

*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.*



## **Tian Ge Interactive Holdings Limited**

**天鵲互動控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1980)**

### **MAJOR TRANSACTION DISCRETIONARY ACCOUNT AGREEMENT**

#### **DISCRETIONARY ACCOUNT AGREEMENT**

The Board announces that on 16 August 2022, HuaGe, a wholly-owned subsidiary of the Company, entered into the Discretionary Account Agreement with the Manager, pursuant to which HuaGe has agreed to appoint the Manager and the Manager has agreed to accept such appointment as manager to provide discretionary investment services by the Manager to HuaGe. The investment amount is US\$60.0 million and will be made by HuaGe to the Manager for an investment period of two years.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the respective investment amounts under the Discretionary Account Agreement exceeds 25% but is less than 100%, the entering into of the Discretionary Account Agreement constitutes a major transaction for the Company which is subject to notification, announcement and shareholder's approval requirements under Chapter 14 of the Listing Rules.

#### **DESPATCH OF CIRCULAR**

A circular containing, amongst other things, further details of the Discretionary Account Agreement and other information is expected to be despatched to Shareholders on or before 6 September 2022 in compliance with the Listing Rules.

#### **DISCRETIONARY ACCOUNT AGREEMENT**

The principal terms of the Discretionary Account Agreement are as follows:

Date: 16 August 2022

Parties: 1) HuaGe; and

2) the Manager

## **Subject matter**

HuaGe has agreed to appoint the Manager and the Manager has agreed to accept such appointment as the manager in relation to the provision of discretionary investment management service by the Manager to HuaGe.

## **Management of the Investments**

Subject to the terms and the conditions of the Discretionary Account Agreement, the Manager shall have full and absolute discretionary power to manage the Portfolio at HuaGe's risk in accordance with the terms of the Discretionary Account Agreement.

The Manager will prepare monthly statements for HuaGe with full details of the status of all account balance and holdings. These monthly statements are issued within 10 business days of the end of each monthly accounting period. However, no monthly statement is required to be issued if no transactions have been effected in relation to the account during the month and no change has occurred in the account balance at the end of the relevant monthly accounting period.

## **Withdrawal**

HuaGe may from time to time request to withdraw any or all of the Investments from the Portfolio provided that the Manager receives prior written notice of no less than 10 business days (or such shorter period as the Manager may from time to time prescribe) specifying the amount, currency, value date and payment instructions. Subject to any instructions in the notice, the outstanding liabilities whatsoever incurred by HuaGe hereunder, the uncompleted transactions already initiated by the Manager and any Suspension Events, the Manager will arrange for, and issue appropriate instructions for the realization of such part of the Portfolio as it considers appropriate to produce the relevant cash sum for payment to HuaGe as soon as practicable.

## **Term and termination of the Discretionary Account Agreement**

The Discretionary Account Agreement shall continue in effect until termination by either party giving 30 days' prior written notice to the other, subject to the completion of outstanding transactions. The Manager may terminate the Discretionary Account Agreement by immediate notice if required to do so by any regulatory authority.

## **Management fee**

The management fee amount is 2.0% per annum of the market value of the assets under management. The management fee shall be paid at the end of each month, or on the date of termination of the Discretionary Account Agreement on a pro-rata basis.

No separate fee will be levied by the Manager for safekeeping of assets or by any nominee appointed by the Manager, but fees, charges and expenses in connection with the custody of the Investments or other dealings of the Portfolio shall be borne by HuaGe or paid out of the Portfolio.

The management fee was determined following arms-length negotiation between HuaGe and the Manager.

## **INVESTMENT AMOUNT**

The investment amount is US\$60.0 million and will be made by HuaGe to the Manager for an investment period of two years.

