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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 ISSUE OF NEW SHARES  
UNDER GENERAL MANDATE;  
(2) CONNECTED TRANSACTION INVOLVING  
PROPOSED ISSUE OF NEW SHARES TO SUBSTANTIAL  
SHAREHOLDER UNDER SPECIFIC MANDATE; AND  
(3) RESUMPTION OF TRADING**

**PROPOSED ISSUE OF NEW SHARES**

On 13 July 2022, the Company entered into the Water Lily Share Subscription Agreement with Water Lily, pursuant to which the Company has agreed to allot and issue, and Water Lily has agreed to subscribe at HK\$2.40 per Subscription Share for 162,500,000 Subscription Shares, on the terms thereunder.

On 14 July 2022, the Company entered into the Sunshine Life Share Subscription Agreement and the China Handi Share Subscription Agreement with Sunshine Life and China Handi, respectively, pursuant to which the Company has agreed to allot and issue, and Sunshine Life and China Handi have agreed to subscribe at HK\$2.40 per Subscription Share for 487,500,000 Subscription Shares and 325,000,000 Subscription Shares, respectively, on the terms thereunder.

The gross and net proceeds from the Share Subscriptions, in aggregate, will be approximately HK\$2,340,000,000. The Company intends to apply the net proceeds (a) for the Group's general working capital purposes and (b) for the growth and expansion of the business of the Group. The net subscription price per Subscription Share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$2.40 per Subscription Share.

The Subscription Shares represent approximately 10.42% of the total issued share capital of the Company as at the date of this announcement and approximately 9.44% of the total issued share capital of the Company as enlarged by the Share Subscriptions (assuming there being no other changes to the total issued share capital of the Company).

### **IMPLICATIONS UNDER THE LISTING RULES**

Water Lily is a substantial shareholder, hence, a connected person of the Company. The Water Lily Share Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Subscription Shares to be issued and allotted to Water Lily will be allotted and issued under the Specific Mandate to be obtained at the SGM. The Subscription Shares to be issued and allotted to Sunshine Life and China Handi, respectively, will be allotted and issued under the General Mandate. As at the date of this announcement, no Share has been issued by the Company under the General Mandate. As such, the maximum number of new Shares which may be issued by the Company under the General Mandate is 1,870,929,509 Shares, being 20% of the total number of 9,354,647,545 issued Shares as at the date of the 2022 Annual General Meeting. Therefore, the General Mandate is sufficient for the allotment and issue of Subscription Shares to Sunshine Life and China Handi.

### **INTRODUCTION**

On 13 July 2022, the Company entered into the Water Lily Share Subscription Agreement with Water Lily, pursuant to which the Company has agreed to allot and issue, and Water Lily has agreed to subscribe at HK\$2.40 per Subscription Share for 162,500,000 Subscription Shares, on the terms thereunder.

On 14 July 2022, the Company entered into the Sunshine Life Share Subscription Agreement and the China Handi Share Subscription Agreement with Sunshine Life and China Handi, respectively, pursuant to which the Company has agreed to allot and

issue, and Sunshine Life and China Handi have agreed to subscribe at HK\$2.40 per Subscription Share for 487,500,000 Subscription Shares and 325,000,000 Subscription Shares, respectively, on the terms thereunder.

## **PRINCIPAL TERMS OF THE SHARE SUBSCRIPTION AGREEMENTS**

### **Water Lily Share Subscription Agreement**

Date: 13 July 2022 (after trading hours)

Parties: (i) the Company, as the issuer; and

(ii) Water Lily, as Subscriber

Subscription Shares: 162,500,000 Subscription Shares

Subscription Price: HK\$2.40 per Subscription Share

Water Lily is a connected person of the Company. It is an investment holding company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of Tencent Holdings Limited (stock code: 700), which is a company principally engaged in value-added services, online advertising, fin-tech and business services.

