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If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tian Ge Interactive Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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 IN RELATION TO THE DISCRETIONARY ACCOUNT AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 19 of this circular. Capitalised terms used on this cover page have the same meaning as defined in the section headed “*Definitions*” in this circular, unless the context requires otherwise.

A notice convening the EGM of Tian Ge Interactive Holdings Limited to be held at 12A, Intime City Tower E, Gongshu District, Hangzhou, Zhejiang, PRC on Tuesday, 17 January 2023 at 2:30 p.m. is set out on pages 29 to 30 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.tiange.com).

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event no less than 48 hours before the time appointed for the holding of the EGM (i.e. before 2:30 p.m. on Sunday, 15 January 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

28 December 2022

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company currently in force
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Tian Ge Interactive Holdings Limited (天鵠互動控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1980)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“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
“EGM”	the extraordinary general meeting of the Company to be held at 12A, Intime City Tower E, Gongshu District, Hangzhou, Zhejiang, PRC on Tuesday, 17 January 2023 at 2:30 p.m., or any adjournment thereof and notice of which is set out on pages 29 to 30 of this circular
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HuaGe”	HuaGe Group Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company

DEFINITIONS

“Investments”	investments in (a) investment products involving varying asset classes including investment funds and/or fund of funds, structured notes, options and enhanced indexing equity, and (b) high frequency trading on US stocks
“Latest Practicable Date”	20 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	Forshine Asset Management Limited, a company incorporated in Hong Kong under the Companies Ordinance with limited liability and is licensed to conduct Type 4 (advising on securities) and Type 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 circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of par value of US\$0.0001 each in the share capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company from time to time
“Share Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar in Hong Kong

DEFINITIONS

“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 of America
“US\$”	United States dollar(s), the lawful currency of the United States of America
“2020 Discretionary Account Agreement I”	the discretionary investment management agreement dated 2 March 2020 and entered into between the Manager and HuaGe in relation to the provision of the discretionary account service by the Manager to HuaGe
“2020 Discretionary Account Agreement II”	the discretionary investment management agreement dated 3 September 2020 and entered into between the Manager and HuaGe in relation to the provision of the discretionary account service by the Manager to HuaGe
“%”	per cent

In this circular, amounts denominated in US\$ have been converted into HK\$ and RMB at the rate of US\$1.00 = HK\$7.80 and US\$1.00 = RMB7.10 for illustration purpose only. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rates.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Fu Zhengjun (*Chairman*)
Mr. Mai Shi'en

Non-executive Directors:

Mr. Xiong Xiangdong
Ms. Cao Fei

Independent non-executive Directors:

Mr. Tse Ming Lun Alan
Mr. Yang Wenbin
Mr. Chan Wing Yuen Hubert

Registered office:

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205
Cayman Islands

Headquarters:

12-14/F
Intime City Tower E
Gongshu District
Hangzhou, PRC

Principal place of business in Hong Kong:

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

28 December 2022

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
IN RELATION TO THE DISCRETIONARY ACCOUNT AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 16 August 2022 in relation to the Discretionary Account Agreement.

LETTER FROM THE BOARD

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 renew its appointment of the Manager and the Manager has agreed to accept such appointment to provide discretionary investment management service to HuaGe, with respect to a maximum of US\$60 million worth of Investments currently held under the offshore investment account of HuaGe, and will be managed by the Manager for a further investment period of two years, subject to renewal.

The purpose of this circular is to provide you with, among other things, (i) details of the Discretionary Account Agreement, (ii) the recommendation of the Directors to the Shareholders in relation to the Discretionary Account Agreement; (iii) the notice convening the EGM; and (iv) other information as required under the Listing Rules.

THE DISCRETIONARY ACCOUNT AGREEMENT

Date: 16 August 2022

Parties:

- | | |
|--------------|--|
| (1) HuaGe: | HuaGe Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. |
| (2) Manager: | Forshine Asset Management Limited, a company incorporated in Hong Kong under the Companies Ordinance with limited liability and is licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the Securities and Futures Commission in Hong Kong. |

Subject matter

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

Investment amount

On 2 March 2020, HuaGe entered into the 2020 Discretionary Account Agreement I with the Manager for an investment amount of a maximum of US\$60 million for an initial investment period of two years, subject to renewal. The 2020 Discretionary Account Agreement I had expired, and the Company wishes to renew its appointment of the Manager to provide investment management services with respect to a maximum of US\$60 million worth of Investments currently held under the offshore investment account of HuaGe for the purpose of the Discretionary Account Agreement. According to the Company's last published unaudited financial statements, the Company had approximately RMB669.5 million in cash and cash equivalent as of 30 June 2022. This figure had risen slightly as at the Latest Practicable Date. The Board considers that entrusting the Manager to provide investment management services with respect to a maximum of US\$60 million worth of Investments is reasonable and will help diversify its investment risks.

The investment amount will be managed by the Manager with full discretionary power in accordance with the terms of the Discretionary Account Agreement.

LETTER FROM THE BOARD

Management of the Investments

The Manager performs the role of an “external asset manager”, whereby the Company gives the Manager the authority and power of attorney as a third party to represent them in managing an investment Portfolio and its asset allocation. The Manager has full and absolute discretionary power to identify investment products offered by large banking and financial institutions, and to conduct high frequency trading on US stocks using computerized tools, providing management services with respect to a Portfolio and making long/short investment decisions during the investment period. As such, the Discretionary Account Agreement does not involve a transfer of any funds to the Manager. Rather, the Manager would direct the Portfolio owned by HuaGe to deal in investment products offered and/or operated by large financial institutions such as Morgan Stanley, UBS, Citi etc, as well as conducting high frequency trading on US stocks using computerized tools.