The investment amount will be managed by the Manager with full discretionary power in accordance with the terms of the Discretionary Account Agreement. If there is an increase in the investment amount, the Company will make appropriate disclosure in accordance with the applicable Listing Rules.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE DISCRETIONARY ACCOUNT AGREEMENT**

In line with the Company's treasury policy, the Company has the option of placing idle funds into fixed term time deposits or similar form of wealth accrual instruments. For a period of time, the Company has been utilizing its offshore idle funds to subscribe for wealth management products through Internet banking from commercial banks in order to earn interests. HuaGe entered into the Discretionary Account Agreement with the Manager with a view to grow the presently unutilized offshore funds. In accordance with the Discretionary Account Agreement, HuaGe has the flexibility to withdraw any or all of the Investments from the Portfolio at its request. These features enable HuaGe to generate potential income from its offshore cash surplus while at the same time, maintain its liquidity position.

The Manager is specialized in providing securities and asset management services. It has solid investment experience in the Asia-Pacific region and its investment management team consists of experts with both local and international investment background.

In 2020, HuaGe entered into two discretionary account agreements with the Manager. The management service provided by the Manager had generated decent returns to the Company, save for the 6 months preceding the date of this announcement due to the rapid downturn and unfavorable investment environment as a result of the Federal Reserve of the United States tightening its monetary policy, the Russian-Ukrainian war and the resulting geopolitical tensions, the rising threat of delisting of Chinese stocks listed in the United States, and the overall poor performance of the global financial investment markets. The Directors believe that, despite the afore-mentioned unforeseen circumstances and subject to the health of the global investment market condition in the long term, the Manager will provide quality investment management service and bring moderate returns to HuaGe.

The Directors consider that the Discretionary Account Agreement was entered into on normal commercial terms, and the terms of the Discretionary Account Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ABOUT THE PARTIES**

### **The Company**

The Company is principally engaged in the operation of live social video platforms and other services in the PRC.

HuaGe is a wholly-owned subsidiary of the Company and is engaged in the investment management business.

## The Manager

The Manager is a company incorporated in Hong Kong with limited liability and is licensed to conduct Types 4 (advising on securities) and 9 (asset management) regulated activities by the Securities and Futures Commission in Hong Kong.

The ultimate beneficial owners of the Manager are Mr. Ren Jianan, Mr. Liu Bo and Ms. Kuang Tingting. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Manager and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the respective investment amounts under the Discretionary Account Agreement exceeds 25% but is less than 100%, the entering into of the Discretionary Account Agreement constitutes a major transaction for the Company which is subject to notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## DESPATCH OF CIRCULAR

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Discretionary Account Agreement. As such, no Shareholder is required to abstain from voting in respect of the resolution approving the Discretionary Account Agreement.

A circular containing, amongst other things, further details of the Discretionary Account Agreement and other information is expected to be despatched to Shareholders on or before 6 September 2022 in compliance with the Listing Rules.

**As the completion of the transaction is subject to Shareholders' approval, the transaction contemplated under the Discretionary Account Agreement may or may not be approved. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.**

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Tian Ge Interactive Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Discretionary Account Agreement”	the discretionary investment management agreement dated 16 August 2022 and entered into between the Manager and HuaGe in relation to the provision of the discretionary account service by the Manager to HuaGe

“HuaGe”	a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investments”	investments in bond funds, investment funds and structured notes
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Manager”	Forshine Asset Management Limited, a company incorporated in Hong Kong under the Companies Ordinance with limited liability and is licensed to conduct Types 4 (advising on securities) and 9 (asset management) regulated activities by the Securities and Futures Commission in Hong Kong
“Portfolio”	all the Investments under the management of the Manager
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suspension Events”	includes situations where the trading of a specific or various Investments are unavailable due to severe market conditions or issuer distress, suspension or limitation of trading by any public exchanges or any other circumstances which render it impossible to liquidate any or all the relevant Investments
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Tian Ge Interactive Holdings Limited**  
**Fu Zhengjun**  
*Chairman*

Hong Kong, 16 August 2022

*As of the date of this announcement, the executive Directors are Mr. Fu Zhengjun and Mr. Mai Shi'en, the non-executive Directors are Mr. Xiong Xiangdong and Ms. Cao Fei, and the independent non-executive Directors are Mr. Yang Wenbin and Mr. Chan Wing Yuen Hubert.*