### **Sunshine Life Share Subscription Agreement**

Date: 14 July 2022 (after trading hours)

Parties: (i) the Company, as the issuer; and

(ii) Sunshine Life, as Subscriber

Subscription Shares: 487,500,000 Subscription Shares

Subscription Price: HK\$2.40 per Subscription Share

Sunshine Life is a joint stock company established in the PRC with limited liability which carries out life and health insurance business. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of Sunshine Life or any of its ultimate beneficial owners is a connected person of the Company. Each of Sunshine Life and its ultimate beneficial owners are independent of and not connected with the Company, the directors, chief executives or substantial shareholders of the Company or its subsidiaries, or any of their respective associates as at the date of this announcement.

## **China Handi Share Subscription Agreement**

Date: 14 July 2022 (during trading hours)

Parties: (i) the Company, as the issuer; and  
(ii) China Handi, as Subscriber

Subscription Shares: 325,000,000 Subscription Shares

Subscription Price: HK\$2.40 per Subscription Share

China Handi is a company established in the Cayman Islands with limited liability which is principally engaged in investment holdings. The ultimate beneficial owners of China Handi are Mr. Wu Hanling and Ms. Yu Rong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of China Handi or any of its ultimate beneficial owners is a connected person of the Company. Each of China Handi and its ultimate beneficial owners are independent of and not connected with the Company, the directors, chief executives or substantial shareholders of the Company or its subsidiaries, or any of their respective associates as at the date of this announcement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Subscribers and, if applicable, its ultimate beneficial owner(s) are independent of each other.

### **Subscription Shares**

Assuming there will be no change in the issued share capital of the Company from the date of the Share Subscription Agreements to each of the Closing Dates, whichever is the latest, save for the allotment and issue of the Subscription Shares:

- (a) the Subscription Shares represent approximately 10.42% of the existing issued share capital of the Company as at the date of this announcement, of which:
  - (i) the Subscription Shares to be allotted and issued to Water Lily represent approximately 1.74% of the issued share capital of the Company as at the date of this announcement;
  - (ii) the Subscription Shares to be allotted and issued to Sunshine Life represent approximately 5.21% of the issued share capital of the Company as at the date of this announcement; and

- (iii) the Subscription Shares to be allotted and issued to China Handi represent approximately 3.47% of the issued share capital of the Company as at the date of this announcement.
- (b) the Subscription Shares represent approximately 9.44% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, of which:
  - (i) the Subscription Shares to be allotted and issued to Water Lily represent approximately 1.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares;
  - (ii) the Subscription Shares to be allotted and issued to Sunshine Life represent approximately 4.72% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and
  - (iii) the Subscription Shares to be allotted and issued to China Handi represent approximately 3.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

### **Subscription Price**

The Subscription Price of HK\$2.40 per Subscription Share represents:

- (a) a discount of approximately 2.04% to the closing price of HK\$2.45 per Share as quoted on the Stock Exchange on the date of the Water Lily Share Subscription Agreement;
- (b) a discount of approximately 2.04% to the closing price of HK\$2.45 per Share as quoted on the Stock Exchange on the last trading day before the date of the China Handi Share Subscription Agreement and Sunshine Life Share Subscription Agreement;
- (c) a discount of approximately 10.11% to the average closing price of approximately HK\$2.67 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Water Lily Last Trading Day;
- (d) a discount of approximately 7.76% to the average closing price of approximately HK\$2.60 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the China Handi Last Trading Day and Sunshine Life Last Trading Day;
- (e) a discount of approximately 13.67% to the average closing price of approximately HK\$2.78 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Water Lily Last Trading Day; and

- (f) a discount of approximately 11.93% to the average closing price of approximately HK\$2.73 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the China Handi Last Trading Day and Sunshine Life Last Trading Day.

The Subscription Price was determined after arm's length negotiation between the Company and each of the Subscribers after taking into account the prevailing market price of the Shares and the trading volume of the Shares. In respect of the Share Subscriptions by Sunshine Life and China Handi, the Directors are of the view that the terms of the Sunshine Life Subscription Agreement and the China Handi Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. In respect of the Share Subscription by Water Lily, the Directors (other than the independent non-executive Directors who will give their opinion after considering the advice from the Independent Financial Adviser), are of the view that the terms of the Water Lily Share Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

The Subscription Shares have an aggregate nominal value of HK\$19,500,000. The net proceeds from the Share Subscriptions, after deduction of relevant costs and expenses, is estimated to be approximately HK\$2,340,000,000. The net subscription price per Subscription Share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$2.40 per Subscription Share.