The Manager will manage the Portfolio according to the investment guidelines set out in the Discretionary Account Agreement. Such guidelines include, among others, that the investment products shall relate to companies with large market capitalization, and the investment thereunder should consist of diversified industry sectors. The Portfolio mix will be restricted to (a) investment products involving varying asset classes including (i) investment funds and/or fund of funds, (ii) structured notes, and (iii) options and enhanced indexing equity, and (b) high frequency trading on US stocks (“**asset classes**”). The underlying asset of all investment products and all US stocks subject to high frequency trading activities shall primarily relate to blue-chip stocks in the stock and derivatives markets.

To ensure that the underlying investments consist of diversified industry sectors, the Manager will abide by the following criteria and measures under its investment guidelines:

- (i) *ensure diversity among the same asset class*: The Investments will not only be focused in asset classes that have diverse portfolio (e.g., ETFs, fund of funds which have diversified investments etc.), the Manager will also ensure that the underlying portfolio companies are from different industries such that there will be minimal overlap among the underlying portfolio companies (e.g. invest in various ETFs/fund of funds with varying portfolio companies) within the same asset class;
- (ii) *invest in assets with lower volatility*: Based on the S&P 500 Volatility Index (SPX), asset with higher volatility than SPX are considered to be high volatility assets; asset classes with lower volatility than SPX are considered to be low volatility assets. The distribution ratio between high volatility assets and low volatility assets will be maintained at a ratio of 2:8;
- (iii) *diversification of asset classes*: The Manager will invest in four major asset classes identified above, within which no more than 15% of the investment amount will be applied towards high frequency trading activities using computerized tool; and
- (iv) *deconcentration of investment products*: The Manager will ensure that no more than 10% of the investment amount will be applied towards one single investment product.

LETTER FROM THE BOARD

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. The Company will regularly review these monthly statements showing the underlying investments and closely monitor the performance of the Manager and the status of all account balances and holdings. To the extent that the Company believes the Manager is non-performing vis-à-vis prevailing financial market conditions, the Company reserves the right under the Discretionary Account Agreement to terminate the Manager's service with 30 days' written notice during the term of the Discretionary Account Agreement. The Company believes such arrangement will ensure sufficient monitoring of the performance of the Manager and be able to identify any deviation from the terms of the Discretionary Account Agreement on a timely basis.

The Company believes it has sufficient legal safeguards on its investment under the Discretionary Account Agreement due to the following: (i) HuaGe entered into the Discretionary Account Agreement with the Manager and the provisions in such agreement explicitly define the obligations and rights of HuaGe and the Manager, respectively, which contractual terms are the primary source of protection for HuaGe; (ii) the Manager is a company incorporated in Hong Kong under the Companies Ordinance with limited liability and is licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the Securities and Futures Commission in Hong Kong, and therefore, the governance and the operation of the transactions underlying the Discretionary Account Agreement are regulated by Hong Kong securities regulators, (iii) the Manager performs the role of an external asset manager, and at all times, the assets remain in the discretionary account owned by HuaGe and the Manager has no right to transfer funds out of such discretionary account, and (iv) the investment products underlying the Portfolio are offered and/or operated by large financial institutions such as Morgan Stanley, UBS, Citi etc., and the operation of such investment products are protected through internal control systems of these large financial institutions.

Return on Investment

There is no guaranteed return under the Investments. The expected annualized rate of return of the investment is approximately 10%, calculated with reference to the average projected rate of return (a) as stated in the investment terms of the potential pool of investment products involving varying asset classes including (i) investment funds and/or fund of funds, (ii) structured notes, and (iii) options and enhanced indexing equity, and (b) based on historical performance of the computerized tool used for high frequency trading on US stocks, all of which are to be selected and/or operated by the investment team of the Manager. The underlying asset of all investment products and all US stocks subject to high frequency trading activities shall primarily relate to blue-chip stocks in the global stock and derivatives markets. The downside risk for investment products under the Discretionary Account Agreement is when the respective underlying stocks fall below 25% to 40% of their respective market prices

LETTER FROM THE BOARD

within short time space (typically within a 6 to 12 month period). Otherwise, the subscribers to such investment products would ordinarily receive the expected annualized return. For high frequency trading activities, the algorithm provides for a mandatory cut-loss mechanism once the underlying stock falls below 10%. The expected annualized returns and the respective thresholds for cut-loss instructions of investment products and high frequency trading activities under the Discretionary Account Agreement are set forth as below:

	Expected Annualized Return	Cut-loss Threshold⁽¹⁾
Investment funds and/or fund of funds	10%	5%
Structured notes	10%	25%
Options and enhanced indexing equity	15%	10%
High frequency trading on US stocks	30%	10%

- (1) Cut-loss threshold refers to the maximum potential loss in investment value under the applicable investment product as determined by the terms of such investment product and by the algorithm of the high frequency trading computerized tool, respectively. Once the relevant investment product and/or stocks subject to high frequency trading trigger the full extent of these thresholds, the Manager will evaluate its options, including considering cutting-losses and/or engage in further hedging activities to limit the Portfolio's exposure.

