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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)

PROFIT WARNING

This announcement is made by Inke Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform its shareholders (the “**Shareholders**”) and prospective investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and the information currently available to the Company, the Group expects to record a net profit after tax of not more than RMB55 million for the full year of 2019, representing a significant decline as compared to the results of the corresponding period in 2018, which was mainly attributable to the decrease in the revenue of the Group as a result of intensified industry competition, as well as the significant increase in research and development expenses as the Group strengthened its investment in the research and development of technologies and innovative products. Currently, the Group has launched a number of innovative products. Despite the decrease in profit, the Board considers that the Group’s principal operation and cash flows remained steady. In addition, the Group made early preparations for the next generation of interactive entertainment scenes by going all out to develop interactive entertainment and social networking product matrix, which is beneficial for the Group to face future industry competition.

The information currently available shows that the Group’s revenue for the second half of 2019 recorded an increase of over 10% and 20% as compared to the results for the corresponding period in 2018 and the first half of 2019, respectively. The increase in the revenue for the second half of 2019 was mainly attributable to the fact that the Group’s investment in technologies and products since 2018 generated initial results and brought new users and income growth to the Company. Several innovative products of the Group recorded fast business growth and significant increase in income.

The Group will continue to strengthen its efforts under its “interactive entertainment + social networking” strategy. As its innovative product matrix becomes mature, the Group’s core competitiveness will be further enhanced and its business model will be diversified, which will continue to create new room for its development.

As the Company is still in the process of finalising its annual results for the year ended 31 December 2019, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group and the information currently available, and is not based on any financial figures and/or information which have been audited, verified or reviewed by the auditors or the audit committee of the Company. Actual financial results may be different from what is disclosed in this announcement. The Company expects to publish its annual results announcement for the year ended 31 December 2019 in March 2020.

Shareholders and prospective investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 27 February 2020

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