The Subscription Price shall be payable by the Subscribers in cash upon Closing.

### **Ranking**

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Subscription Shares.

## **Conditions Precedent under each of the Share Subscription Agreements**

Completion of each of the Share Subscription Agreements is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions precedent:

### ***As to the Water Lily Share Subscription Agreement:***

- (a) the passing of resolution(s) by the Independent Shareholders at the SGM approving the Water Lily Share Subscription Agreement and the transactions contemplated thereunder;
- (b) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the relevant Subscription Shares and such approval not having been withdrawn or revoked;
- (c) the current listing of the Shares on the Stock Exchange not having been cancelled or withdrawn;
- (d) each of the warranties included in the Water Lily Share Subscription Agreement given by the Company remaining true and accurate in all respects and not misleading in any respect as at Closing;
- (e) the Company not having breached the pre-completion undertakings given in the Water Lily Share Subscription Agreement entered into between the Company and Water Lily in any respect, and not having materially breached or failed to perform in any material respect its other obligations or undertakings under the Water Lily Share Subscription Agreement prior to Closing;
- (f) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Company reasonably considers necessary pursuant to applicable laws, regulations or rules (including but not limited to the Listing Rules) for its execution, implementation and completion of the Water Lily Share Subscription Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing;
- (g) all consents, approvals, permits, authorizations or clearances (as the case may be) that Water Lily reasonably considers necessary pursuant to applicable laws, regulations or rules (including but not limited to the Listing Rules) for its execution, implementation and completion of the Water Lily Share Subscription Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing; and

- (h) from the date of the Water Lily Share Subscription Agreement entered into between the Company and Water Lily up to and as at the Water Lily Closing Date, there not having occurred any change (nor any development or event involving a prospective change), in the business, assets and liabilities, condition (financial or otherwise), business operations, results of operations or general affairs of the Company or the Group taken as a whole (whether or not arising in the ordinary course of business), which, in the reasonable opinion of Water Lily, has or would have a Material Adverse Effect.

At any time on or before 11:59 p.m. on the Water Lily Closing Date, Water Lily may waive any Condition Precedent set out in paragraphs (d) to (h) pursuant to the Water Lily Share Subscription Agreement. The Condition Precedent set out in paragraphs (a), (b) and (c) cannot be waived by any party. As at the date of this announcement, none of the Conditions Precedent under the Water Lily Share Subscription Agreement has been fulfilled.

***As to the Sunshine Life Share Subscription Agreement:***

- (i) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the relevant Subscription Shares and such approval not having been withdrawn or revoked;
- (j) the current listing of the Shares on the Stock Exchange not having been cancelled or withdrawn;
- (k) each of the warranties included in the relevant Share Subscription Agreement given by the relevant Subscriber remaining true and accurate in all respects and not misleading in any respect as at Closing;
- (l) each of the warranties included in the relevant Share Subscription Agreement given by the Company remaining true and accurate in all respects and not misleading in any respect as at Closing;
- (m) the Company having fully complied with and fulfilled in all material respect its other obligations under the relevant Share Subscription Agreement prior to Closing;
- (n) the Company having obtained all necessary approvals (if required) from any third parties for relevant Share Subscription Agreement and the transactions contemplated thereunder, and such approvals have not been withdrawn or revoked prior to Closing; and



- (o) the relevant Subscriber having obtained all necessary approvals (if required) from any third parties for the relevant Share Subscription Agreement and the transactions contemplated thereunder, and such approvals have not been withdrawn or revoked prior to Closing.

The Condition Precedent set out in paragraphs (i) and (j) cannot be waived by any party. As at the date of this announcement, none of the Conditions Precedent under the Sunshine Life Share Subscription Agreement has been fulfilled.

***As to the China Handi Share Subscription Agreement:***

- (p) each of the Conditions Precedent set out in paragraphs (i) to (o) above.

