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儒意控股
RUYI HOLDINGS

China Ruyi Holdings Limited

中國儒意控股有限公司

(a company incorporated in Bermuda with limited liability)

(Stock Code: 136)

**(1) PROPOSED REFRESHMENT OF GENERAL MANDATE;
(2) SUPPLEMENTAL ANNOUNCEMENT IN RELATION
TO DISCLOSEABLE TRANSACTIONS; AND
(3) CLOSURE OF REGISTERS OF MEMBERS**

References are made to (i) the announcement of the Company dated 4 July 2023 (the “**Share Subscriptions Announcement**”); and (ii) the announcement of the Company dated 23 July 2023 (the “**Discloseable Transactions Announcement**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Share Subscriptions Announcement and/or the Discloseable Transactions Announcement.

PROPOSED REFRESHMENT OF GENERAL MANDATE

The Board proposes to refresh the Existing General Mandate (as defined below) for the Directors to allot, issue and deal with new Shares representing up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the SGM.

Existing General Mandate

At the 2023 Annual General Meeting, the Shareholders approved, among other things, the ordinary resolution that grant the existing general mandate to the Directors to allot, issue and deal with up to 2,000,929,509 Shares, representing approximately 20% of the issued share capital of the Company as at the date of granting of the existing general mandate (the “**Existing General Mandate**”).

As disclosed in the Share Subscriptions Announcement, the Company entered into the Independent Subscriber Share Subscription Agreements with the Independent Subscribers, pursuant to which the Company has agreed to allot and issue, and the Independent Subscribers have agreed to subscribe an aggregate of 2,000,000,000 Subscription Shares at HK\$1.60 per Share. As at the date of this announcement, 693,750,000 Shares have been issued to the Independent Subscribers by the Company. Subject to the terms and conditions of the Independent Subscriber Share Subscription Agreements, each of the Independent Subscribers shall complete the subscription of all the relevant Subscription Shares in one or multiple tranches before 5 September 2023. Upon completion of the allotment and issuance of 2,000,000,000 Subscription Shares to the Independent Subscribers, approximately 99.95% of the Existing General Mandate would have been utilised and 929,509 Shares may be further issued under the Existing General Mandate.

Proposed refreshment of general mandate

As the Existing General Mandate is expected to be almost fully utilised before 5 September 2023, the Board recommended an additional ordinary resolution to be proposed at the SGM to the Independent Shareholders for approving the proposed refreshment of general mandate (“**Proposed Refreshment of General Mandate**”) that:

- (a) the Directors were granted the new general mandate to allot and issue Shares representing up to 20% of the issued share capital of the Company as at the date of the SGM (the “**New General Mandate**”); and
- (b) the New General Mandate will be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the 2023 Annual General Meeting.

The Company has not made any refreshment of the Existing General Mandate since the 2023 Annual General Meeting. The New General Mandate will, if granted, be valid until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable laws or the bye-laws of the Company; or
- (c) the revocation or variation of the authority given to the Directors by passing an ordinary resolution by the Shareholders at a general meeting.

As at the date of this announcement, the Company has an aggregate of 10,698,397,545 Shares in issue. Assuming that there is no change in the issued Shares of the Company from the date of this announcement up to the date of the SGM, the Directors would be allowed under the New General Mandate to allot and issue up to 2,139,679,509 Shares, representing 20% of issued share capital of the Company as at the date of the SGM.

Reasons for the Proposed Refreshment of General Mandate

As the Existing General Mandate is expected to be almost fully utilised before 5 September 2023, the Directors consider that the Proposed Refreshment of General Mandate will provide flexibility for the Company to issue new Shares as and when considered necessary, and enable the Company to capture better timing for fundraising before the next annual general meeting. When suitable business opportunities which are favourable to the Group arise or in the case of further funding needs, the Board will be able to make timely decision and respond promptly.

