

DATED 4 JULY 2023

WATER LILY INVESTMENT LIMITED

AND

CHINA RUYI HOLDINGS LIMITED

(中國儒意控股有限公司)

SHARE SUBSCRIPTION AGREEMENT

**IN RESPECT OF 500,000,000 NEW ORDINARY
SHARES**

OF

CHINA RUYI HOLDINGS LIMITED

(中國儒意控股有限公司)

THIS SHARE SUBSCRIPTION AGREEMENT, dated 4 July 2023, is by and between:

- (1) **WATER LILY INVESTMENT LIMITED**, a company incorporated under the laws of the British Virgin Islands and having its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands ("**Subscriber**"); and
- (2) **CHINA RUYI HOLDINGS LIMITED (中國儒意控股有限公司)**, a company incorporated in Bermuda with limited liability and having its registered address at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and its principal place of business in Hong Kong at 15th Floor, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong (the "**Company**").

WHEREAS:

- A. The Company is a company incorporated in Bermuda with limited liability and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), whose issued ordinary shares are dealt in and listed on the Main Board of the Hong Kong Stock Exchange (stock code: 136).
- B. As at the date of this Agreement, the Company has an authorised share capital of HK\$2,000,000,000 divided into 100,000,000,000 Shares, of which 10,004,647,545 Shares have been issued and are fully paid up.
- C. The Company intends to obtain approval from the Shareholders at the SGM in respect of the issue of the Subscription Shares, pursuant to which, among other things, a specific mandate will be sought for the Directors to allot and issue the Subscription Shares.
- D. The Board has authorised the allotment and issue of the Subscription Shares subject to the terms and conditions of this Agreement.
- E. The Subscriber has agreed to subscribe for, and the Company has agreed to issue to the Subscriber, the relevant number of the Subscription Shares (as defined below) upon and subject to the terms and conditions of this Agreement.
- F. The Company has entered into the Other Share Subscription Agreements dated on or around the same date hereof with certain other subscribers (the "**Other Subscribers**"), pursuant to which such subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 2,000,000,000 Shares in aggregate (the "**Other Subscriptions**").

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained and of other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **INTERPRETATION**

1.1 **Definitions**

Unless the terms or context of this Agreement (including the Recitals) otherwise provide, the following terms shall have the meanings set out below:

"**Accounts**" has the meaning given to it in paragraph 3.6 of Schedule 2 of this Agreement;

"**Affiliate**" in relation to any person, means any person that directly or indirectly Controls such person or is directly or indirectly Controlled by such person or any person that is under direct or indirect common Control with such person;

"Agreement" means this share subscription agreement (as may be amended, supplemented or varied from time to time by an agreement in writing duly executed by the parties hereto);

"Authority" means (a) any government or political subdivision or department thereof, any governmental or regulatory body (including the Hong Kong Stock Exchange or any other stock exchange), (b) any division, department, commission, board, bureau, agency or instrumentality or other political subdivision of any government, entity or organisation described in the foregoing paragraph (a) of this definition; or (c) any court or arbitrator or alternative dispute resolution body, in each case whether federal, state, local or foreign;

"Board" means the board of directors of the Company;

"Business Day" means a day (excluding Saturdays, Sundays and public holidays in Hong Kong and in the PRC 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;

"Closing" means the completion of the allotment and issue of all of the Subscription Shares to the Subscriber in accordance with this Agreement;

"Closing Date" has the meaning given to it in Clause 4.1;

"Company" means China Ruyi Holdings Limited (中國儒意控股有限公司), with more detailed particulars set out in Schedule 1;

"Company Account" means the following account of the Company, or such other account maintained by the Company and as notified by the Company to the Subscriber no less than ten (10) Business Days before the Subscription Price Payment Date:

Beneficiary Bank: Industrial and Commercial Bank of China (Asia)
Bank Address: 34/F., ICBC Tower, 3 Garden Road, Central, Hong Kong
Beneficiary Name: China Ruyi Holdings Limited
Beneficiary Address: 15/F, YF Life Centre, No. 38 Gloucester Road, Wanchai, Hong Kong
Beneficiary Account: 861512019524
Swift Code: UBHKHKHH

"Company Pre-Completion Undertaking" means an undertaking by the Company to the Subscriber set out in Clause 5.1 and **"Company Pre-Completion Undertakings"** means all those undertakings;

"Company Warranty" means a statement contained in Schedule 2 and **"Company Warranties"** means all those statements;

"Condition" means a condition set out in Clause 3.1 and **"Conditions"** means all those conditions;

"Confidential Information" has the meaning given to it in Clause 20;

"Control" means possession, directly or indirectly, of the power to direct or cause the direction of the operations and management or policies of a person, whether through the ownership of voting securities, power to control, direct or appoint a majority of the directors to the board, by contract or otherwise, and **"Controlling"**, **"Controlled"** and **"Controls"** shall be construed accordingly;

"**Director(s)**" means director(s) of the Company;

"**Encumbrance**" means a mortgage, charge, pledge, lien, hypothecation, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, priority, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer, deferred purchase or retention arrangement over or in any property, assets or rights of whatsoever nature) having similar effect and any agreement for any of the foregoing;

"**Existing Share Option Scheme**" means the Company's share option scheme adopted on 28 June 2023;

"**Former Share Option Scheme**" means the Company's former share option scheme adopted on 31 October 2013 and terminated on 28 June 2023;

"**Group Companies**" means the Company and its subsidiaries and such entities which are Controlled by the Company, and "**Group Company**", "**Group**" and "**member of the Group**" shall be construed accordingly;

"**HKIAC**" has the meaning given to it in Clause 19.2;

"**HKIAC Rules**" has the meaning given to it in Clause 19.2;

"**HK\$**" means Hong Kong dollars, the lawful currency of Hong Kong;

"**Hong Kong**" means Hong Kong Special Administrative Region of the PRC;

