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Tian Ge Interactive Holdings Limited
天 鴿 互 動 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1980)

VOLUNTARY ANNOUNCEMENT

COMPLETION OF SHARE TRANSACTION

Reference is made to the announcement dated 26 January 2018 (the “Announcement”) issued by Tian Ge Interactive Holdings Limited (the “Company”) in relation to the Acquisition. On 26 January 2018, the Purchaser, a subsidiary of a PRC operating entity of our Group, entered into the Agreement with the Vendors pursuant to which the Purchaser conditionally agreed to purchase, and the Vendors conditionally agreed to sell, 66.4% of the equity interest of the Target Company for an aggregate Consideration of RMB200,904,608, which shall be satisfied by the Purchaser’s payment of RMB64,763,108 in cash to the First Vendor and procure the Company to allot and issue a total of 13,237,995 Consideration Shares to the Founders, and the Purchaser’s payment of RMB73,083,000 in cash to the Second Vendors. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF SHARE TRANSACTION

The Board is pleased to announce that all the conditions of the Agreement have been fulfilled and the Completion took place on 20 April 2018 in accordance with the terms and conditions of the Agreement. Immediately after the Completion, the Purchaser holds 80% of the equity interest of the Target Company. A total of 13,237,995 Consideration Shares have been issued to the Founders, representing approximately 1.04% of the existing issued share capital of the Company and approximately 1.03% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set out below is the shareholding structure of the Company (i) immediately before the Completion; and (ii) immediately after the Completion.

Name of shareholders	Immediately Before Completion		Immediately After Completion	
	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)
UBS Trustee (BVI) Limited <i>(note 1)</i>	327,260,000	25.64%	327,260,000	25.38%
Three-Body Holdings Ltd <i>(note 1)</i>	306,000,000	23.98%	306,000,000	23.73%
Blueberry Worldwide Holdings Limited <i>(note 1)</i>	306,000,000	23.98%	306,000,000	23.73%
Sina Hong Kong Limited	300,000,000	23.51%	300,000,000	23.27%
IDG-Accel China Growth Fund GP II Associates Ltd. <i>(note 2)</i>	110,000,000	8.62%	110,000,000	8.53%
IDG-Accel China Growth Fund II Associates L.P. <i>(note 2)</i>	101,684,000	7.97%	101,684,000	7.89%
IDG-Accel China Growth Fund II, L.P. <i>(note 2)</i>	101,684,000	7.97%	101,684,000	7.89%
Ho Chi Sing <i>(note 3)</i>	110,000,000	8.62%	110,000,000	8.53%
Zhou Quan <i>(note 3)</i>	110,000,000	8.62%	110,000,000	8.53%
Founders	—	—	13,237,995	1.03%
Pre-IPO RSU Trustee <i>(note 4)</i>	42,838,000	3.36%	42,838,000	3.32%
Post-IPO RSU Trustee <i>(note 5)</i>		1.01%	12,830,539	1.00%
Public	<u>483,228,496</u>	<u>37.87%</u>	<u>483,228,496</u>	<u>37.48%</u>
Total	<u>1,276,157,035</u>	<u>100%</u>	<u>1,289,395,030</u>	<u>100%</u>

Notes:

- (1) UBS Trustees (BVI) Limited, the trustee of Mr. Fu's Trust and Mr. Fu Yanchang's Trust, holds the entire issued share capital of Blueberry Worldwide Holdings Limited and Cloud Investment Holding Limited through Three-Body Holdings Ltd and Star Wonder Holding Ltd, respectively. Blueberry Worldwide Holdings Limited and Cloud Investment Holding Limited hold 306,000,000 shares and 21,260,000 shares in our Company, respectively. 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 (BVI) Limited, Three-Body Holdings Ltd and Blueberry Worldwide Holdings Limited is deemed to be interested in the 306,000,000 shares held by Blueberry Worldwide Holdings Limited. Mr. Fu Yanchang's Trust is a discretionary trust established by Mr. Fu Yanchang (as the settlor) and the discretionary beneficiaries of which are Mr. Fu Yanchang and his family members. Accordingly, each of Mr. Fu Yanchang, UBS Trustees (BVI) Limited, Cloud Investment Holding Limited and Star Wonder Holding Ltd is deemed to be interested in the 21,260,000 shares held by Cloud Investment Holding 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 101,684,000 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 8,316,000 shares held by IDG-Accel Growth Investors II L.P.
- (3) 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.
- (4) As of today, we have granted 42,838,000 RSUs pursuant to the Pre-IPO RSU Scheme, and Shares underlying such RSUs have been issued by us and allotted to the Pre-IPO RSU Trustee, an Independent Third Party, to administer the vesting of the RSUs pursuant to the Pre-IPO RSU Scheme.
- (5) As of today, we have granted 12,830,539 RSUs pursuant to the Post-IPO RSU Scheme, and Shares underlying such RSUs have been issued by us and allotted to the Post-IPO RSU Trustee, an Independent Third Party, to administer the vesting of the RSUs pursuant to the Post-IPO RSU Scheme.

INFORMATION ABOUT THE TARGET COMPANY AND WUTA APPLICATION

The Target Company develops and operates a leading mobile photo and video application in China, Wuta Application. The Wuta Application was launched in December 2015 for beta-testing and was upgraded at the end of 2016. After the upgrade, it also included in its name “相機” as key search word and started to become popular. The Wuta Application has its core technologies, such as face recognition and three-dimensional reconstruction, which are all developed by itself and it also has special features such as emoji package, live-streaming assistant, beautification of in-time selfie and short video. The Company believes that these special features generate different user experience, which differentiates it from other photo and video beautification applications and has become increasingly popular in the PRC, which can be evidenced from the growth of its MAUs. In August 2017, the number of MAUs of the Wuta Application was 3.6 million and in December 2017, the number of MAUs increased to 18.5 million, which was further increased to 22.5 million in January 2018. In addition, the Wuta Application ranks as Chinese users’ top choices for free photo and video beautification applications and repeatedly ranks among the top ten iOS free photo and video apps in China by total number of downloads as of 31 March 2018.

The Company expects that the business of the Target Company and that of the Group will generate a desirable synergy effect. The Wuta Application will help to generate additional user traffic to our Group and can be utilized to attract young female users with spending capability and also male users currently using our live streaming applications, to increase users' engagement in our ecosystem. The Group expects that through its applications for short video, live streaming and beautification camera, it will create additional value for its users and increase the ability to monetize its user base.

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

Hong Kong, 20 April 2018

As at 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. Wu Chak Man and Mr. Chan Wing Yuen Hubert.