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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 PRODUCTS

SUBSCRIPTION OF NEW CMB FINANCIAL PRODUCTS

Reference is made to the Company's announcements dated 27 May 2019 and 28 May 2019 (the "**Announcements**"), in relation to the subscriptions of six CMB Financial Products with an aggregate principal amount of RMB700.0 million (the "**Previous CMB Subscriptions**"). As at the date of this announcement, two out of six Previous CMB Subscriptions with an aggregate principal amount of RMB400.0 million have matured (the "**Matured CMB Subscriptions**") and the Company has recovered the entire principal amount of the Matured CMB Subscriptions. The principal amount of the remaining Previous CMB Subscriptions is RMB300.0 million (the "**Remaining Previous CMB Subscriptions**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise stated.

On 19 September 2019, Beijing Meelive subscribed for two New CMB financial Products with an aggregate principal amount of RMB200.0 million. Such subscriptions were funded by the recovered principal amount of the Matured CMB Subscriptions, in order to better utilizing the surplus fund of the Group.

SUBSCRIPTION OF NEW CIB FINANCIAL PRODUCT

On 29 March 2019, 23 April 2019, 18 June 2019 and 21 June 2019, Beijing Meelive subscribed for a total of four CIB Financial Products with an aggregate principal amount of RMB73.30 million (the "**Previous CIB Subscriptions**"). As at the date of this announcement, none of the Previous CIB Subscriptions has matured.

On 19 September 2019, Beijing Meelive subscribed for one New CIB Financial Product with a principal amount of RMB100.0 million. Such subscription was funded by the recovered principal amount of the Matured CMB Subscriptions, in order to better utilizing the surplus fund of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscriptions of the New CMB Financial Products, in aggregate, exceed 5% but none of such percentage ratios is 25% or above, the subscription of the New CMB Financial Products constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. In addition, the subscription of the New CMB Financial Products, even if aggregated with the Remaining Previous CMB Subscriptions, would still constitute a discloseable transaction 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 CMB Financial Products and the Remaining Previous CMB Subscriptions, when aggregated, are more than 5% but less than 25%.

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

SUBSCRIPTIONS OF THE NEW CMB FINANCIAL PRODUCTS

The Board announces that, on 19 September 2019, Beijing Meelive, a variable interest entity of the Company, entered into two subscription agreements with China Merchants Bank pursuant to which it subscribed for two New CMB Financial Products with China Merchants Bank on 19 September 2019 in an aggregate principal amount of RMB200.0 million.

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

No.	Product name	Principal subscription amount (RMB)	Expected annual return rate (%)	Investment Term (days)	Maturity date
1	CMB Structured Deposits I — CBJ04786	100,000,000	1.55–3.59	181	18 March 2020
2	CMB Structured Deposits II — CBJ04785	100,000,000	1.75–3.59	365	18 September 2020
Total		200,000,000			

Other salient terms of the New CMB Financial Products

The investment term of the New CMB Financial Products represents the term commencing on the date of the respective subscription agreements of the New CMB Financial Products and ending on the maturity date. The Company funded these subscriptions of the New CMB Financial Products by utilising the aggregate principal amount recovered from the Matured CMB Subscriptions and the principal amounts of the New CMB Financial Products had been or will be transferred to China Merchants Bank on the date of the commencement of the relevant investment term, in order to better utilizing the surplus fund of the Group.

The New CMB Financial Products are:

- (i) for item (1) set out above, structured deposits with guaranteed rate of return of 1.55% per annum and an additional floating rate of return of up to 2.04% per annum; and
- (ii) for item (2) set out above, structured deposits with guaranteed rate of return of 1.75% per annum and an additional floating rate of return of up to 1.84% per annum.

During the investment term of the New CMB Financial Products, the Company cannot terminate any of the relevant subscription agreements of the New CMB Financial Products or redeem or withdraw the principal amount prior to the respective maturity dates of the New CMB Financial Products. China Merchants Bank does not have the right to terminate the subscription agreements relating to the New CMB Financial Products.