"**Hong Kong Stock Exchange**" means The Stock Exchange of Hong Kong Limited;

"**Independent Shareholders**" means, for the purpose of the Subscription (including the Specific Mandate), Shareholders other than (i) any Shareholder who has a material interest (as defined under rule 2.16 of the Listing Rules) in the Subscription (including the Specific Mandate) other than its interest as a Shareholder; and (ii) any close associate (as defined under the Listing Rules) of such Shareholder referred to in (i);

"**Law**" means all civil, criminal and common law, statute, subordinate legislation, treaty, regulation, directive, decision, ordinance, circular, code, order, notice, demand, decree, injunction, resolution or judgment of any Authority (including the Listing Rules): (a) as to any person, in each case applicable to or binding upon such person or any of its property (or which such person or any of its property is subject); or (b) applicable to any or all of the transactions contemplated by or referred to in this Agreement;

"**Listing Committee**" means the listing committee of the Hong Kong Stock Exchange;

"**Listing Rules**" means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

"**Longstop Date**" means 30 November 2023, or such later date as the parties may agree in writing;

"**Material Adverse Effect**" has the meaning given to it in paragraph 3.4 of Schedule 2 of this Agreement;

"**One Month SOFR**" means the rate equal to the 1-month Term SOFR as quoted on the Quotation Date, provided that in the event that the One Month SOFR would otherwise be less than zero, the One Month SOFR shall be deemed to be zero for the purpose of this Agreement;

"Other Share Subscription Agreements" means the share subscription agreements dated the same date hereof entered into between the Company and certain other subscribers, pursuant to which such subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 2,000,000,000 Shares in aggregate at a price per Share which is equal to the Subscription Price per Subscription Share;

"Other Subscribers" has the meaning given to it in Recital F.

"Other Subscriptions" has the meaning given to it in Recital F.

"PRC" means the People's Republic of China (excluding, for the purposes of this Agreement only, Hong Kong, the Macau Special Administrative Region and Taiwan);

"Quotation Date" means the date on which the Subscriber effects the payment of the Subscription Price to the Company pursuant to Clause 2.2, or if such date is not a U.S. Government Securities Business Day, the immediately following U.S. Government Securities Business Day;

"Representatives" has the meaning given to it in Clause 20.2;

"Right" has the meaning given to it in Clause 13.2;

"SFO" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

"SGM" means the special general meeting of the Company (or any adjournment thereof) to be convened to consider and, if thought fit, approve this Agreement and the transactions contemplated thereunder, including but not limited to, the allotment and issue of the Subscription Shares and the grant of the Specific Mandate;

"Shares" means the ordinary shares with par value of HK\$0.02 each in the capital of the Company;

"Shareholder" means a holder of any Shares;

"Share Options" means the share options granted to eligible participants under the Share Option Schemes;

"Share Option Schemes" means the Existing Share Option Scheme and the Former Share Option Scheme;

"Specific Mandate" means the specific mandate proposed to be granted to the Directors by the Independent Shareholders at the SGM to allot and issue the Subscription Shares;

"Subscriber" has the meaning given to it in the Recitals;

"Subscriber Warranty" means a statement contained in Schedule 3 and **"Subscriber Warranties"** means all those statements;

"Subscription" means the subscription of the Subscription Shares by the Subscriber;

"Subscription Price" means HK\$800,000,000 in aggregate for all of the Subscription Shares, or HK\$1.6 per Subscription Share;

"Subscription Price Payment Date" means the date which is 5 Business Days from the date of this Agreement, or such other date as may be agreed by the Company and the Subscriber;

"Subscription Shares" means an aggregate of 500,000,000 Shares to be subscribed for by the Subscriber and issued by the Company at Closing and subject to the terms and conditions of this Agreement, and a **"Subscription Share"** means any of them;

"Term SOFR" means the Secured Overnight Financing Rate reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate);

"Tricor" means Tricor Secretaries Limited, the Hong Kong branch share registrar and transfer office of the Company; and

"U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

1.1 In this Agreement, a reference to:

1.1.1 a **"subsidiary"** or **"holding company"** is to be construed in accordance with sections 13 to 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);

1.1.2 a **"person"** includes a reference to any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership, works council or employee representative body (whether or not having separate legal personality) and includes a reference to that person's legal personal representatives, successors and permitted assigns;

1.1.3 a **"party"** or **"parties"**, unless the context otherwise requires, is a reference to a party or parties to this Agreement and includes a reference to that party's legal personal representatives, successors and permitted assigns;

1.1.4 a document in the **"agreed form"** is a reference to a document in a form approved and for the purposes of identification initialled by or on behalf of each party;

1.1.5 a **"Clause"**, **"paragraph"** or **"schedule"**, unless the context otherwise requires, is a reference to a clause or paragraph of, or schedule to, this Agreement;

1.1.6 a **"statutory provision"** includes a reference to:

(a) the statutory provision as modified or re-enacted or both from time to time whether before or after the date of this Agreement; and

(b) any subordinate legislation made under the statutory provision (as so modified or re-enacted) whether before or after the date of this Agreement);

1.1.7 any Hong Kong legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include what most nearly approximates in that jurisdiction to the Hong Kong legal term and any Hong Kong ordinance or regulation shall be construed so as to include equivalent or analogous laws of any other jurisdiction;

- 1.1.8 liability under, pursuant to or arising out of (or any analogous expression) any agreement, contract, deed or other instrument includes a reference to contingent liability under, pursuant to or arising out of (or any analogous expression) that agreement, contract, deed or other instrument;
 - 1.1.9 a party being liable to another party, or to liability, includes but is not limited to, any liability in equity, contract or tort (including negligence) or under the Misrepresentation Ordinance (Cap. 284 of the Laws of Hong Kong);
 - 1.1.10 a time of day is a reference to the time in Hong Kong;
 - 1.1.11 the singular includes the plural and *vice versa*; and
 - 1.1.12 one gender includes all genders.
- 1.2 The headings in this Agreement do not affect its interpretation.
- 1.3 The *ejusdem generis* principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. Any phrase introduced by the terms "other", "including", "include" and "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. **SUBSCRIPTION OF SUBSCRIPTION SHARES**

