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Inke Limited
映客互娱有限公司

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

DISCLOSEABLE TRANSACTION

SUBSCRIPTION OF FINANCIAL PRODUCT

SUBSCRIPTION OF NEW CIB FINANCIAL PRODUCT

Reference is made to the Company's announcement dated 19 September 2019 (the "**Announcement**") in relation to the subscriptions of five CIB Financial Products with an aggregate principal amount of RMB173.3 million (the "**Previous CIB Subscriptions**"). As at the date of this announcement, certain Previous CIB Subscriptions with an aggregate principal amount of RMB65.0 million have matured (the "**Matured CIB Subscriptions**") and the Company has recovered the entire principal amount of the Matured CIB Subscriptions. The principal amount of the remaining Previous CIB Subscriptions is RMB108.3 million (the "**Remaining Previous CIB Subscriptions**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

On 3 January 2020, Hunan Inke subscribed for a New CIB financial Product with a principal amount of RMB40.0 million. Such subscription was funded by the recovered principal amount of the Matured CIB Subscriptions, in order to better utilise the surplus fund of the Group.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscription of the New CIB Financial Product exceeds 5%, the subscription of the New CIB Financial Product is therefore exempt from the reporting, announcement, circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. However, the subscription of the New CIB Financial Product, if aggregated with the Remaining Previous CIB Subscriptions, would constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the subscription of the New CIB Financial Product and the Remaining Previous CIB Subscriptions, when aggregated, are more than 5% but less than 25%. Therefore, the subscription of the New CIB Financial Product and the Remaining Previous CIB Subscriptions are subject to the reporting, announcement requirements but are exempted from the circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

SUBSCRIPTION OF THE NEW CIB FINANCIAL PRODUCT

The Board announces that, on 3 January 2020, Hunan Inke, a subsidiary of the Company, entered into a subscription agreement with CIB pursuant to which it subscribed for a New CIB Financial Product with CIB on 3 January 2020 in a principal amount of RMB40.0 million.

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

No.	Product name	Principal subscription amount (RMB)	Expected annual return rate (%)	Investment Term (days)	Maturity date
1	CIB Structured Deposits I — SZ20200103001	40,000,000	3.7–3.7804	118	30 April 2020

Other salient terms of the New CIB Financial Product

The investment term of the New CIB Financial Product represents the term commencing on the date of the subscription agreement of the New CIB Financial Product and ending on the maturity date. The Company funded such subscription of the New CIB Financial Product by utilising the aggregate principal amount recovered from the Matured CIB Subscriptions, in order to better utilise the surplus fund of the Group and the principal amount of the New CIB Financial Product has been transferred to CIB on the date of the commencement of the investment term.

The New CIB Financial Product is a structured deposit with guaranteed rate of return of 3.70% per annum and an additional floating rate of return of up to 0.0804% per annum. During the investment term of the New CIB Financial Product, the Group cannot terminate the subscription agreement of the New CIB Financial Product or redeem or withdraw the principal amount prior to the maturity date of the New CIB Financial Product.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscription of the New CIB Financial Product exceeds 5%, the subscription of the New CIB Financial Product is therefore exempt from the reporting, announcement, circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. However, the subscription of the New CIB Financial Product, if aggregated with the Remaining Previous CIB Subscriptions, would constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the subscription of the New CIB Financial Product and the Remaining Previous CIB Subscription, when aggregated, are more than 5% but less than 25%. Therefore, the subscription of the New CIB Financial Product and the Remaining Previous CIB Subscriptions are subject to the reporting, announcement requirements but are exempted from the circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE NEW CIB FINANCIAL PRODUCT

The subscription of the New CIB Financial Product was made for treasury management purposes to maximise 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 CIB Financial Product and the relatively high credit rating of its 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 subscription of the New CIB Financial Product is 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 CIB Financial Product is 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 CIB Financial Product, the Directors are of the view that this financial product poses little risk to the Group and the terms and conditions of the subscription of the New CIB Financial Product are fair and reasonable and are in the interests of the Group and its Shareholders as a whole. Further, the subscription of the New CIB Financial Product was funded by the aggregate principal amount recovered from the Matured CIB Subscriptions, therefore they would not affect the working capital or the operation of the Company. The subscription of the New CIB Financial Product was 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 CIB

CIB is a company established in the PRC with limited liability and an independent third party. CIB is a licensed bank established under the laws of the PRC. CIB and its subsidiaries are principally engaged in the commercial banking business which provide services such as accepting deposits, making loans and offering basic investment products. CIB is listed on the Shanghai Stock Exchange (Stock Code: 601166).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CIB and its ultimate substantial beneficial owners as publicly disclosed by CIB 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:

“CIB”	Industrial Bank Co., Ltd.* (興業銀行股份有限公司), a company established in the PRC with limited liability, a commercial bank established under the laws of the PRC and an independent third party
“CIB Financial Products”	the financial products issued by CIB and subscribed for by the Group in accordance with the relevant subscription agreements dated 29 March 2019, 23 April 2019, 18 June 2019, 20 June 2019 and 19 September 2019
“New CIB Financial Product”	the financial product issued by CIB and subscribed for by Hunan Inke in accordance with the relevant subscription agreement dated 3 January 2020
“Hunan Inke”	Hunan Inke Network Information Co., Ltd. (湖南映客互娛網絡信息有限公司), a company established in the PRC on 30 May 2016 and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	shareholders of the Company

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

Hong Kong, 3 January 2020

As at the date of this announcement, the executive Directors are Mr. FENG Yousheng 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.