The Condition Precedent set out in paragraphs (i) and (j) cannot be waived by any party. As at the date of this announcement, none of the Conditions Precedent under the China Handi Share Subscription Agreement has been fulfilled.

**Termination**

***As to the Water Lily Share Subscription Agreement:***

If any Condition Precedent set out in paragraphs (a), (b) and (c) as to Water Lily Share Subscription Agreement has not been satisfied by 11:59 p.m. on the Longstop Date, the Water Lily Share Subscription Agreement shall be automatically terminated with immediate effect. If any Condition Precedent set out in paragraphs (d) to (h) has not been waived by Water Lily pursuant to the terms of the Water Lily Share Subscription Agreement or has not been satisfied by 11:59 pm on the by Water Lily Closing Date, the Water Lily Share Subscription Agreement shall be automatically terminated with immediate effect.

***As to the Sunshine Life Share Subscription Agreement and the China Handi Share Subscription Agreement:***

If any Condition Precedent set out in paragraphs (i) and (o) has not been satisfied or waived (as applicable) by the Longstop Date, the relevant Share Subscription Agreement shall be automatically terminated with immediate effect, save for claims arising from any antecedent breach of any obligation under the relevant Share Subscription Agreements.

**Closing**

***As to the Water Lily Share Subscription Agreement:***

Subject to the Conditions Precedent set out in paragraphs (a) to (h) being satisfied or waived (as applicable) and the relevant terms under the Water Lily Share Subscription Agreement, Closing under the Water Lily Share Subscription Agreement shall occur on

the date that is ten (10) Business Days after the date (not being later than the Longstop Date) on which the last of the Conditions Precedent (other than those conditions which are expressed to be satisfied on or as at the Water Lily Closing Date, but subject to the satisfaction or waiver of such conditions) is satisfied or waived (if applicable) via exchange of documents and signatures, or at such other date, time and venue as the parties may agree in writing (the “**Water Lily Closing Date**”).

***As to the Sunshine Life Share Subscription Agreement and the China Handi Share Subscription Agreement:***

Subject to the Conditions Precedent set out in paragraphs (i) to (o) being satisfied or waived (as applicable) and the relevant terms under the relevant Share Subscription Agreements, Closing under the relevant Share Subscription Agreements shall occur on 12 October 2022 or such other date, as the parties may agree in writing (the “**Sunshine Life Closing Date**” or the “**China Handi Closing Date**”, as applicable).

For the avoidance of doubt, completion of each of the Share Subscription Agreements are not inter-conditional to each other.

**Deposit**

***As to the Sunshine Life Share Subscription Agreement:***

Prior to 29 July 2022, Sunshine Life shall pay HK\$155 million as deposit (the “**Sunshine Life Deposit**”) to the Company, provided that there are no occurrence of any matter or event which would constitute a breach (or non-fulfilment) of any of the aforesaid Conditions Precedent (i), (j), (l), (m) and (n) after the date of the Sunshine Life Share Subscription Agreement and prior to 29 July 2022.

If Sunshine Life fails to complete its subscription of the relevant Subscription Shares in accordance with the Sunshine Life Subscription Agreement due to its own fault, the Sunshine Life Deposit shall be forfeited by the Company.

***As to the China Handi Share Subscription Agreement:***

Prior to 29 July 2022, China Handi shall pay HK\$156 million as deposit (the “**China Handi Deposit**”) to the Company, provided that there are no occurrence of any matter or event which would constitute a breach (or non-fulfilment) of any of the aforesaid Conditions Precedent (i), (j), (l), (m) and (n) after the date of the China Handi Share Subscription Agreement and prior to 29 July 2022.

If China Handi fails to complete its subscription of the relevant Subscription Shares in accordance with the China Handi Subscription Agreement due to its own fault, the China Handi Deposit shall be forfeited by the Company.