Risk Control Measures

In view of the downside risk, which would happen under extreme market conditions causing significant fluctuation in share prices in the underlying portfolio companies henceforth affecting the performances of the investment products, the Manager will adopt risk control measures to cut-losses and utilize option derivatives to hedge against such risk as and where appropriate. Such measures include (i) for highly liquid assets such as stocks, the Manager will sell stocks in batches according to selling strategies and signals to reduce risk exposure; and (ii) for illiquid assets such as structured notes, the Manager will utilize a combination of call options and put options to hedge risk exposure. Please refer to the section headed "Investment Risks of the Discretionary Account Agreement" below for further details of the risk factors as well as risk control measures adopted by the Manager.

Withdrawal of Investments

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 liquidate such positions for HuaGe as soon as practicable.

LETTER FROM THE BOARD

Term and termination of Discretionary Account Agreement

The Discretionary Account Agreement provides for an investment period of two years, subject to renewal at the sole discretion of the Company. The agreement also provides for early termination rights 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 is calculated at 2.0% per annum of the market value of the Portfolio under management, subject to a management fee cap of HK\$3,000,000 per annum. 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 RISKS OF THE DISCRETIONARY ACCOUNT AGREEMENT

Key Risks underlying the Investment

The following are the major investment risks underlying the Investment:

Availability of investment products which align with the Manager's investment strategies. The success of the investment strategies of the Portfolio depends on the ability of the Manager to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment opportunities involves a high degree of uncertainty. No assurance can be given that the Manager will be able to locate suitable investment opportunities in which to deploy all of the assets of the Portfolio or to exploit discrepancies in the securities and derivatives markets. Market factors including a reduction in market liquidity or the pricing inefficiency of the markets may reduce investment opportunities for the Portfolio.

Concentration of investments. The assets of the Portfolio may at any time be heavily concentrated in a limited number of positions. In attempting to maximise returns, the holdings of the Portfolio may be concentrated in those countries, sectors, markets, asset classes, financial instruments, or issuers which, in the sole discretion of the Manager, provide the best profit opportunity in view of the investment objective. Such concentration risk would increase if certain market, economic or political environment affecting such countries, sectors, markets and issuers change drastically. The Portfolio could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected.

LETTER FROM THE BOARD

Macro-economic and market conditions. The success of the Portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the investments of the Portfolio. Volatility or illiquidity could impair the profitability of the Portfolio resulting in losses.

Other investment risks include governmental intervention, global market exposure, market disruptions, liquidity etc.

Risk Control Measures

In consideration of the potential investment risks especially given the occurrence of extreme market conditions in 2022, the Company requested the Manager, and the Manager agreed to adopt, the following enhanced risk management measures for the Discretionary Account Agreement:

- (i) establish a risk control committee to monitor the status of positions on a daily basis. The risk control committee is supported by three functional teams: (i) investment advisors, whose duties are conducting research, providing investment advice, implementing orders and maintaining compliance with the investment protocol set out by the Manager; (ii) investment managers, whose duties are formulating investment strategies and investment spectrum; and (iii) investment committee, whose duties are evaluating investment advice proposed by the investment advisers, supervising investment execution of investment managers, and assessing and approving investment proposals. The risk control procedures are applied thoroughly from investment research to investment execution, ensuring risks of the investment activities of the Manager under the Discretionary Account Agreement are monitored, managed and controlled. Weekly meetings will be held to conduct research, analysis and review on investment activities of the Manager, to conduct risk control throughout the whole investment period and to cut losses at appropriate intervals. The Manager will keep the Company informed of, on a timely basis, any triggering of downside risks, especially where any of the cut-off thresholds identified above had been triggered, and advise the Company on remedial actions taken to hedge against such downside risks;
- (ii) the underlying assets will be blue-chip stocks in the global stock markets. Save for high frequency trading activities, there shall be less concentration on US stocks as well as China-based US listed securities for the purpose of the Discretionary Account Agreement; and
- (iii) investment products under the Portfolio will be diversified in types, industry sectors, investment period etc. in order to reduce the volatility of the Portfolio. The Manager shall strictly abide by the diversification measures stated in the Discretionary Account Agreement and described in detail under the section headed “The Discretionary Account Agreement – Management of the Investments” above.

LETTER FROM THE BOARD

Historical Performance

In 2020, HuaGe entered into two discretionary account agreements with the Manager, namely the 2020 Discretionary Account Agreement I and 2020 Discretionary Account Agreement II. The following table summarises the historical quarterly/periodic performances of such discretionary accounts on an aggregate basis:

Period	Actual ⁽¹⁾ Gains (and losses) (%)	Nominal Annualized ⁽²⁾ Gains (and losses) (%) <i>(for illustrative purpose only)</i>
2 nd quarter of 2020	3.71%	14.85%
3 rd quarter of 2020	3.65%	14.62%
4 th quarter of 2020	2.99%	11.96%
1 st quarter of 2021	0.37%	1.48%
2 nd quarter of 2021	4.21%	16.85%
3 rd quarter of 2021	(5.47%)	(21.89%)
4 th quarter of 2021	1.86%	7.43%
1 st quarter of 2022	(5.33%)	(21.33%)
2 nd quarter of 2022	(12.92%)	(51.68%)
3 rd quarter of 2022	(0.22%)	(0.89%)
October 2022	0.84%	10.13%

(1) Based on comparison of the aggregate asset value at quarter end against the first day of such quarter.