- 2.1 Subject to the terms and conditions of this Agreement, at Closing, the Company shall allot and issue to the Subscriber (or its nominee, which can only be an Affiliate of the Subscriber), and the Subscriber (or its nominee, which can only be an Affiliate of the Subscriber) shall subscribe for, a total of 500,000,000 Subscription Shares at an aggregate subscription price of HK\$800,000,000.
- 2.2 The Subscriber shall settle the payment of the Subscription Price to the Company in full on or before the Subscription Price Payment Date and shall deliver to the Company a copy of an irrevocable payment instruction to a bank to effect a transfer of the Subscription Price for same day value to the Company Account.
- 2.3 The Subscription Shares to be subscribed for and issued pursuant to Clause 2.1 shall rank *pari passu* in all respects with the Shares in issue as at the date of Closing and in particular will rank in full for all dividends and other distributions the record date of which falls on or after the date of allotment and issuance of the Subscription Shares.
- 2.4 The Company undertakes and covenants to the Subscriber that the Subscription Price paid by the Subscriber to the Company pursuant to this Agreement shall be solely used for the development, expansion and growth of the principal businesses of the Group carried out as at the date of this Agreement, which are film and television programmes production, distribution and online streaming platform business, distribution of game products and provision of related services, internet community services and related businesses, manufacture and sales of accessories.

3. **CONDITIONS**

- 3.1 Closing is conditional on the following Conditions being satisfied or waived by the Subscriber (as applicable) in accordance with this Agreement:

- 3.1.1 the Independent Shareholders having passed the necessary resolution(s) at the SGM to approve this Agreement and the transactions contemplated hereunder;
 - 3.1.2 the Listing Committee having granted the approval for the listing of, and permission to deal in, the Subscription Shares and such approval not having been withdrawn or revoked;
 - 3.1.3 the current listing of the Shares on the Hong Kong Stock Exchange not having been cancelled or withdrawn;
 - 3.1.4 each of the Company Warranties remaining true and accurate in all respects and not misleading in any respect as at Closing;
 - 3.1.5 the Company not having breached the Company Pre-Completion Undertakings in any respect, and not having materially breached or failed to perform in any material respect its other obligations or undertakings under this Agreement prior to Closing;
 - 3.1.6 all consents, approvals, permits, authorisations 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 this Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing;
 - 3.1.7 all consents, approvals, permits, authorisations or clearances (as the case may be) that the Subscriber 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 this 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
 - 3.1.8 from the date of this Agreement up to and at the 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 the Subscriber, has or would have a Material Adverse Effect.
- 3.2 The Company shall use its reasonable endeavours to achieve satisfaction of each Condition set out in Clauses 3.1.1 to 3.1.3 as soon as possible after the date of this Agreement and in any event by not later than 11:59 pm on the Longstop Date, and each Condition set out in Clauses 3.1.4 to 3.1.6 and 3.1.8 in any event by not later than the Closing Date.
- 3.3 If, at any time, the Company becomes aware of a fact, matter or circumstance that might prevent any Condition set out in Clauses 3.1.1 to 3.1.6 or 3.1.8 from being satisfied, it shall immediately inform the Subscriber in writing.
- 3.4 The party responsible for satisfaction of each Condition shall inform the other party in writing of satisfaction of the relevant Condition immediately upon becoming aware of the same.
- 3.5 At any time on or before 11:59 pm on the Closing Date, the Subscriber may waive any Condition set out in Clauses 3.1.4 to 3.1.8 by notice to the Company on any terms it decides.
- 3.6 The Conditions set out in Clauses 3.1.1 to 3.1.3 cannot be waived by any party.

- 3.7 If any Condition set out in Clauses 3.1.1 to 3.1.3 has not been satisfied by 11:59 pm on the Longstop Date, this Agreement shall be automatically terminated with immediate effect.
- 3.8 If any Condition set out in Clauses 3.1.4 to 3.1.8 has not been waived by the Subscriber pursuant to Clause 3.5 (if applicable) or has not been satisfied by 11:59 pm on the Closing Date, this Agreement shall be automatically terminated with immediate effect.
- 3.9 If this Agreement is terminated pursuant to its terms or if Closing does not occur in accordance with Clauses 4.1 and 4.2 upon the Conditions being satisfied or waived (if applicable), the Company undertakes that any Subscription Price already paid shall, within 5 Business Days from the date of termination or the intended Closing Date (as the case may be), be refunded to a bank account as designated and notified by the Subscriber within 1 Business Day from the date of termination or the intended Closing Date (as the case may be).
- 3.10 Each party's further rights and obligations under the provisions of this Agreement (other than Clause 3.9, Clause 3.11 and Clauses 12 through 22) cease immediately on termination, but termination does not affect a party's accrued rights and obligations as at the date of termination.
- 3.11 If the Company fails to return the Subscription Price (or any part thereof) in accordance with Clause 3.9 on the due date for payment, the Company shall pay simple interests over any unpaid sum at the rate per annum which is the aggregate of the margin (0.95% per annum) and the One Month SOFR. Interest shall accrue daily during the period from and including the date on which the Subscriber effected the payment of the Subscription Price to the Company up to and including the date on which the Company settles the payment of Subscription Price in full together with any interests accrued pursuant to this Clause 3.11 to the Subscriber in full on the basis of a 360-day year and shall be paid by the Company on demand. Any repayment by the Company to the Subscriber shall first be applied to settle the payment of any interest accrued pursuant to this Clause 3.11, and upon the full settlement of all accrued interest, to the return of the outstanding Subscription Price thereafter.