## **More Favourable Terms as to Water Lily Share Subscription Agreement**

In respect of the Water Lily Share Subscription Agreement, the Company undertook to Water Lily that, in the event the Company at any time proposes to grant or has granted to any Subscribers other than Water Lily, whether under any other Share Subscription Agreements or otherwise, any terms, rights, powers, privileges or preferences relating to or in connection with the Share Subscriptions by any other Subscribers which are in any way more favourable than those granted to Water Lily under the Water Lily Share Subscription Agreement (the “**More Favourable Terms**”), Water Lily shall be entitled to such More Favourable Terms and the Company shall immediately notify Water Lily of such More Favourable Terms and take all necessary actions to procure that such More Favourable Terms are offered and granted to Water Lily as soon as practicable.

### **Specific Mandate**

In respect of the Share Subscription by Water Lily, the relevant Subscription Shares will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the SGM.

### **General Mandate**

In respect of the Share Subscription by Sunshine Life and China Handi, the relevant Subscription Shares will be issued under the General Mandate. As at the date of this announcement, no Share has been issued by the Company under the General Mandate. As such, the maximum number of the new Shares which may be issued by the Company under the General Mandate is 1,870,929,509 Shares, being 20% of the total number of 9,354,647,545 issued Shares as at the date of the 2022 Annual General Meeting. Therefore, the General Mandate is sufficient for the allotment and issue of Subscription Shares to Sunshine Life and China Handi.

### **Listing Application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING THE COMPLETION OF THE SHARE SUBSCRIPTIONS

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Closing (assuming there being no other changes to the issued share capital of the Company between the date of this announcement and each of the Closing Dates, whichever is later, save for the allotment and issue of the Subscription Shares):

Name of Shareholder	(i) As at the date of this announcement		(ii) Immediately after the Closing (assuming there is no change in the number of the issued Shares between the date of this announcement and each of the Closing Dates, whichever is the latest, save for the allotment and issue of the Subscription Shares)	
	No. of Shares	Approximate per cent. (%)	No. of Shares	Approximate per cent. (%)
<i>Directors (Other than Mr. Ke Liming)</i>				
<i>(Note 1)</i>				
Mr. Wan Chao <i>(Note 2)</i>	2,032,000	0.02%	2,032,000	0.02%
<i>Substantial Shareholders</i>				
Mr. KE Liming <i>(Note 3)</i>	1,893,101,943	20.24%	1,893,101,943	18.33%
Water Lily <i>(Note 4)</i>	<u>1,883,234,565</u>	<u>20.13%</u>	<u>2,045,734,565</u>	<u>19.80%</u>
<b>Sub-total of non-public Shareholders</b>	<u>3,778,368,508</u>	<u>40.39%</u>	<u>3,940,868,508</u>	<u>38.15%</u>
<i>Other Public Shareholders</i>				
Sunshine Life	—	—	487,500,000	4.72%
China Handi	—	—	325,000,000	3.15%
Other Public Shareholders	<u>5,576,279,037</u>	<u>59.61%</u>	<u>5,576,279,037</u>	<u>53.98%</u>
<b>Sub-total of public Shareholders</b>	<u>5,576,279,037</u>	<u>59.61%</u>	<u>6,388,779,037</u>	<u>61.85%</u>
<b>Total number of issued shares</b>	<u><u>9,354,647,545</u></u>	<u><u>100.00%</u></u>	<u><u>10,329,647,545</u></u>	<u><u>100.00%</u></u>

*Notes:*

1. As at the date of this announcement, each of Ms. Chen Xi and Mr. Zhang Qiang was interested in 48,000,000 and 10,000,000 Shares (within the mean of Part XV of the SFO), respectively, being the underlying shares of the share options granted to Ms. Chen Xi and Mr. Zhang Qiang pursuant to the share option scheme of the Company. For the purpose of this announcement, the above table does not include any underlying shares to be granted under any share options granted to the Directors.
2. As at the date of this announcement, Mr. Wan Chao was interested in 2,032,000 Shares, of which 1,592,000 Shares were directly held by Mr. Wan Chao himself and 4,400,000 Shares were deemed interests held through his spouse.
3. As at the date of this announcement, 1,893,101,943 Shares were indirectly held by Mr. Ke Liming, an executive Director and the Chairman of the Board. Mr. Ke Liming was also deemed to be interested in 1,834,279,307 Shares within the meaning of Part XV of the SFO, being the underlying shares of the warrants granted to Pumpkin Films Limited, a company wholly-owned by him.
4. As at the date of this announcement, Water Lily was directly interested in 1,883,234,565 Shares. Water Lily is a wholly-owned subsidiary of Tencent Holdings Limited.
5. Certain figures included in the table above have been rounded to the nearest integer or to two decimal places. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