(2) Based on actual gains (and losses) for such period times a multiple of 4 (or 12, for “October 2022” figure). As the performance of the investment products under the discretionary accounts varied throughout the year, these figures are provided for illustrative purpose only.

As shown in the above chart, the Manager through its investment team had generated positive return on investments for the Portfolio in 2020 and for most parts of 2021, yet the said investments suffered losses in 2022 and the expected annualised growth target of 10% was not achieved for the first three quarters of 2022. According to the Manager, the downfall during such period was a result of the triggering of certain downside risks which had direct and indirect impact on the performance of the related investment products and the Portfolio as a whole, events of which had a resounding impact on China-based US listed companies which had been the focus of the investments under the 2020 Discretionary Account Agreement I and 2020 Discretionary Account Agreement II. In particular:

- *3rd quarter of 2021*: marked by the beginning of geopolitical tensions and the rising threat of delisting risk to China-based US listed companies caused significant fluctuation in several asset classes. By way of comparison, the KraneShares CSI China Internet Index (“KWEB”), a large-scale ETF which consists of and tracks the performance of China-based companies whose primary business or businesses are focused on internet and internet-related technology, dropped 32.19% during the 3rd quarter of 2021.

LETTER FROM THE BOARD

- *1st, 2nd and early parts of the 3rd quarter of 2022:* marked by the rapid downturn and unfavorable investment environment as a result of the Russian-Ukrainian war, the Federal Reserve of the United States tightening its monetary policy, the sharp increase in interest rates, global supply chain issues and the resulting overall poor performance of the global financial investment markets, causing a sharp decline in China-based US stock prices. By way of comparison, the Invesco QQQ ETF, a large-scale ETF which consists of and tracks the performance of the 100 largest non-financial companies listed on the Nasdaq based on market cap, dropped 8.88%, 22.69% and 4.65% for the first three quarters of 2022, respectively. The SPY ETF, a large-scale ETF which consists of and tracks the performance of the S&P 500 index, dropped 4.91%, 16.47% and 5.32% for the first three quarters of 2022, respectively. The KWEB dropped 21.87% and 24.79% for the 1st and 3rd quarter of 2022, respectively.

As a result, despite the risk control measures and the continued monitoring and alteration of investment strategies, the Portfolio suffered losses towards the later stages of the 2020 Discretionary Account Agreement I and 2020 Discretionary Account Agreement II due to aforementioned extreme market conditions which continued to breach the downside risk of certain investment products. Whilst the risk control measures adopted had been effective in reducing the overall losses, it was unable to avoid losses under such extreme market conditions.

The following is a summary of the key differences between the terms and features of the Discretionary Account Agreement and the 2020 Discretionary Account Agreement I/2020 Discretionary Account Agreement II:

	Discretionary Account Agreement	2020 Discretionary Account Agreement I / II
<i>Scope of investments</i>	limited to (a) investment products involving varying asset classes including investment funds and/or fund of funds, structured notes, options and enhanced indexing equity, and (b) high frequency trading on US stocks.	limited to bond funds, investment funds, structured notes, securities in the US stock markets, and industry ETFs.

LETTER FROM THE BOARD

	Discretionary Account Agreement	2020 Discretionary Account Agreement I / II
<i>Diversification measures</i>	(i) ensure diversity among the same asset class, (ii) invest in assets with lower volatility, (iii) diversification of asset classes, and (iv) deconcentration of investment products.	investments shall be diversified in industry sectors, investment period and investment nature.
<i>Investment focus</i>	more focus on securities in the global stock markets.	more focus in securities of China-based US listed companies.
<i>Cut-loss threshold indicators</i>	please refer to section headed “The Discretionary Account Agreement – Return on Investment” for further details.	N/A
<i>Termination rights</i>	the Company reserves the right to terminate the Manager’s service with 30 days’ written notice.	N/A

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

Wealth Accrual and Liquidity of Investment

In line with the Company’s treasury policy, the Company had continuously sought ways to grow its offshore funds through investments into various asset classes and had subscribed to numerous wealth accrual instruments. For a period of time, the Company has been utilizing its offshore funds to subscribe for wealth management products through Internet banking from commercial banks. HuaGe entered into the Discretionary Account Agreement with the Manager with a view to growing its 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.

LETTER FROM THE BOARD

Licensed and Experienced Investment Management Team

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.

The Manager is licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities issued by the Securities and Futures Commission in Hong Kong with CE number BIB570. As a licensed entity, the Manager has strict internal control measures to ensure that its conduct of regulated activities comply with the requirements of the Securities and Futures Commission (“SFC”) in Hong Kong, the Securities and Futures Ordinance and the Code of Conduct for Fund Managers.

The Portfolio will be managed by experienced investment managers according to the investment guidelines set out in the Discretionary Account Agreement. The Manager is led by an investment team with professional expertise and strong investment experience, consisting, among others, Mr. Chung Kai Chiu, Ms. Leung Hiu Yan and Ms. Kuang Tingting.