SUBSCRIPTION OF THE NEW CIB FINANCIAL PRODUCT

On 19 September 2019, Beijing Meelive entered into a subscription agreement with CIB pursuant to which it subscribed for one New CIB Financial Product with CIB on 19 September 2019 in principal amount of RMB100.0 million.

The major terms of such 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 — 60200548	100,000,000	3.60–3.67	365	18 September 2020
Total		100,000,000			

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 CMB Subscriptions, in order to better utilizing the surplus fund of the Group and the principal amount of the New CIB Financial Product had been or will be transferred to CIB on the date of the commencement of the investment term.

The New CIB Financial Product is structured deposits with guaranteed rate of return of 3.60% per annum and an additional floating rate of return of up to 0.07% per annum. During the investment term of the New CIB Financial Product, the Company cannot terminate the subscription agreement of the New CIB Financial Product or redeem or withdraw the principal amount prior to the respective maturity dates of the New CIB Financial Product. CIB does not have the right to terminate the subscription agreement relating to the New CIB Financial Products.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscription of the New CMB Financial Products, in aggregate, exceed 5% but none of such percentage ratios is 25% or above, the subscription of the New CMB Financial Products constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. In addition, the subscription of the New CMB Financial Products, even if aggregated with the Remaining Previous CMB Subscriptions, would still constitute a discloseable transaction 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 CMB Financial Products and the Remaining Previous CMB Subscriptions, when aggregated, are more than 5% but less than 25%.

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

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS OF THE NEW CMB FINANCIAL PRODUCTS AND THE NEW CIB FINANCIAL PRODUCT

Subscriptions of the New CMB Financial Products and the New CIB Financial Product were 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 CMB Financial Products and the New CIB Financial Product and the relatively high credit rating of their underlying assets, including but not limited to bank deposits, sovereign bonds or central bank bills with a credit rating of not lower than A+, the Company considers that the risk level of the subscriptions of the New CMB Financial Products and the New CIB Financial Product are in line with the internal investment policies of the Group. The Group had, in the past, totally recovered the principal and received the expected returns upon the redemption or maturity of similar financial products. The Company will monitor and manage the subscriptions more closely and effectively. In accordance with the relevant accounting standards, the New CMB Financial Products and the New CIB Financial Product are accounted for as financial assets at fair value through profit and loss.

In view of an upside of earning a more attractive return than current saving or fixed deposit rate under the low interest rate trend, as well as the risk nature and the relatively short term of maturity of the New CMB Financial Products and the New CIB Financial Product, the Directors are of the view that these financial products pose little risk to the Group and the terms and conditions of each of the subscriptions the New CMB Financial Products and 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 subscriptions of the CMB Financial Products and the New CIB Financial Product were funded by the aggregate principal amount recovered from the Matured CMB Subscriptions, therefore they would not affect the working capital or the operation of the Company. The subscriptions of the CMB Financial Products and the New CIB Financial Product were not funded by the proceeds from the Company's initial public offering.

Information on the Company

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

Information on China Merchants Bank

China Merchants Bank is a joint-stock company established in the PRC with limited liability and an independent third party. China Merchants Bank is a licensed bank established under the laws of the PRC. China Merchants Bank and its subsidiaries are principally engaged in the commercial banking business which provides services such as accepting deposits, making loans and offering basic investment products. China Merchants Bank is listed on the Stock Exchange (Stock Code: 03968) and the Shanghai Stock Exchange (Stock Code: 600036).

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 provides 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, China Merchants Bank and CIB and their respective ultimate substantial beneficial owners as publicly disclosed by China Merchants Bank and 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 incorporated 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 Beijing Meelive in accordance with the relevant subscription agreements dated 28 March 2019, 23 April 2019, 18 June 2019 and 20 June 2019
“New CIB Financial Product”	the financial product issued by CIB and subscribed for by Beijing Meelive in accordance with the relevant subscription agreement dated 19 September 2019

“New CMB Financial Product(s)”	the financial products issued by China Merchants Bank and subscribed for by Beijing Meelive in accordance with the relevant subscription agreements dated 19 September 2019, and a “ New CMB Financial Product” shall mean each and any one of them
“Shareholder(s)”	shareholders of the Company

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

Hong Kong, 19 September 2019

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

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