## **REASONS FOR AND BENEFITS OF THE ISSUE OF SUBSCRIPTION SHARES**

Under the proposed fundraising, the issuance of the Subscription Shares is expected to provide the Group with definite amount of capital whereby the shareholders base of the Company will also be enlarged and diversified, further strengthening the financial position and market reputation of the Group.

To support the long-term business development of the Company, Tencent Holdings Limited, through its indirect wholly-owned subsidiary, namely Water Lily, entered into the Water Lily Share Subscription Agreement with the Company. The entering into the Water Lily Share Subscription Agreement will allow the Company to further improve its capital structure while providing additional financial support for the Company's future business development and industrial investments.

Taking into account the recent market conditions, the Directors consider that raising funds by way of allotment and issue of the Subscription Shares would enable the Company to continue to obtain funds at a lower cost, as compared to a rights issue or an open offer. The Board has considered other alternative fundraising methods such as debt financing, rights issue or open offer. The Board has considered that debt financing may incur financial costs on the Group, while rights issue or open offer will involve the issue of listing documents with other application and administrative procedures

which may require longer time and incur additional administrative costs as compared to the equity financing by way of allotment and issue of new Shares under the General Mandate and the Specific Mandate.

### **USE OF PROCEEDS**

The gross proceeds of the Share Subscriptions, in aggregate, will be approximately HK\$2,340,000,000 (as to approximately HK\$1,950,000,000 from the Share Subscriptions under the General Mandate and as to approximately HK\$390,000,000 from the Share Subscription under the Specific Mandate). The aggregate net proceeds of the Share Subscriptions, after the deduction of related fees and expenses, will be approximately HK\$2,340,000,000.

The Company intends to apply the net proceeds from the Share Subscriptions (a) for the Group's general working capital purposes and (b) for the growth and expansion of the business of the Group, including content production, purchase of drama script and copyright, purchase of copyright of films and TV programs, and development of online gaming business.

### **EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS**

On 25 January 2022, the Company entered into (a) the First Water Lily Share Subscription Agreement and (b) the Mr. Liu Share Subscription Agreement (namely, the First Share Subscription Agreements). The aggregate net proceeds of the subscription and issue of the subscription shares pursuant to each of the First Share Subscription Agreements, after the deduction of related fees and expenses, was approximately HK\$300,000,000, which were intended to be utilized (a) for the Group's general working capital purposes and (b) for the growth and expansion of the business of the Group, as described in the sub-section headed "Use of Proceeds" in the announcement of the Company dated 25 January 2022.

As at the date of this announcement, the Group had fully utilized the net proceeds raised from the Previous Share Issuance, further details of which are set out as follows:

**Proposed use of proceeds**

**as disclosed in the announcement of the Company dated 25 January 2022**

	<b>Allocated amount of net proceeds (HK\$ million)</b>	<b>Utilized amount as at the date of this announcement (HK\$ million)</b>	<b>Unutilized amount as at the date of this announcement (HK\$ million)</b>
The Group's general working capital purposes	45	45	—
The growth and expansion of the business of the Group	<u>255</u>	<u>255</u>	<u>—</u>
<b>Total</b>	<b><u>300</u></b>	<b><u>300</u></b>	<b><u>—</u></b>

Saved as disclosed above, the Company had not conducted any other equity fundraising activity in the past twelve months immediately preceding the date of this announcement.

**INFORMATION OF THE COMPANY**

The Company is listed on the Stock Exchange (stock code: 136). The Company is an investment holding company. The Group is principally engaged in content production and online streaming business, internet community services and related businesses, and manufacture and sales of accessories.