Mr. Chung Kai Chiu, the director and responsible officer of the Manager, has over thirty years of professional investment experience at prestigious investment institutions. Mr. Chung has been a director and responsible officer of the Manager since December 2017. He served as a senior investment manager at Royal Trust Asia Ltd. (formally known as Dow Finance Ltd.) from 1981 to 1989. He was the assistant to chairman of the Lolliman Group from 1989 to 1991. He was the founding director of Capital Union Inc. from 1992 to 1996. From 1996 to December 2015, Mr. Chung worked at Capella Pacific Ltd. as an executive director, where he managed the direct investment fund of the company and provided tailor-made investment advice to corporate clients. He also served as the responsible officer of SPDB Asset Management Ltd. from August 2005 to November 2017. Mr. Chung received his MBA from Illinois State University in the United States in 1981.

Mr. Chung has more than 17 years of experience of being a responsible officer carrying SFC Type 4 (advising on securities) and Type 9 (asset management) licenses, and is primarily responsible for managing investment portfolios of the Manager, formulating investment strategies and structuring investment products, and overseeing the operations of the Manager to ensure its activities are in compliance with the SFC requirements.

Ms. Leung Hiu Yan is a responsible officer of the Manager. She served several positions at Creative Asset Management Limited from May 2010 to December 2011, including assistant fund manager, fund manager, representative and responsible officer. She served as the executive director of Fortune Asset Management Limited from May 2016 to July 2017 and was a responsible officer and senior fund manager from June 2016 to June 2018. From July 2018 to December 2018, she worked at Wansom Asset Management (Hong Kong) Limited as the responsible officer. She joined the Manager in April 2019 as a responsible officer. Ms. Leung is a responsible officer carrying SFC Type 4 (advising on securities) and Type 9 (asset

LETTER FROM THE BOARD

management) licenses. She received her bachelor's degree in business administration and finance from Keele University in the United Kingdom in 2007 and received her master's degree in marketing and strategy from Warwick Business School, University of Warwick in the United Kingdom in 2008.

Ms. Leung has more than 12 years of working experience in the asset management sector, with comprehensive understanding and knowledge of front office and back office operations in asset management firms, overseeing daily business operations, investment function and advisory and research functions of the Manager. She has 10 years of working experience in portfolio management for professional investors, with experience in fund management, overseas fund setup and establishment of funds, operation procedures formulation and liaison with fund administrator and fund custodians. She also has experience in providing investment advisory services, conducting market research on securities and private equity investment opportunities.

Ms. Kuang Tingting is a responsible officer of the Manager. She served as a financial analyst at AMTD Guangzhou Investment Advisory Company Limited from August 2012 to May 2013. After acquiring business and marketing experience in large-scale corporations between 2014 and 2016, Ms. Kuang returned to the investment field acting as an investment manager at Forshine Asset Management Limited from 2018 and was appointed as a responsible officer in August 2022. Ms. Kuang is a responsible officer carrying SFC Type 4 (advising on securities) and Type 9 (asset management) licenses. She received her bachelor's degree in economics and finance from Guangzhou University in 2010 and received her master's degree in finance from Nanyang Technological University in 2012.

Based on the Company's understanding, the Manager offers a global perspective and creates value through research and creates excess returns for clients through active management and investment. The Manager also introduces high frequency trading solution through licensing of computerized tool and employed traders to operate such tool since April 2022; such tool will be deployed in the operation of the Discretionary Account Agreement. The Manager strictly implements its systematic and rigorous investment decision-making process, supplemented by risk management tools to match clients' risks appetites. The Manager has a track record of advising on and managing diversified products (including but not limited to securities investment funds and industrial funds, discretionary portfolio management services, fund management services and investment advisory services, etc.) to meet the investment needs of different clients. Based on the above, the Company believes the Manager and its investment team possess the requisite investment experience to manage and to assist the Company with generating moderate returns to the Portfolio.

LETTER FROM THE BOARD

Previous Cooperative Experience with the Manager

In 2020, HuaGe entered into two discretionary account agreements with the Manager. Details of the historical discretionary account agreements are set forth as below:

	2020 Discretionary Account Agreement I	2020 Discretionary Account Agreement II
Signing Date	2 March 2020	3 September 2020
Effective Date	2 March 2020	24 November 2020 ⁽¹⁾
Investment Amount	US\$60 million	US\$87 million
Management Fee	The management fee is 2.0% per annum of the market value of the assets under management, subject to a management fee cap of HK\$3,000,000 per annum.	
Current Status	The agreements have been terminated as the respective investment periods had expired. The Company is currently holding the Portfolio in the form of long and short positions in the investment products constituting the Portfolio, which are not subject to investment management by any investment managers.	

Aggregate Investment Return⁽²⁾ as of:

(i)	31 December 2020	8.35%
(ii)	30 June 2021	9.18%
(iii)	31 December 2021	5.33%
(iv)	30 June 2022	-15.33% ⁽³⁾
(v)	31 October 2022 ⁽⁴⁾	-18.24% ⁽³⁾

Notes:

- (1) The effective date of the 2020 Discretionary Account Agreement II is the date on which the agreement was approved by the Shareholders at the extraordinary general meeting.
- (2) As disclosed in the circular of the Company dated 29 October 2020, the Company was satisfied with the return on its investment under the Discretionary Account Agreement I. Therefore, the Company continued to entrust upon the Manager and entered into the Discretionary Account Agreement II. The respective investment amounts underlying the two agreements were combined to constitute the Portfolio and hence the investment returns are aggregated.

