

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.



Inke Limited
映客互娱有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3700)

DISCLOSEABLE TRANSACTION
SUBSCRIPTIONS OF FINANCIAL PRODUCT
AND INTEREST IN A FUND

SUBSCRIPTION OF NEW CMB FINANCIAL PRODUCT

References are made to the Company's announcements dated 23 November 2018, 27 May 2019, 28 May 2019, 19 September 2019, 29 November 2019 and 19 June 2020 (the "**Announcements**"), in relation to the subscriptions of CMB Financial Products (the "**Previous CMB Subscriptions**"). As at the date of this announcement, three out of five Previous CMB Subscriptions with an aggregate principal amount of RMB200.0 million have matured (the "**Matured CMB Subscriptions**") and the Group has recovered the entire principal amount of the Matured CMB Subscriptions. The principal amount of the remaining Previous CMB Subscriptions is RMB188.0 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 22 September 2020, Beijing Meelive subscribed for the New CMB Financial Product with principal amount of RMB100.0 million. Such subscription was funded by the recovered principal amount of the Matured CMB Subscriptions, in order to better utilise the surplus fund of the Group.

SUBSCRIPTION OF THE SUB-FUND

On 22 September 2020, the Company has entered into a subscription agreement with the Fund Company (for and on behalf of the Sub-Fund) and the Manager pursuant to which the Company has committed to subscribe for Class A Shares of the Sub-Fund for an aggregate amount of USD20.0 million.

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 Product exceed 5% but none of such percentage ratios is 25% or above, the subscription of the New CMB Financial Product 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 Product, even if aggregated with the Remaining Previous CMB Subscriptions, would only constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the subscription of the New CMB Financial Product and the Remaining Previous CMB Subscriptions, when aggregated, are more than 5% but less than 25%.

As two or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscription of the Sub-Fund exceed 5% but none of such percentage ratios is 25% or above, the subscription of the Sub-Fund 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.

SUBSCRIPTION OF THE NEW CMB FINANCIAL PRODUCT

The Board announces that, on 22 September 2020, Beijing Meelive, a variable interest entity of the Company, entered into a subscription agreement with China Merchants Bank, pursuant to which it subscribed for the New CMB Financial Product with China Merchants Bank on 22 September 2020 in principal amount of RMB100.0 million.

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

Product name	Principal subscription amount (RMB)	Expected annual return rate (%)	Investment Term (days)	Maturity date
CMB Financial Product II — 天添金 9250	100,000,000	3.21–3.56	— (Note)	— (Note)
Total	<u>100,000,000</u>			

Note: This financial product is highly liquid and can be redeemed by Beijing Meelive on any business day according to its net value, with a redemption charge at 0.05% of the outstanding principal amount. The redemption period ends on 11 March 2037.

Other salient terms of the New CMB Financial Product

The Company funded this subscription of the New CMB Financial Product by utilising the aggregate principal amount recovered from the Matured CMB Subscriptions and the principal amount of the New CMB Financial Product had been or will be transferred to China Merchants Bank on the date of the commencement of the relevant investment term.

The New CMB Financial Product is a non-principal guaranteed wealth management financial product with an expected annualised return of 3.21% and an additional floating rate of return of up to 0.35% per annum and it also has a redemption fee of 0.05%. Its investment term will commence on the date of its subscription agreement and end on the redemption date.

SUBSCRIPTION OF THE SUB-FUND

The Board announces that, on 22 September 2020, the Company has entered into a subscription agreement with the Fund Company (for and on behalf of the Sub-Fund) and the Manager, pursuant to which the Company has committed to subscribe for the Class A Shares of the Sub-Fund for an aggregate amount of USD20.0 million.

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

Product name	Principal subscription amount (USD)	Expected annual return rate (%)	Investment Term (days)	Maturity date
New China Innovation Fund 22 Segregated Portfolio	20,000,000	4.5	365 (Note)	22 September 2021 (Note)
Total	<u>20,000,000</u>			

Note: This Sub-Fund will expire on 22 September 2021 and, subject to the written consent of the directors and shareholders of the Sub-Fund, will be extended to 22 September 2022.

Principal terms of the Sub-Fund

The principal terms of the Sub-Fund under the relevant subscription agreement are summarised below:

Name of the Sub-Fund: New China Innovation Fund 22 Segregated Portfolio

Target size of the Sub-Fund: The Sub-Fund expects to have a target subscription amount of USD50,000,000 by the Initial Closing Date.

The placing is conditional upon a minimum total subscription amount of USD30,000,000 (the “**Minimum Total Subscription Amount**”). In the event that the Minimum Total Subscription Amount is not met, any initial subscription amounts received by the Sub-Fund will be returned without interest by telegraphic transfer at the risk and expense of the investors, as determined by the directors of the Fund Company at their sole discretion.

Classes of Participating Shares of the Sub-Fund: The Sub-Fund has two classes of participating shares (the “**Participating Shares**”), namely Class A Shares and Class B Shares. Class A Shares will enjoy priority in returns and principal repayments to Class B Shares for the situations as specified in the subscription agreement of the Sub-Fund.