4. CLOSING

- 4.1 Subject to the Conditions being satisfied or waived (if applicable) and Clause 4.4, Closing 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 (other than those conditions which are expressed to be satisfied on or as at the 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 "**Closing Date**").
- 4.2 At Closing, all (but not some only, unless the Subscriber so agrees) of the following business shall be transacted:
- 4.2.1 the Company shall issue the Subscription Shares to the Subscriber (or its nominee, which can only be an Affiliate of the Subscriber) free and clear of all Encumbrances and credited as fully paid on terms that they rank *pari passu* in all respects with the existing issued Shares (including the right to rank in full for all dividends and other distributions the record date of which falls on or after the date of allotment and issuance of the Subscription Shares) and shall promptly thereafter register (or procure Tricor to register) the Subscriber as a registered shareholder of the Company in respect of the Subscription Shares in the branch register of members of the Company maintained by Tricor;
- 4.2.2 the Company shall deliver to the Subscriber, each in form and substance to the reasonable satisfaction of the Subscriber:

- (a) a certified true copy of the Board resolutions approving and/or ratifying the matters below:
 - (i) approving the terms of, and the transactions contemplated by, this Agreement, resolving that the Company executes this Agreement and approving the allotment and issue of the Subscription Shares to the Subscriber in accordance with this Agreement;
 - (ii) authorising a specified person or persons to execute this Agreement on the Company's behalf;
 - (iii) authorising a specified person or persons, on behalf of the Company, to sign, execute and/or despatch all documents and notices to be signed, executed and/or despatched by it under or in connection with this Agreement;
- (b) the original definitive share certificate(s) in respect of the Subscription Shares in the name of the Subscriber (or its nominee);
- (c) a copy of the approval from the Hong Kong Stock Exchange for the listing of, and permission to deal in, all the Subscription Shares; and
- (d) an original closing certificate, dated as at the Closing Date and addressed to the Subscriber from the Company, executed by a Director (or another duly authorised signatory) and substantially in the form set out in Schedule 5, and attaching thereto as exhibits all supporting documents, showing such fulfilment.

4.3 The parties irrevocably agree and acknowledge that effecting an irrevocable payment instruction in accordance with Clause 2.2 shall be deemed to constitute full and final discharge of the obligation of the Subscriber to pay the Subscription Price to the Company under this Agreement.

4.4 The Subscriber and the Company are not obliged to complete this Agreement unless:

4.4.1 in the case of the Subscriber, the Company complies with all its obligations under Clauses 4.2.1 and 4.2.2, and

4.4.2 in the case of the Company, the Subscriber complies with all its obligations under Clause 2.2.

4.5 If a party shall be unable to comply with any of its obligations under Clause 2.2, 4.1 or 4.2, then, in addition to any and all other rights the non-defaulting party may have in respect of a breach hereunder, such non-defaulting party may, at its absolute and sole discretion by written notice to the defaulting party:

4.5.1 defer Closing to a time and/or date selected by the non-defaulting party which is not more than fourteen (14) days after the Closing Date; or

4.5.2 rescind this Agreement without liability to the non-defaulting party, whereupon and from such date the provisions of this Agreement (other than Clause 3.9, Clause 3.11 and Clauses 12 through 22) shall have no further effect and no party shall have any liability under them (without prejudice to the rights of any of the parties in respect of antecedent breaches).

5. PRE-CLOSING UNDERTAKINGS

- 5.1 The Company undertakes to the Subscriber that, from the date of this Agreement until Closing:
- 5.1.1 the Company shall not, except with the prior written consent of the Subscriber, issue or agree to create or issue any Share, warrant or other securities convertible into Shares, or grant or agree to grant any Share Option or other right to acquire or convert into any Share, reduce or redeem or agree to reduce or redeem any of its Shares, consolidate or sub-divide or cancel or vary the rights of any Shares or otherwise take any action which might result in the Subscriber subscribing at Closing a percentage interest in the Company lower than that contemplated in this Agreement, which is 3.9985% of the total issued Shares as enlarged by the share issuances pursuant to the transactions contemplated under this Agreement and the Other Share Subscription Agreements (without taking into account the outstanding Share Options and warrants issued by the Company as at the date of this Agreement);
 - 5.1.2 the Company shall not declare, pay or make any dividend or distribution, reduce or return any capital, buyback or repurchase any Shares, or undergo any capital reorganization or change in its capital structure;
 - 5.1.3 the Company shall immediately notify the Subscriber in writing if it becomes aware of any matter, fact or circumstance which constitutes or might constitute a breach of any Company Warranty or any of the other Company Pre-Completion Undertakings or prevents or might prevent any Condition set out in Clauses 3.1.1 to 3.1.6 or 3.1.8 from being satisfied, and shall take such steps as may be reasonably requested by the Subscriber to remedy and/or announce the same (if the same is required to be announced in accordance with applicable laws, rules and regulations, including but not limited to the Listing Rules and the SFO);
 - 5.1.4 the Company and each member of the Group shall comply with all applicable laws, rules and regulations, including but not limited to the Listing Rules and the SFO;
 - 5.1.5 the Company shall maintain the listing of all the Shares on the Hong Kong Stock Exchange; and
 - 5.1.6 after the grant of the Specific Mandate at the SGM, the Company shall as soon as practicable thereafter apply to the Hong Kong Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Subscription Shares.

6. COMPANY WARRANTIES

- 6.1 The Company represents and warrants to the Subscriber that each Company Warranty is true, accurate and not misleading at the date of this Agreement and at Closing by reference to the facts and circumstances as at the date of this Agreement and as at Closing, respectively. For this purpose only, where there is an express or implied reference in a Company Warranty to the "date of this Agreement", that reference is to be construed as a reference to Closing Date.
- 6.2 The Company acknowledges that the Subscriber is entering into this Agreement in reliance on each Company Warranty, which has also been given as a representation and with the intention of inducing the Subscriber to enter into this Agreement.
- 6.3 Each Company Warranty is to be construed independently and (except where this Agreement provides otherwise) is not limited by a provision of this Agreement or another Company Warranty.