LETTER FROM THE BOARD

- (3) The Portfolio suffered losses towards the later stages of the term of the 2020 Discretionary Account Agreement I and 2020 Discretionary Account Agreement II due to occurrence of certain extreme market conditions. For details, please refer to the paragraph headed “Investment Risks of the Discretionary Account Agreement – Historical Performance” above.
- (4) 31 October 2022 figures are the latest month-end figures available as of the Latest Practicable Date.

The management service provided by the Manager had generated optimal returns to the Company, save for the 9 months preceding the date of this circular 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 China-based US listed companies, and the overall poor performance of the global financial investment markets. The Directors believe that, despite the afore-mentioned unforeseen circumstances which had a negative impact on the performance of the previous discretionary accounts under the management of the Manager and subject to the health of the global investment market condition in the long term, together with the enhanced risk control measures adopted by the Manager for the purpose of the Discretionary Account Agreement, the Manager will provide reasonable investment management service and bring moderate returns to the Portfolio.

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, as well as financial investments and general investment businesses outside 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 Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the Securities and Futures Commission in Hong Kong.

The ultimate beneficial owners of the Manager are Mr. Chen Hongjun, 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.

LETTER FROM THE BOARD

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.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the transactions contemplated under the Discretionary Account Agreement. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the Discretionary Account Agreement and the transaction contemplated thereunder.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 12 January 2023 to 17 January 2023, both days inclusive, in order to determine the Shareholders' entitlements to attend and vote at the EGM. In order to be eligible for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 11 January 2023.

EGM

A notice convening the EGM is set out on pages 29 to 30 of this circular, which contains an ordinary resolution to approve the Discretionary Account Agreement and the transactions contemplated as set out in this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM (i.e. before 2:30 p.m. on 15 January 2023) or any adjournment thereof.

Completion and return of the form of proxy will not prevent you from attending and voting in person at the EGM and at any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY POLL

The resolution set out in the notice of the EGM would be decided by poll in accordance with the Listing Rules and the Articles of Association. The Chairman will explain the detailed procedures for conducting a poll at the commencement of the EGM.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy who is entitled to more than one vote need not use all his/its votes or cast all his/its votes in the same way.

After the conclusion of the EGM, the poll results will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.tiange.com.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

Taking into account the reasons for and benefits of the Discretionary Account Agreement, the Directors are of the view that the terms of the Discretionary Account Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the ordinary resolution to approve the Discretionary Account Agreement at the EGM.

Yours faithfully,
By order of the Board
Tian Ge Interactive Holdings Limited
Fu Zhengjun
Chairman

FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements for the years ended 31 December 2019, 2020 and 2021 and the unaudited consolidated financial statements for the six months ended 30 June 2022, together with the notes thereto, are set forth in pages 124 to 280 of the annual report for the year ended 31 December 2019, pages 85 to 230 of the annual report for the year ended 31 December 2020, pages 84 to 220 of the annual report for the year ended 31 December 2021 and pages 34 to 84 of the interim report for the six months ended 30 June 2022.

- annual report of the Company for the year ended 31 December 2019 published on 27 April 2020 (pages 124-280) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042700625.pdf>)
- annual report of the Company for the year ended 31 December 2020 published on 26 April 2021 (pages 85-230) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042600368.pdf>)
- annual report of the Company for the year ended 31 December 2021 published on 27 April 2022 (pages 84-220) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042700764.pdf>)
- interim report of the Company for the six months ended 30 June 2022 published on 27 September 2022 (pages 34-84) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0927/2022092700531.pdf>)

INDEBTEDNESS

As at 31 October 2022, the Group had unguaranteed bank and other borrowings of approximately US\$52.38 million (RMB375.94 million), which were secured by the Group's investments in financial assets. Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the Latest Practicable Date, the Group did not have other outstanding mortgages, charges, debentures or other loan capital issued and outstanding and authorized or otherwise created but unissued, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

WORKING CAPITAL

The Directors are of the opinion that, after taking into account of the Group's internal resources, cash flow from operations and also the effect of the Discretionary Account Agreement, the Group will have sufficient working capital to satisfy its present requirements, that is, for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is principally engaged in the operation of live social video platforms and other services in the PRC. Due to the outbreak of the COVID-19 all over the world, the macro-economy and various industries have been impacted with varying degree of severity and the global economy has experienced a certain degree of decline. Meanwhile, the fierce competition and strict supervision in the mobile Internet industry in the PRC continued to pose challenges to the business development of the Group. However, on the other hand, the quarantine measures during the pandemic resulted in the rise of “Stay-at-Home Economic”, which contributed new user traffic to the Internet industry. The application of emerging technologies such as 5G has also brought development opportunities to the live streaming industry.

The Group plans to utilize the industry opportunities brought by 5G technology, continue to adhere to its core business, optimize its user platform, create more diversified content and pay close attention to new trends in the development of online platforms such as live e-commerce. At the same time, the Group will further deepen its layout in overseas markets, replicate its successful business model in China to Southeast Asia and other regions, expand its international market share and promote the Group to enter a new stage of international development as soon as possible, so as to create sustainable returns for Shareholders.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of the Latest Practicable Date, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) are as follows:

Interests in ordinary Shares:

Name of Director/ chief executive	Nature of interests	Number of Shares held	Approximate percentage of shareholding as at the Latest Practicable Date
Mr. Fu Zhengjun (“ Mr. Fu ”)	Founder of a discretionary trust (<i>Note 1</i>)	330,695,000 (L)	26.62% (L)
	Beneficial owner	200,000 (L)	0.02% (L)
Mr. Zhao Weiwen	Beneficial owner	1,105,203 (L)	0.09% (L)
Mr. Mai Shi'en	Beneficial owner	4,050,000 (L)	0.33% (L)
Mr. Xiong Xiangdong	Beneficial owner	60,000,000 (L)	4.83% (L)