**IMPLICATIONS UNDER THE LISTING RULES**

**Water Lily Share Subscription Agreement**

As at the date of this announcement, Water Lily held 1,883,234,565 Shares which represented approximately 20.13% of the issued share capital of the Company. Accordingly, Water Lily is a substantial shareholder and a connected person of the Company and the Water Lily Share Subscription Agreement (and the Share Subscription by Water Lily contemplated thereunder) constitute a connected transaction for the Company which is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Subscription Shares to be issued and allotted to Water Lily will be allotted and issued under the Specific Mandate to be obtained at the SGM, the Share Subscription by Water Lily is subject to the Independent Shareholders' approval.

## **Sunshine Life Share Subscription Agreement and China Handi Share Subscription Agreement**

As the relevant Subscription Shares to be issued and allotted to Sunshine Life and China Handi will be allotted and issued under the General Mandate, no additional Shareholders' approval is required.

### **FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

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 Share Subscription by Water Lily. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **SGM**

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Water Lily Share Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares to Water Lily and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Water Lily).

Water Lily and its associate(s) will abstain from voting on the relevant ordinary resolution(s) at the SGM. Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Water Lily Share Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares to Water Lily and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Water Lily), and is required to abstain from voting on the resolutions to approve the aforesaid matters at the SGM.

To the best of the knowledge and belief of the Directors, none of the Directors has any interest in the resolution(s) of the Board to consider and approve the Water Lily Share Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares to Water Lily and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Water Lily) or is otherwise required to abstain from voting on the relevant resolution(s) of the Board.



**MISCELLANEOUS**

A circular containing, among other things, (i) further details of the Water Lily Share Subscription Agreement, and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares to Water Lily and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Water Lily); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the SGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 31 August 2022.

**Completion of the issue of the Subscription Shares are conditional upon the fulfilment of the conditions precedent set out under the paragraphs headed “Conditions Precedent under each of the Share Subscription Agreements” in this announcement, which may or may not be fulfilled. Accordingly, the aforementioned completions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

**RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 14 July 2022 pending the publication of this announcement.

Application will be made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 15 July 2022.

**DEFINITIONS**

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

- “2022 Annual General Meeting”                      the annual general meeting of the Company held on 13 June 2022
- “associate(s)”                      has the meaning ascribed thereto under the Listing Rules
- “Board”                              the board of Directors

“Business Day(s)”	a day (excluding Saturdays, Sundays and public holidays and a day on which typhoon signal no. 8 or a black rainstorm warning is hoisted at any time in Hong Kong) on which banks are generally open for business in Hong Kong and in the PRC
“China Handi”	China Handi Group Limited (中國漢地集團有限公司), a company established in the Cayman Islands with limited liability, which was jointly owned by two individual beneficial owners as at the date of this announcement
“China Handi Closing Date”	has the meaning ascribed thereto under the paragraph headed “Closing” in this announcement
“China Handi Deposit”	has the meaning ascribed thereto under the paragraph headed “Deposit” in this announcement
“China Handi Share Subscription Agreement”	the share subscription agreement dated 14 July 2022 entered into between the Company as the issuer and China Handi as the subscriber in relation to the subscription of 325,000,000 Subscription Shares at the Subscription Price
“China Handi Last Trading Day”	13 July 2022, being the last trading day prior to the signing of the China Handi Share Subscription Agreement, which took place during trading hours
“Closing”	the completion of the Share Subscriptions
“Closing Date(s)”	collectively, the Water Lily Closing Date, the Sunshine Life Closing Date and the China Handi Closing Date, each a “Closing Date”
“Company”	China Ruyi Holdings Limited (中國儒意控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 136)
“Conditions Precedent”	the conditions precedent set out under the paragraphs headed “Conditions Precedent under each of the Share Subscription Agreements” in this announcement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules

