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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)

**DISCLOSEABLE TRANSACTION –
DISCRETIONARY ACCOUNT AGREEMENT**

DISCRETIONARY ACCOUNT AGREEMENT

The Board announces that on 2 March 2020, HuaGe, a wholly-owned subsidiary of the Company, entered into the Discretionary Account Agreement with the Manager, pursuant to which HuaGe has agreed to appoint the Manager and the Manager has agreed to accept such appointment as manager to provide discretionary investment services by the Manager to HuaGe. The Investment Amount is USD60.0 million in total and will be made by HuaGe to the Manager during an investment duration of two years.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, as one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Investment Amount, the Discretionary Account Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, the entering into of the Discretionary Account Agreement constituted a discloseable transaction which is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISCRETIONARY ACCOUNT AGREEMENT

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

Date: 2 March 2020

Parties: 1) HuaGe; and
2) the Manager

Subject matter

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

Management of the Investments

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

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

Withdrawal

HuaGe may from time to time request the withdrawal of any of Investments 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 as soon as practicable of such part of the Portfolio as it considers appropriate to produce the relevant cash sum for payment to HuaGe. Upon procuring the realization of monies and the effecting of any necessary currency conversion, the Manager will arrange for payment to be made to HuaGe.

Term and termination of the Discretionary Account Agreement

The Discretionary Account Agreement shall continue in effect until terminated 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 the regulatory authority.

Management fee

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

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

The amount of fee is capped at HKD3,000,000 per annum.

The management fee was determined upon arms-length basis negotiation between HuaGe and the Manager after taking into account the benefit of the entering into of the Discretionary Account Agreement as set out in the relevant section below.

INVESTMENT AMOUNT

The Investment Amount is USD60.0 million in total and will be made by HuaGe to the Manager during an investment duration of two years.

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

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

The Company's financing activities in Hong Kong has been generating offshore capital for the Group. In line with the Company's treasury policy, the Company has the option of placing idle funds into fixed term time deposits or similar form of wealth accrual instruments. For a long period of time, the Company has been utilizing its onshore idle funds to subscribe for wealth management products through Internet banking from commercial banks in order to earn interests. To enhance its income for the presently unutilized offshore assets, HuaGe entered into the Discretionary Account Agreement with the Manager. In accordance with the Discretionary Account Agreement, HuaGe has the flexibility of withdrawal at its request. These features enable the HuaGe to generate steady income from its cash surplus while at the same time, maintain its liquidity position.

In addition, the Manager is specialized in providing securities and asset management services. It has solid practical investment experience in the Asia-Pacific region and its investment management team has both localized and international background. The Directors believe that the strength and capabilities of the Manager will enable it to provide quality investment management service and bring favorable returns to HuaGe.

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

INFORMATION ABOUT THE PARTIES

The Company

The Company is principally engaged in the operation of live social video platforms, mobile and online games, advertising and other services in the People's Republic of China.

The Manager

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

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Manager and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, at the date of this announcement, as one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Investment Amount, the Discretionary Account Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, the entering into of the Discretionary Account Agreement constituted a discloseable transaction which is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday, Sunday and Public Holiday) on which licensed banks are open for business in Hong Kong
“Company”	Tian Ge Interactive Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Custodian”	means any person(s) as the Manager may on behalf of HuaGe appoint from time to time, as custodian of the Portfolio
“Director(s)”	the director(s) of the Company
“Discretionary Account”	means the securities account and cash account relating to the Portfolio
“Discretionary Account Agreement”	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
“HuaGe”	a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investments”	means bond funds, investment funds and structured notes
“Investment Amount”	USD60.0 million in total and will be made by HuaGe to the Manager during an investment duration of two years
“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 Types 4 (advising on securities) and 9 (asset management) regulated activities by the Securities and Futures Commission in Hong Kong
“Portfolio”	means all the Investments at any time under the management of the Manager
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suspension Events”	Includes situations where the trading of a specific or various Investments are unavailable due to severe market conditions or issuer distress, suspension or limitation of trading by any public exchanges or any other circumstances which render it impossible to liquidate any or all the relevant Investments
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

By order of the Board
Tian Ge Interactive Holdings Limited
Fu Zhengjun
Chairman and Chief Executive Officer

Hong Kong, 2 March 2020

As of the date of this announcement, the executive Directors are Mr. Fu Zhengjun and Mr. Mai Shi'en; the non-executive Directors are Mr. Mao Chengyu and Ms. Cao Fei; and the independent non-executive Directors are Ms. Yu Bin, Mr. Yang Wenbin and Mr. Chan Wing Yuen Hubert.