Having considered other fundraising alternatives of the Group, the Board is of the view that fund raising exercises conducted under general mandate provide a flexible and readily available method for the Company to raise funds for its future expansion, business development and/or opportunities identified by the Company, and are simpler and more efficient than other types of fund-raising exercises and remove uncertainties in the circumstances when specific mandate may not be obtained in a timely manner. Taking into account the above, the Directors (excluding the independent non-executive Directors, whose view will be provided after considering the advice from the Independent Financial Adviser) consider that the Proposed Refreshment of General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plan and has not entered into any agreement, arrangement, understanding or undertaking in respect of any proposed issue of new Shares under the New General Mandate. In case any plans become crystallised, the Company would balance its overall capital structure through utilising its internal resources and/or using suitable financing methods to fulfill the funding needs. The Company will exercise due and careful consideration when choosing the financing methods available.

Implications under the Listing Rules

Pursuant to Rule 13.36(4) of the Listing Rules, the approval of the Proposed Refreshment of General Mandate will be subject to Independent Shareholder's approval at the general meeting of the Company. Any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the Proposed Refreshment of General Mandate. As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Company has no controlling Shareholder. Accordingly, Mr. Ke Liming, an executive Director, and Mr. Yang Ming, a non-executive Director, with interests in the Shares, together with their associates are required to abstain from voting in favour of the resolution to approve the Proposed Refreshment of General Mandate. As at the date of this announcement, Mr. Ke Liming, through Pumpkin Films Limited, held 1,893,101,943 Shares (representing approximately 17.70% of the issued share capital of the Company), and Mr. Yang Ming, held 1,080,000 Shares (representing approximately 0.01% of the issued share capital of the Company). Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other chief executive of the Company or Shareholder is required to abstain from voting in favour of the resolution to approve the Proposed Refreshment of General Mandate.

General Information

The SGM will be convened and held for the purpose of approving, among other things, the Proposed Refreshment of General Mandate.

The Independent Board Committee comprising Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Proposed Refreshment of General Mandate. Maxa Capital Limited has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Proposed Refreshment of General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Proposed Refreshment of the General Mandate; (iii) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Refreshment of the General Mandate; and (iv) a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTIONS

Reference is also made to the Discloseable Transactions Announcement in relation to, among other things, the entering into of the Equity Transfer Agreement between Shanghai Ruyi (as transferee) with Beijing Culture (as transferor), stipulating that Shanghai Ruyi shall acquire 49% of the shares in Beijing Investment held by Beijing Culture at a consideration of RMB2,262,000,000 (the “**Acquisition**”).

As disclosed in the Discloseable Transactions Announcement, the consideration (being RMB2,262,000,000 in cash) of the Acquisition would be funded by the Group’s internal resources. Having considered the current financial position of the Company and that it would be reasonable and in the Company’s interest to retain certain portion of the Group’s internal funding resources for its ongoing and future business development plans, the Board is of the view that it will be more appropriate and is for the benefit of the Group to fund the consideration of the Acquisition through the net proceeds from the Share Subscriptions as disclosed in the Share Subscriptions Announcement.

Save as disclosed in the Discloseable Transactions Announcement and as described above, all other information set out in the Discloseable Transactions Announcement remain unchanged. The announcement is supplemental to the Discloseable Transactions Announcement and should be read in conjunction with the Discloseable Transactions Announcement.

CLOSURE OF REGISTER OF MEMBERS

The Company expects that the SGM will be convened on Friday, 15 September 2023. For the purpose of ascertaining Shareholders' entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 12 September 2023 to Friday, 15 September 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the SGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 11 September 2023.

By order of the Board
China Ruyi Holdings Limited
Ke Liming
Chairman

Hong Kong, 28 August 2023

As at the date of this announcement, the executive directors of the Company are Mr. Ke Liming, Ms. Chen Xi and Mr. Zhang Qiang; the non-executive director of the Company is Mr. Yang Ming; and the independent non-executive directors of the Company are Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin.