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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)**

## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 7 May 2024 in relation to the discloseable transaction and continuing connected transactions (the “**Announcement**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following additional information in relation to the Equity Transfer and the Existing Transactions Agreement.

### **BASIS OF CONSIDERATION**

As disclosed in the Announcement, the Consideration for the Equity Transfer is determined between the parties on normal commercial terms after arm’s length negotiations based on (1) the sales performance and future development prospects of the operating projects of the Target Company; and (2) the market value of the Target Company’s major assets.

The initial consideration of RMB259 million for the Equity Transfer is based on, among other things, the followings:

- (1) the historical financial performance, business development and future prospects of the Target Company’s operation of the game “Red Alert Online” (《紅警OL》) (the “**Game**”), taking into account the life cycle of the Game as a simulation game and that the game still has considerable business potential and prospects in the future. In particular, taking into account that upon completion of the Equity Transfer (including the internal reorganisation of the Target Company pursuant to the Equity Transfer Agreement), the Target Company is expected to optimise resources and reduce costs in the future, thereby enhancing its profitability;
- (2) the size of core assets held by the Target Company, which mainly comprise of the R&D assets of the Game;

- (3) the payment terms and adjustments of the Consideration, including an adjustment mechanism for changes in the net assets of the Target Company upon completion of internal reorganisation pursuant to the Equity Transfer Agreement; and
- (4) other reasons and benefits as set out in the paragraph headed “Reasons for and benefits of the Transaction” in the Announcement.

The maximum Consideration for the Equity Transfer (including adjustments in accordance with the above terms) of RMB350 million is based on, among other things, the followings:

- (1) the unaudited net asset value of the Target Company of approximately RMB344 million as at 31 December 2023 as disclosed in the paragraph headed “Information about the Target Company” in the Announcement;
- (2) the aforementioned historical financial performance, business development and considerable future business potential, profitability and prospects of the Target Company’s operation of the Game; and
- (3) other reasons and benefits as set out in the paragraph headed “Reasons for and benefits of the Transaction” in the Announcement.

Based on the above, notwithstanding that no valuation report has been prepared in respect of the Target Company, the Directors consider that the Consideration for the Equity Transfer is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE VENDORS AND THE TARGET COMPANY**

Based on the information available to the Company, as at the date of the Announcement, the Vendors are wholly-owned subsidiaries of Nuverse (Xiamen) Technology Co., Ltd (朝夕光年(廈門)科技有限公司).

Based on the unaudited financial statements prepared by the Target Company in accordance with the China Accounting Standards for Business Enterprises, for the financial year ended 31 December 2023, the Target Company recorded a profit before tax of RMB535,804 and a loss after tax of RMB1,591,469, respectively.

## **THE EXISTING TRANSACTIONS AGREEMENT**

The Tencent Subsidiaries engage in the provision of value-added services in the PRC, and are subsidiaries of Tencent Holdings, which is principally engaged in value-added services, online advertising, fintech and business services.

The Existing Transactions Agreement is not a framework agreement and the Target Company and the Tencent Subsidiaries do not negotiate individual transactions under the Existing Transactions Agreement. Pursuant to the Existing Transactions Agreement, the Target Company’s Existing Transactions are conducted under fixed formula, among which (i) the amount to be received by the Target Company for the development of the Game is calculated based on a fixed formula after

deducting a fixed percentage amount for the fees and costs incurred by the Tencent Subsidiaries in relation to the distribution of the Game on platforms operated by third parties (where applicable) and the costs incurred due to non-payments, refunds, bad debts, cancellations of payments arising from purchases or top-ups by end-users of the Game; and (ii) the amount to be received by the Target Company for paid promotions is calculated based on a fixed formula by multiplying the settlement paid to the Tencent Subsidiaries in relation to the revenue generated from the increase in end-users volume as a result of channel promotion services provided by the Tencent Subsidiaries on promotion platforms with the fixed revenue sharing ratio agreed between the Target Company and the Tencent Subsidiaries.

The Existing Transactions Agreement has not fixed transaction amount between the parties. It is expected that the annual revenue share to be received by the Target Company will not more than RMB300 million, taking into account the business development plan of the Game.

The Directors (including the independent non-executive Directors) consider that the Existing Transactions Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Existing Transactions Agreement.

Save as disclosed above, all other information in the Announcement remains unchanged.

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

Hong Kong, 9 July 2024

*As at the date of this announcement, the Executive Directors of the Company are Mr. Ke Liming 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.*