Note:

- UBS Trustees (B.V.I.) Limited, the trustee of Mr. Fu's Trust (as defined below), holds the entire issued share capital of Three-Body Holdings Ltd through its nominee, UBS Nominee Limited. Three-Body Holdings Ltd holds the entire issued share capital of Blueberry Worldwide Holdings Limited. Blueberry Worldwide Holdings Limited in turn holds 330,695,000 Shares. Mr. Fu's trust (“**Mr. Fu's Trust**”) is a discretionary trust established by Mr. Fu (as the settlor) and the discretionary beneficiaries of which are Mr. Fu and his family members. Accordingly, each of Mr. Fu, UBS Trustees (B.V.I.) Limited, Three-Body Holdings Ltd and Blueberry Worldwide Holdings Limited is deemed to be interested in the 330,695,000 Shares held by Blueberry Worldwide Holdings Limited.
- (L) – Long Position.

Interests in underlying Shares:

Name of Director/ chief executive	Position held within our Group	Nature	Number of Shares represented by options	Exercise price (US\$)	Approximate percentage of shareholding as at the Latest Practicable Date
Mr. Chan Wing Yuen, Hubert	Independent Non-executive Director	Options (<i>Note 1</i>)	200,000 (L)	0.35	0.02% (L)
Mr. Zhao Weiwen	Chief executive officer	Options (<i>Note 2</i>)	100,000 (L)	0.35	0.01% (L)

Notes:

1. Mr. Chan Wing Yuen, Hubert is interested in 20,000 Pre-IPO options granted to him on 22 May 2014 under the Pre-IPO Share Option Scheme entitling him to receive 200,000 Shares.
2. Mr. Zhao Weiwen is interested in 100,000 options granted to him on 22 May 2014 under the Pre-IPO Share Option Scheme entitling him to receive 100,000 Shares.
3. (L) – Long Position.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, within the knowledge of the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholders	Nature of interests	Number of Shares or securities held	Approximate percentage of interest as at the Latest Practicable Date
UBS Trustees (B.V.I.) Limited	Trustee (<i>Note 1</i>)	330,695,000 (L)	26.62% (L)
Three-Body Holdings Ltd	Interest in Controlled Corporation (<i>Note 1</i>)	330,695,000 (L)	26.62% (L)
Blueberry Worldwide Holdings Limited	Beneficial Owner (<i>Note 1</i>)	330,695,000 (L)	26.62% (L)
Sina Hong Kong Limited	Beneficial Owner	300,000,000 (L)	24.15% (L)
Ho Chi Sing	Interest in Controlled Corporation (<i>Note 2</i>)	110,000,000 (L)	8.86% (L)
Zhou Quan	Interest in Controlled Corporation (<i>Note 2</i>)	110,000,000 (L)	8.86% (L)
IDG-Accel China Growth Fund GP II Associates Ltd.	Interest in Controlled Corporation (<i>Note 2</i>)	110,000,000 (L)	8.86% (L)
IDG-Accel China Growth Fund II Associates L.P.	Interest in Controlled Corporation (<i>Note 2</i>)	102,146,200 (L)	8.22% (L)
IDG-Accel China Growth Fund II L.P.	Beneficial Owner (<i>Note 2</i>)	102,146,200 (L)	8.22% (L)
The Core Trust Company Limited	Trustee (<i>Note 3</i>)	86,038,985 (L)	6.93% (L)
TCT (BVI) Limited	Other (<i>Note 3</i>)	84,648,985 (L)	6.81% (L)
Xinshow Limited	Nominee for another person (other than a bare trustee) (<i>Note 3</i>)	73,821,985 (L)	5.94% (L)

Notes:

- (1) UBS Trustees (B.V.I.) Limited, the trustee of Mr. Fu's Trust, holds the entire issued share capital of Blueberry Worldwide Holdings Limited through Three-Body Holdings Ltd. Blueberry Worldwide Holdings Limited holds 330,695,000 Shares. Mr. Fu's Trust is a discretionary trust established by Mr. Fu (as the settlor) and the discretionary beneficiaries of which are Mr. Fu and his family members. Accordingly, each of Mr. Fu, UBS Trustees (B.V.I.) Limited, Three-Body Holdings Ltd and Blueberry Worldwide Holdings Limited is deemed to be interested in the 330,695,000 Shares held by Blueberry Worldwide Holdings Limited.
- (2) IDG-Accel China Growth Fund II L.P. is wholly owned by IDG-Accel China Growth Fund II Associates L.P., which is in turn wholly owned by IDG-Accel China Growth Fund GP II Associates Ltd. Accordingly, each of IDG-Accel China Growth Fund II L.P., IDG-Accel China Growth Fund II Associates L.P. and IDG-Accel China Growth Fund GP II Associates Ltd. is deemed to be interested in the 102,146,200 Shares held by IDG-Accel China Growth Fund II L.P.. Separately, IDG-Accel China Investors II L.P. is wholly owned by IDG-Accel China Growth Fund GP II Associates Ltd., therefore IDG-Accel China Growth Fund GP II Associates Ltd. is deemed to be interested in the shares held by IDG-Accel Growth Investors II L.P.