6.4 Between the execution of this Agreement and Closing, the Company shall notify the Subscriber promptly if it becomes aware of a matter, fact or circumstance which constitutes or which would or might constitute a breach (whether repudiatory in nature or not) of clause 6.1 above or which would or might cause a Company Warranty to be untrue, inaccurate or misleading if given in respect of the matters, facts or circumstances at the relevant time between signing and Closing.

6.5 The liability of the Company in respect of any claim under the Company Warranties shall be limited as set out in Schedule 4.

7. **SUBSCRIBER WARRANTIES**

7.1 The Subscriber represents and warrants to the Company that each Subscriber Warranty is true, accurate and not misleading at the date of this Agreement and at Closing by reference to the facts and circumstances as at the date of this Agreement and as at Closing, respectively. For this purpose only, where there is an express or implied reference in a Subscriber Warranty to the "date of this Agreement", that reference is to be construed as a reference to Closing Date.

7.2 The Subscriber acknowledges that the Company is entering into this Agreement in reliance on each Subscriber Warranty, which has also been given as a representation and with the intention of inducing the Company to enter into this Agreement.

7.3 Each Subscriber Warranty is to be construed independently and (except where this Agreement provides otherwise) is not limited by a provision of this Agreement or another Subscriber Warranty.

7.4 Between the execution of this Agreement and Closing, the Subscriber shall notify the Company immediately if it becomes aware of a matter, fact or circumstance which constitutes or which would or might constitute a breach (whether repudiatory in nature or not) of clause 7.1 above or which would or might cause a Subscriber Warranty to be untrue, inaccurate or misleading if given in respect of the matters, facts or circumstances at the relevant time between signing and Closing.

8. **TAXES**

8.1 Each of the Company and the Subscriber shall:

8.1.1 be responsible for any tax filing, reporting or notification required of it anywhere in the world to be made with; and

8.1.2 bear its own taxes (including withholding tax, income tax and capital gains tax) arising anywhere in the world which may be payable to, any Authorities as a result of the allotment and issue of the Subscription Shares hereunder and the transactions contemplated by this Agreement.

9. **ACKNOWLEDGEMENT**

Each party hereto acknowledges that certain representations and warranties given by the other party herein are required in connection with Hong Kong and other securities laws. Each party acknowledges that the other party will rely upon the truth and accuracy of such party's representations and acknowledgments set out herein.

10. **COVENANTS**

10.1 **Taking of Necessary Actions**

- 10.1.1 Subject to the terms and conditions of this Agreement, each of the parties hereto agrees to use its reasonable efforts promptly to take or cause to be taken all actions and promptly to do or cause to be done all things necessary, proper or advisable under applicable laws, rules and regulations to consummate and make effective the transactions contemplated hereby in accordance with the terms hereof.
- 10.1.2 Each of the parties hereto shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out the provisions hereof and the transactions contemplated hereunder.
- 10.1.3 Each party undertakes to comply with all applicable local laws, approval, filing and notice requirements in connection with the transactions contemplated by this Agreement.

10.2 **Post-Closing Compliance and Undertaking**

After Closing, each of the parties hereto agrees to use its reasonable efforts promptly to take or cause to be taken all actions and promptly to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations in respect of the allotment and issue of the Subscription Shares under this Agreement, including, but not limited to, applicable filings with and notifications to Authorities (as necessary).

10.3 **Most Favourable Terms**

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

11. **TERMINATION**

11.1 Without prejudice to claims for any antecedent breach of this Agreement, this Agreement may be terminated at any time prior to Closing:

- 11.1.1 by agreement in writing among the parties; or
- 11.1.2 by a party by giving written notice to the other party if the first-mentioned party becomes aware of:
 - (a) the other party committing any material breach of this Agreement; or
 - (b) the representations and warranties of the other party given herein being untrue, incorrect or misleading in any material respect,

on the basis that if the first-mentioned party is the Subscriber, then the other party is the Company, or if the first-mentioned party is the Company, then the other party is the Subscriber, and following which, this Agreement shall terminate and be of no further effect and no party shall be under any liability to the other party in respect of this Agreement and the parties shall be released and discharged from their respective

obligations herein, in each case except for any cause of action accrued or any liability arising before or in relation to such termination. Notwithstanding the foregoing, the provisions of Clause 3.9, Clause 3.11 and Clauses 12 through 22 of this Agreement shall survive the termination of this Agreement for any reason.

12. **FEES AND EXPENSES**

Except as provided herein, all fees and expenses incurred in connection with this Agreement and the transactions contemplated herein shall be paid by the party incurring such fees or expenses, whether or not the transactions contemplated herein are consummated.

13. **AMENDMENT AND WAIVER**

13.1 No provision of this Agreement may be amended except by an instrument in writing executed by all parties.

13.2 No provision of this Agreement may be waived except by an instrument in writing executed by the party against whom such waiver is to be effective. No failure of a party to exercise, and no delay by it in exercising, any right, power or remedy in connection with this Agreement (each, a "**Right**") will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right. The Rights provided in this Agreement are cumulative and not exclusive of any other Rights (whether provided by law or otherwise). Any express waiver of any breach of this Agreement shall not be deemed to be a waiver of any subsequent breach.

14. **NO THIRD PARTY RIGHTS**

A person who is not a party to this Agreement shall not have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any term of this Agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong).

15. **ASSIGNMENT**

Except otherwise specified, neither party may assign this Agreement or any of its rights and/or transfer any of its obligations under this Agreement to any third party without the prior written consent of the other party.