Investment Objective: The investment objective of the Sub-Fund is to achieve absolute returns through investing in fixed-income products, including but not limited to redeemable fixed rate bonds and loans.

Scope of the Investment: The Sub-Fund seeks to achieve its investment objective by investing in fixed income securities or instruments which include bonds (which can be fixed or floating rate and include convertible bonds), preferred shares, convertible bonds, commercial papers, short term bills, short term notes and loans (which can be bilateral or syndicated) issued by issuers such as government entities or agencies, supranational organisations, banks and corporations. The Sub-Fund may also invest in initial public offering, placement, public bond funds for retail investment and cash equivalents.

Establishment Date: It is expected to be 22 September 2020.

- Duration of the Sub-Fund:** It is intended that the Sub-Fund will have a term of one year commencing from the Initial Closing Date (with such term expiring on 22 September 2021), subject to one additional year extension that agreed among the directors and shareholders of the Sub-Fund in writing. Any further extension requires the approval of all the shareholders of the Sub-Fund.
- Expected Return:** Holders of the Class A Shares will receive a distribution for payment of fixed net income at the annual return rate of 4.5%.
- Fees, Charges and Expenses:** No management fee and performance fee are payable by holders of the Class A Shares to the Manager. The Manager will be entitled to be reimbursed out of the Sub-Fund for all out-of-pocket expenses incurred in the course of its duties.

Other salient terms of the Sub-Fund

The Company mainly funded the subscription of the Sub-Fund by utilising surplus cash of the Group and the subscription amount had been or will be transferred to the Sub-Fund on the date of the commencement of its investment term.

The Sub-Fund is a non-principal guaranteed fund. The Company cannot terminate any of the subscription agreement or redeem or withdraw the principal amount prior to the maturity date of the Sub-Fund. The Sub-Fund can be terminated within the duration of the Sub-Fund as determined by its directors in their sole discretion.

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 Product exceed 5% but none of such percentage ratios is 25% or above, the subscription of the New CMB Financial Product 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. The subscription of the New CMB Financial Product, even if aggregated with the Remaining Previous CMB Subscriptions, would only constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the subscription of the New CMB Financial Product and the Remaining Previous Subscriptions, when aggregated, are more than 5% but less than 25%.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscription of the Sub-Fund exceed 5% but none of such percentage ratios is 25% or above, the subscription of the Sub-Fund 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.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS OF THE NEW CMB FINANCIAL PRODUCT AND THE SUB-FUND

Subscriptions of the New CMB Financial Product and the Sub-Fund were made for treasury management purposes to maximise the return on the unutilised funds of the Group 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 Product and the Sub-Fund 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 Product and the Sub-Fund 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 Product and the Sub-Fund 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 of the New CMB Financial Product and the Sub-Fund, 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 of the New CMB Financial Product and the Sub-Fund are fair and reasonable and are in the interests of the Group and its Shareholders as a whole. Further, the subscriptions of the New CMB Financial Product and the Sub-Fund are funded by the aggregate principal amount recovered from the Matured CMB Subscriptions and surplus cash of the Group, therefore they would not affect the working capital or the operation of the Company. The subscriptions of the New CMB Financial Product and the Sub-Fund are 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 incorporated 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).

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, China Merchants Bank and its ultimate substantial beneficial owners as publicly disclosed by China Merchants Bank are third parties independent of and not connected with the Company or its connected persons (as defined under the Listing Rules).

Information on the Fund Company and the Manager

The Fund Company is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands on 10 June 2015. As a segregated portfolio company, the Fund Company is permitted to create and issue Participating Shares out of one or more segregated portfolio(s) in order to segregate the assets and liabilities of the Fund Company held within or on behalf of a segregated portfolio from the assets and liabilities of the Fund Company held within or on behalf of any other segregated portfolio. The Sub-Fund is a closed-ended segregated portfolio of the Fund Company.

The Fund Company has appointed the Manager, who is responsible for managing the investment, sale and re-investment of the assets of the Fund Company. The Manager is an exempted company with limited liability incorporated in the Cayman Islands on 2 June 2015.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Fund Company and the Manager, and their respective ultimate beneficial owners are third parties independent of and not connected with the Company or its connected persons (as defined under the Listing Rules).

DEFINITIONS

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

“Class A Share(s)”	a share in the Sub-Fund designated as Class A Share(s)
“Class B Share(s)”	a share in the Sub-Fund designated as Class B Share(s)
“Fund Company”	New China Innovation Fund SPC, an exempted company with limited liability incorporated in the Cayman Islands and registered as a segregated portfolio company under the laws of the Cayman Islands
“Initial Closing Date”	22 September 2020, or such other date as determined by the directors of the Sub-Fund
“Manager”	New China Capital International Management Limited, an exempted company with limited liability incorporated in the Cayman Islands
“New CMB Financial Product”	the financial product issued by China Merchants Bank and subscribed for by Beijing Meelive in accordance with the relevant subscription agreement dated 22 September 2020
“Sub-Fund”	New China Innovation Fund 22 Segregated Portfolio

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

Hong Kong, 22 September 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.