, non-principal guaranteed wealth management financial product with an expected annualized return of 3.89%, which will vary with reference to the valuation of assets under the relevant financial products on the date of redemption.

During the investment term, save for item (2), the Company cannot terminate any of the subscription agreements or redeem or withdraw the principal amount prior to the respective maturity dates of the New BOCHK Financial Products. BOCHK does not have the right to terminate any of the subscription agreement relating to the New BOCHK Financial products.

LISTING RULES IMPLICATIONS

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REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS OF THE NEW BOCHK FINANCIAL PRODUCTS

Subscriptions of the New BOCHK Financial Products were made for treasury management purposes to maximize the return on the unutilised funds of the Company after taking into account, among other things, the level of risk, return on investment, liquidity and the term to maturity. Prior to making an investment, the Group would ensure that there remains sufficient working capital for the Group's business needs, operating activities and capital expenditures even after making the investments in such financial products. Taking into consideration the nature of the New BOCHK Financial Products and the relatively high credit rating of their underlying assets, including but not limited to bank deposits, sovereign bonds or central bank bills with a credit rating of not lower than A+, the Company considers that the risk level of the subscriptions of the New BOCHK Financial Products are in line with the internal investment policies of the Group. The Group had, in the past, totally recovered the principal and received the expected returns upon the redemption or maturity of similar financial products. The Company will monitor and manage the subscriptions more closely and effectively. In accordance with the relevant accounting standards, the New BOCHK Financial Products are accounted for as financial assets at fair value through profit and loss.

In view of an upside of earning a more attractive return than current saving or fixed deposit rate under the low interest rate trend, as well as the risk nature and the relatively short term of maturity of the New BOCHK Financial Products, the Directors are of the view that these financial products pose little risk to the Group and the terms and conditions of each of the subscriptions the New BOCHK Financial Products are fair and reasonable and are in the interests of the Group and its Shareholders as a whole. Further, the subscriptions of the New BOCHK Financial Products were funded by utilising unused surplus funds of the Group, therefore they would not affect the working capital or the operation of the Company. The subscriptions of the New BOCHK Financial Products were not funded by the proceeds from the Company's initial public offering.

Information on the Company

The Company is a company incorporated in the Cayman Islands with limited liability, and the shares of the Company are listed on the Main Board of the Stock Exchange. The Company is one of the leading mobile live streaming platforms in the PRC.

Information on BOCHK

Bank of China established its presence in Hong Kong in 1917 and it is a locally incorporated licensed bank. BOCHK and its subsidiaries are principally engaged in the commercial banking business. BOCHK is listed on the Main Board of the Stock Exchange (Stock Code:2388), ADR OTC Symbol “BHKLY”.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, BOCHK and its respective ultimate substantial beneficial owners as publicly disclosed by BOCHK are third parties independent of the Company and its connected persons.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“BOCHK”	Bank of China (Hong Kong) Limited (中國銀行(香港)有限公司) Limited, a licensed bank incorporated under the laws of Hong Kong
“Previous BOCHK Financial Products”	the financial products issued by BOCHK and subscribed for by Inke Limited in accordance with the relevant subscription agreements dated 30 April 2019
“New BOCHK Financial Products”	the financial product issued by BOCHK and subscribed for by Inke Limited in accordance with the relevant subscription agreement dated 30 September 2019
“Shareholder(s)”	shareholders of the Company

By order of the Board
Inke Limited
FENG Yousheng
Chairman and Executive Director

Hong Kong, 27 September 2019

As at the date of this announcement, the executive Directors are Mr. FENG Yousheng, Ms. LIAO Jieming and Mr. HOU Guangling; the non-executive Director is Mr. LIU Xiaosong; and the independent non-executive Directors are Mr. David CUI, Mr. DU Yongbo and Dr. LI Hui.

* *The English translations of the Chinese names of the PRC entities are provided for identification purposes only.*