16. **ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

17. **NOTICES**

Notice, claim or demand in connection with this Agreement shall be in writing (including email) in English and shall be sufficiently given or served if delivered or sent:

17.1 in the case of the Company to:

Address: 15/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong

Attention: Jimmy Fong / Eric Zhang

Email: jfong@ryholdings.com / zhangxinpeng@ryholdings.com

17.2 in the case of the Subscriber to:

Address: Tencent Binhai Towers, No. 33 Haitian 2nd Road, Nanshan District, Shenzhen, P. R. China 518064

Attention: Mergers and Acquisitions Department

Email: PD_Support@tencent.com

with a copy to:

c/o Tencent Holdings Limited

Address: Level 29, Three Pacific Place, 1 Queen's Road East, Wanchai, Hong Kong

Attention: Compliance and Transactions Department

Email: legalnotice@tencent.com

or in any case to such other address or email address as a party may have notified the other party in accordance with this Clause. Any notice may be delivered by hand or by email with confirmation receipt or by overnight courier. Without prejudice to the foregoing, any notice shall be deemed to have been received on the next Business Day in the place to which it is sent, if sent by email, or two (2) Business Days from the time of posting, if sent by overnight courier, or at the time of delivery, if delivered by hand.

18. COUNTERPARTS

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Either party may enter into this Agreement by executing any such counterpart.

19. GOVERNING LAW AND DISPUTE RESOLUTION

19.1 This Agreement and any dispute arising out of, relating to or in connection with this Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

19.2 Any dispute, controversy or claim arising out of or in connection with this Agreement including any question regarding its existence, validity or termination or any non-contractual obligation arising out of or in connection with it, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted (the "**HKIAC Rules**"). The Rules are deemed to be incorporated by reference into this Clause 19.

19.3 The arbitration tribunal shall consist of three arbitrators to be appointed in accordance with the Rules.

19.4 The seat of the arbitration shall be Hong Kong. The arbitration agreement in this Clause 19 shall be governed by the laws of Hong Kong.

19.5 The language of the arbitration proceedings shall be English.

- 19.6 Any award of the tribunal shall be made in writing and shall be final and binding on the parties from the day it is made. The parties undertake to carry out the award without delay.
- 19.7 Nothing in this Clause 19 shall be construed as preventing any party from seeking conservatory or interim relief from any court of competent jurisdiction.
- 19.8 During the course of the tribunal's adjudication of the dispute in question, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.
- 19.9 Without affecting any other rights or remedies the Subscriber may have, the Company acknowledges that the Subscriber may be irreparably harmed by any breach by the Company of the terms of this Agreement and that damages alone may not necessarily be an adequate remedy. Accordingly, the Subscriber may be entitled to the remedies of injunction, specific performance and other equitable relief, or any combination of these remedies, for any actual breach of its terms, and no proof of special damages will be necessary to enforce this Agreement.

20. CONFIDENTIALITY

- 20.1 Subject to Clauses 20.3 and 21.2, without the prior written consent of the other party, the Company and the Subscriber shall not, and shall cause their respective Representatives not to, disclose this Agreement and its terms (the "**Confidential Information**") to any person.
- 20.2 Notwithstanding the other provisions of this Clause 20, a party shall be permitted to disclose Confidential Information which would otherwise be subject to the provisions of Clause 20.1 if and to the extent:
- 20.2.1 it is required by applicable Laws to which such party is subject or for the purpose of any judicial or arbitral proceedings;
- 20.2.2 it is required by any Authority to which it or its respective Affiliates are subject or submit (whether or not the requirement for information has the force of law);
- 20.2.3 it is required by any judicial or administrative process including in connection with any dispute, controversy, claim or obligation in connection with arbitration under this Agreement;
- 20.2.4 it is disclosed on a strictly confidential and a need-to-know basis to its respective Affiliates or Representatives (or to Representatives of its Affiliates) who are actively and directly participating in its evaluation of the transactions contemplated hereby and are bound by similar obligations of confidentiality; or
- 20.2.5 it is disclosed on a strictly confidential basis to a permitted transferee or good faith prospective transferee of the Subscription Shares.

For purposes of the foregoing, "**Representatives**" means, as to any person, its Affiliates, directors, officers, employees, agents and advisors (including without limitation, financial advisors, attorneys, accountants and their respective Representatives).

- 20.3 Clause 20.1 shall not apply to any communication made by the Subscriber to the Company after the execution of this Agreement in connection with the transactions contemplated under this Agreement.

21. **ANNOUNCEMENTS**

21.1 None of the parties may make, issue, publish or send a public announcement, communication, circular or media release concerning this Agreement or any of the transactions contemplated under this Agreement (except for any communication made by the Subscriber under Clause 20.3) unless it has first obtained the other party's prior written consent, which may not be unreasonably withheld or delayed.

21.2 Clause 21.1 shall not apply and no consent from the other party will be required if and to the extent that an announcement is required by Law or by any Authority having jurisdiction over it and whether or not the requirement has the force of law, provided that any such announcement shall be made only after consultation with the other party and after taking into account the reasonable requirements of the other party as to its timing, content and manner of making or despatch.

22. **SEVERABILITY**

In the event that any of the provisions of this Agreement shall be held to be invalid, void or unenforceable, the remaining portions hereof shall remain in full force and effect and such provision shall be enforced to the maximum extent possible as so to effect the intent of the parties, and shall in no way be affected, impaired or invalidated.