Each of Ho Chi Sing and Zhou Quan holds 50% of the issued share capital of IDG-Accel China Growth Fund GP II Associates Ltd., therefore both Ho Chi Sing and Zhou Quan are deemed to be interested in the 110,000,000 shares which IDG-Accel China Growth Fund GP II Associates Ltd. is interested in total.

- (3) Xinshow Limited, the nominee to the trustee of certain share incentive schemes of the Company, is wholly owned by TCT (BVI) Limited, which is in turn wholly owned by The Core Trust Company Limited. Therefore, TCT (BVI) Limited and The Core Trust Company are deemed to be interested in the Shares held by Xinshow Limited.
- (4) (L) – Long Position.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executives of the Company are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which was not determinable by the Company or the relevant member of the Group within one year without payment of compensation other than statutory compensation.

COMPETING BUSINESS INTEREST OF DIRECTORS**(a) Interests in competing business**

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

(b) Interests in assets

As at the Latest Practicable Date, no Director was interested in any assets which had been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since the date of the latest published audited accounts of the Company.

MATERIAL CONTRACTS

The Company or any of its subsidiaries has entered into the following material contracts within the two years immediately before the date of this circular and up to the Latest Practicable Date, which were not entered into in the ordinary course of business:

- (a) The equity transfer agreement dated 15 December 2020 entered into between Jinhua Ruichi Investment Management Company Limited (金華睿馳投資管理有限公司) and Beijing Weimeng Chuangke Investment Management Company Limited (北京微夢創科創業投資管理有限公司) in relation to the disposal of the 64% of the equity interest of Jinhua Ruian Investment Management Company Limited (金華睿安投資管理有限公司).
- (b) The equity transfer agreement dated 17 December 2020 entered into between Jinhua 9158 Investment Management Co., Ltd. (金華就約我吧投資管理有限公司) and Shaoxing Shangyuyihe Equity Interest Investment Co., Ltd. (紹興上虞貽赫股權投資有限公司) in relation to the disposal of the 22.5% of the equity interest of Jinhua Yibo Network Technology Co., Ltd. (金華市億博網絡科技有限公司).
- (c) The subscription agreement dated 28 December 2020 entered into between the Company and Yun Qi Partners III GP, Ltd. in relation to the subscription of fund interest at a total subscription amount of US\$1 million.
- (d) The insurance agreement dated 31 March 2021 entered into between HuaGe and China Life Insurance (Overseas) Company Limited (中國人壽保險(海外)股份有限公司) in relation to the subscription of life wealth management products at a total subscription amount of US\$9,650,001.72.

- (e) The discretionary account agreement dated 7 April 2021 entered into between HuaGe and UBSAG in relation to the provision of investment management service by UBSAG to HuaGe.
- (f) The VIE Agreements entered among each of the PRC Operating Entities, the relevant WFOE and the registered shareholders of the PRC Operating Entities (where applicable) on 9 March 2022.
- (g) The Subscription Agreement dated 13 May 2022 entered into between HuaRui Technology (HK) Limited and Navigator Capital VCC in relation to the subscription of fund interest at a total subscription amount of US\$5 million.
- (h) The discretionary account agreement dated 16 August 2022 entered into between HuaGe and the Manager in relation to the provision of discretionary investment services by the Manager to HuaGe.

MATERIAL ADVERSE CHANGE

Having considered the interim report of the Company for the six months ended 30 June 2022 and save for the profit warning announcements of the Company dated 16 June 2022 and 19 August 2022, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors pending or threatened by or against any member of the Group.

MISCELLANEOUS

- (a) The registered office of the Company is at Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands.
- (b) The joint company secretaries of the Company are Mr. Chen Shi and Ms. Ng Sau Mei. Ms. Ng Sau Mei is as a fellow member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in United Kingdom.
- (c) The English text of this circular and the form of proxy shall prevail over the Chinese text in the case of inconsistency

DOCUMENTS ON DISPLAY

Copies of the following documents are available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.tiange.com>) from the date of this circular up to and including the date of the EGM:

- (a) the Discretionary Account Agreement;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2019, 2020 and 2021 and the interim report of the Company for the six months ended 30 June 2022; and
- (d) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Tian Ge Interactive Holdings Limited (the “Company”) will be held at 12A, Intime City Tower E, Gongshu District, Hangzhou, Zhejiang, PRC on Tuesday, 17 January 2023 at 2:30 p.m. to consider and, if thought fit, approve, with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. “THAT:

- (a) the entering into and performance of the Discretionary Account Agreement dated 16 August 2022 and the transactions contemplated thereunder be and is hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised to do all such acts and things and execute all such documents which he/she may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Discretionary Account Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 28 December 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205
Cayman Islands

Headquarters:

12-14/F
Intime City Tower E
Gongshu District
Hangzhou, PRC

Principal place of business in

Hong Kong:
31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Notes:

- (i) The resolution at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
- (ii) Any member of the Company entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 2:30 p.m. on 15 January 2023) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (v) For determining the right to attend and vote at the EGM to be held on 17 January 2023, the register of members of the Company will be closed from 12 January 2023 to 17 January 2023 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 11 January 2023.
- (vi) Pursuant to Rule 13.39(4) of the Listing Rules, voting for the resolution set out in the notice of the EGM will be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.