“Connected Transaction”	the Share Subscription by Water Lily pursuant to the Water Lily Share Subscription Agreement
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“First Share Subscription Agreements”	collectively, the First Water Lily Share Subscription Agreement and the Mr. Liu Share Subscription Agreement
“First Water Lily Share Subscription Agreement”	the share subscription agreement dated 25 January 2022 entered into between the Company as the issuer and Water Lily as the subscriber in relation to the subscription of 64,000,000 subscription shares at HK\$2.50 per subscription share
“General Mandate”	the general mandate granted by the Shareholders at the 2022 Annual General Meeting, pursuant to which the Directors were authorised to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares then existing, that is a total of 1,870,929,509 Shares
“Group”	collectively, the Company and its subsidiaries and controlled entities
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent Board committee, comprising all the independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of the Connected Transaction
“Independent Financial Adviser”	an independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders on the Connected Transaction
“Independent Shareholders”	Shareholders other than those required under the Listing Rules to abstain from voting on the resolutions to be proposed at the SGM

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Longstop Date”	30 November 2022, or such later date as the Company and the relevant Subscribers may agree
“Material Adverse Effect”	any material adverse effect on the business, assets and liabilities, condition (financial or otherwise), business operations, results of operations, or general affairs of the Company or the Group taken as a whole
“More Favourable Terms”	has the meaning ascribed thereto under the paragraph headed “More Favourable Terms as to Water Lily Share Subscription Agreement” in this announcement
“Mr. Liu”	Mr. Liu Xueheng (劉學恒)
“Mr. Liu Share Subscription Agreement”	the share subscription agreement dated 25 January 2022 entered into between the Company as the issuer and Mr. Liu as the subscriber in relation to the subscription of 56,000,000 subscription shares at HK\$2.50 per subscription share
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Share Issuance”	the subscription and issue of the subscription shares pursuant to each of the First Share Subscription Agreements
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held for the purposes of approving, among others, the Water Lily Share Subscription Agreement (including without limitation, (a) the allotment and issue of the Subscription Shares to Water Lily and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Water Lily)

“Share Subscription Agreements”	collectively, the Water Lily Share Subscription Agreement, the Sunshine Life Share Subscription Agreement and the China Handi Share Subscription Agreement, and each a “Subscription Agreement”
“Share Subscription(s)”	the subscription and issue of the Subscription Shares pursuant to each of the Share Subscription Agreements
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of share(s)
“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders to the Directors at the SGM for the allotment and issue of the Subscription Shares to Water Lily
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Water Lily, Sunshine Life and China Handi, and each a “Subscriber”
“Subscription Price”	HK\$2.40 per Subscription Share
“Subscription Shares”	an aggregate of 975,000,000 new Shares to be issued and allotted by the Company to the Subscribers pursuant to the terms and conditions of the Share Subscription Agreements
“Sunshine Insurance”	Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a joint stock company established on 27 June 2007 in the PRC with limited liability, which was owned by a diverse range of investors as at the date of this announcement
“Sunshine Life”	Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司), a joint stock company established on 17 December 2007 in the PRC with limited liability which was owned as to approximately 99.9999% by Sunshine Insurance as at the date of this announcement
“Sunshine Life Closing Date”	has the meaning ascribed thereto under the paragraph headed “Closing” in this announcement

“Sunshine Life Deposit”	has the meaning ascribed thereto under the paragraph headed “Deposit” in this announcement
“Sunshine Life Share Subscription Agreement”	the share subscription agreement dated 14 July 2022 entered into between the Company as the issuer and Sunshine Life as the subscriber in relation to the subscription of 487,500,000 Subscription Shares at the Subscription Price
“Sunshine Life Last Trading Day”	13 July 2022, being the last trading day prior to the signing of the Sunshine Life Share Subscription Agreement, which took place after trading hours
“Water Lily”	Water Lily Investment Limited
“Water Lily Closing Date”	has the meaning ascribed thereto under the paragraph headed “Closing” in this announcement
“Water Lily Share Subscription Agreement”	the share subscription agreement dated 13 July 2022 entered into between the Company as the issuer and Water Lily as the subscriber in relation to the subscription of 162,500,000 Subscription Shares at the Subscription Price
“Water Lily Last Trading Day”	12 July 2022, being the last trading day prior to the signing of the Water Lily Share Subscription Agreement, which took place after trading hours
“%”	per cent

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

Hong Kong, 14 July 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. Ke Liming, Ms. Chen Xi, Mr. Wan Chao and Mr. Zhang Qiang; 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.*

\* *For identification purposes only.*