SCHEDULE 1
PARTICULARS OF THE COMPANY

1. Name: CHINA RUYI HOLDINGS LIMITED
(中國儒意控股有限公司)
2. Place of incorporation: Incorporated in Bermuda with limited liability
3. Registered office address: Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
4. Principal place of business: 15th Floor, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong
5. Stock code: 136
6. Authorised share capital: HK\$2,000,000,000
7. Issued shares: 10,004,647,545 Shares as at the date of this Agreement
8. Directors:
Executive Directors

Mr. Ke Liming
Ms. Chen Xi
Mr. Zhang Qiang

Non-executive Director

Mr. Yang Ming

Independent non-executive Directors

Mr. Chau Shing Yim, David
Mr. Nie Zhixin
Mr. Chen Haiquan
Professor Shi Zhuomin
9. Company secretary: Mr. Fong Kar Chun, Jimmy
10. Financial year end date: 31 December

SCHEDULE 2
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

1. THE SUBSCRIPTION SHARES

1.1 Title to Subscription Shares. During the period from the date of this Agreement and the date of Closing (both inclusive):

1.1.1 The Company is entitled to issue to the Subscriber (or its nominee) full and lawful ownership of the Subscription Shares pursuant to the terms of this Agreement.

1.1.2 The Subscription Shares to be issued will be or are fully paid and will rank *pari passu* in all aspects with the other Shares (including the right to rank in full for all dividends and other distributions the record date of which falls on or after the date of allotment and issuance of the Subscription Shares) then in issue free from and clear of all liens, Encumbrances, security interests, charges or claims of third parties, and together with all rights attaching to them as at the respective dates of allotment and issuance of the Subscription Shares.

1.1.3 The Subscription Shares will represent no less than 3.9985% and no more than approximately 4.76% of the total issued Shares as enlarged by the transactions contemplated under this Agreement and the Other Share Subscription Agreements (without taking into account the outstanding Share Options and the warrants issued by the Company as at the date of this Agreement).

1.2 Share capital of the Company.

1.2.1 The share capital and other corporate particulars of the Company as set forth in Schedule 1 and such information is true and accurate in all respects and not misleading in any respect.

1.2.2 Except for (i) the granting of 181,917,000 Share Options to eligible participants under the Former Share Option Scheme; (ii) the allotment and issue of Shares pursuant to this Agreement and the Other Share Subscription Agreements; and (iii) the 1,834,279,307 warrants issued by the Company on 20 January 2021,

(a) there are no outstanding securities issued by the Company convertible into or exchangeable for, warrants, rights or options, or agreements to grant warrants, rights or options, to purchase or to subscribe for, Shares;

(b) there are no other or similar arrangements approved by the Board and/or general meeting of the Company providing for the issue or purchase of the Shares or the subscription of the Shares; and

(c) no unissued share capital of the Company is under option or agreed conditionally or unconditionally to be put under options.

1.2.3 Shares validly allotted and fully paid.

(a) All of the Shares are validly allotted and issued and fully paid or properly credited as fully paid.

- (b) All of the shares in the capital of each member of the Group (other than the Company) are validly allotted and issued and fully paid or properly credited as fully paid.

2. CAPACITY AND AUTHORITY

2.1 **Organization.** Each member of the Group is an entity duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. Each member of the Group has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

2.2 Authority and Consents.

2.2.1 Save for the Specific Mandate to be approved by the Independent Shareholders as stated in the Condition set out in Clause 3.1.1 of this Agreement, which shall have been fulfilled at the date of Closing, the Company has all necessary corporate power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby.

2.2.2 Save for the Specific Mandate, each of the execution and delivery of this Agreement has been duly and validly authorised by all necessary corporate action on the part of the Company.

2.2.3 Save for the listing approval to be granted by the Listing Committee as stated in the Condition set out in Clause 3.1.2 of this Agreement, which shall have been fulfilled by the time of Closing, the Company has obtained all material consents and approvals of, and made all material filings or registrations with, any government or political subdivision or department thereof, any government or Authority necessary in connection with the execution, delivery and performance by the Company of this Agreement.

2.3 **Due Execution.** The Company has duly and validly executed and delivered this Agreement and (assuming due execution and delivery by the Subscriber) this Agreement constitutes a valid and binding obligation of the Company enforceable against it in accordance with its terms.

2.4 **No Violation.** The execution, delivery and performance by the Company of this Agreement does not:

2.4.1 conflict with or result in a breach of, in any material respect, any of the terms, conditions or provisions of, or constitute a default or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which the Company is a party or by which it is bound (including without limitation any lock-up or selling restriction or any other provision that would restrict, limit or prevent the Company from performing its obligations hereunder);

2.4.2 violate any of the terms or provisions of its constitutional documents; or

2.4.3 violate any judgment, decree or order or any statute, law, rule or regulation applicable to the Company (including but not limited to the Listing Rules).

2.5 **No Insolvency.** No order has been made or resolution passed for the winding up of the Company and no provisional liquidator has been appointed. No petition has been presented or meeting convened for the purposes of winding up the Company and no voluntary arrangement has been proposed. The Company has not become subject to any analogous proceedings or arrangements under any applicable laws of any other jurisdiction. No statutory demand for

outstanding debts has been served on the Company, and the Company is not on notice of any imminent winding up proceedings against it. No fact or circumstance in existence or has occurred or is reasonably expected to occur which would have or would reasonably be expected to give rise to any situation or circumstance above as stated in this paragraph 2.5.

- 2.6 **No receiver.** No administrator, administrative receiver or any other receiver or manager has been appointed by any person in respect of the Company, or all or any of its assets, and no steps have been taken to initiate any such appointment. No analogous appointments have been made nor initiated under any applicable laws of any other jurisdiction.
- 2.7 **No due debts.** The Company is not unable to pay its debts as they fall due, or has commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness.
- 2.8 **Litigation.** No litigation, claim or other proceeding before any court or Authority is pending, or threatened against the Company, or their respective officers or directors that, if determined adversely to the Company, would materially impair its ability to perform fully on a timely basis its obligations under this Agreement.

3. **OTHER WARRANTIES OF THE COMPANY**

- 3.1 **Public Disclosures.** All statements of fact contained in the announcements, and corporate communications of the Company issued in accordance with the Listing Rules are true and accurate in all material respects and not misleading in any material respect, and opinions expressed therein are arrived at after due and careful consideration. The announcements and corporate communications of the Company contain no material omission which would otherwise render them misleading.

There is not in existence any inside information (as defined in the SFO) or other information which ought to be announced but is not announced by the Company.

3.2 **Other Subscribers; the Other Subscriptions.**

- 3.2.1 The Other Subscribers, together with their respective ultimate beneficial owner(s) are respectively third parties who are independent of the Company and its associates and connected persons (each of such terms as defined in the Listing Rules). As far as the Company is aware, and after making reasonable enquiries, each of the Other Subscribers is not a person acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with the Subscriber or Mr. Ke Liming as at the date of this Agreement.
- 3.2.2 Pursuant to the Other Share Subscription Agreements, the Other Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 2,000,000,000 Shares in aggregate, which will represent no more than 15.9941% of the total issued Shares as enlarged by the transactions contemplated under this Agreement and the Other Share Subscription Agreements (without taking into account the outstanding Share Options and the warrants issued by the Company as at the date of this Agreement), assuming that the total number of Shares to be allotted and issued under the Other Subscriptions do not exceed 2,000,000,000 Shares in aggregate.
- 3.2.3 The terms of the Subscription granted to the Subscriber under this Agreement are no less favourable than the terms of each of the Other Subscriptions granted to the Other Subscribers under the Other Share Subscription Agreements. Without limiting the foregoing, the Subscription Price per Subscription Share is equal to the subscription

price per share for each of the Other Subscriptions under the Other Share Subscription Agreements.

- 3.3 **Public float.** The Company shall continue to have a sufficient public float to maintain the listing of the Shares on the Hong Kong Stock Exchange after the completion of the Subscription under this Agreement and the Other Subscriptions under the Other Share Subscription Agreements.
- 3.4 **Litigation.** To the best of the knowledge of the Company, there is no claim, litigation, arbitration, prosecution or other legal proceedings or investigation which if adversely determined would have or have had a material adverse effect on the business, assets and liabilities, condition (financial or otherwise), business operations, results of operations, or general affairs (whether or not arising in the ordinary course of business) ("**Material Adverse Effect**") of the Company or the Group taken as a whole and no such investigations, actions, suits or proceedings are pending or threatened.
- 3.5 **Insolvency.** No order has been made or resolution passed for the winding up of any member of the Group and no provisional liquidator has been appointed. No petition has been presented or meeting convened for the purposes of winding up any member of the Group and no voluntary arrangement has been proposed. No member of the Group has become subject to any analogous proceedings or arrangements under any applicable laws of any other jurisdiction. No events have occurred or circumstances exist which, under the applicable laws, would be reasonably likely to justify or result in any of the foregoing.
- 3.6 **Financial Statements.** The consolidated audited financial statements of the Group taken as a whole as at and for the three years ended 31 December 2022 (the "**Accounts**"):
- 3.6.1 give a true and fair view of the state of affairs and financial position of the Group and fully disclose all the assets and liabilities of the Group and of the results of the Group for the financial period concerned;
 - 3.6.2 has been prepared in accordance with the requirements of all applicable laws and the reporting standards applicable at the time they were prepared; and
 - 3.6.3 are not adversely affected by any unusual or non-recurring items which are not expressly disclosed as such in those financial statements.
- 3.7 **Sufficient provision.** Without limitation to the above, appropriate and adequate provisions or appropriate and adequate provisions or reserves have been made in the Accounts in accordance with applicable laws and the applicable financial reporting standards, including those in respect of (i) all actual liabilities and (ii) all contingent, unqualified or disputed liabilities.
- 3.8 **No material change.** Since 31 December 2022:
- 3.8.1 business of each member of the Group has been carried on in the ordinary and usual course and in the manner consistent with that of the past;
 - 3.8.2 there has been no change which has a Material Adverse Effect on each member of the Group;
 - 3.8.3 no fact or circumstance in existence or has occurred or is reasonably expected to occur which would have or would reasonably be expected to give rise to a Material Adverse Effect on any member of the Group;
 - 3.8.4 each member of the Group has duly paid all borrowings or indebtedness on their due date.

- 3.9 **Compliance with laws.** Each member of the Group has conducted its operations in compliance with all applicable laws, regulations, rules and guidelines in its jurisdiction and in each other jurisdiction which such entity, as the case may be, conducts business, except for any non-compliance that does not have a Material Adverse Effect on the Group as a whole.
- 3.10 **Licences**
- 3.10.1 Each member of the Group has obtained all licences, registrations, filings, permits, authorisations, exemptions, approvals and consents required or advisable for carrying on its business effectively in the places and in the manner in which such business is now carried on ("**Licences**").
- 3.10.2 There is no breach or any fact, matter, event or circumstances which may lead to a breach of any conditions of or attaching to such Licences.
- 3.10.3 There are no fact, matter, event or circumstances which may lead to or cause any of the Licences to be suspended, cancelled, withdrawn or revoked or not to be renewed, in whole or in part, in the ordinary course of events.
- 3.11 **Material Contracts.** With respect to each material contract, liability or arrangement to which any member of the Group is a party or by which it is bound:
- 3.11.1 each member of the Group has duly performed and complied in all material respects with each of its obligations under any such contract, liability or arrangement;
- 3.11.2 there is no breach or any fact, matter, event or circumstances which may lead to a breach of any such contract, liability or arrangement; and
- 3.11.3 there are no fact, matter, event or circumstances which may lead to or cause any of such contract, liability or arrangement to be terminated or cancelled, in whole or in part.
- 3.12 **Assets**
- 3.12.1 All of the assets owned by each member of the Group are the sole and absolute property of the respective member of the Group, and there is no outstanding Encumbrance over the whole or any part of the assets of each member of the Group.
- 3.12.2 All the plant, machinery, equipment and vehicles used by each member of the Group in the conduct of its business are in a good and safe state of repair and condition, are in good working order, have been regularly and properly maintained, and are capable of performing properly the function for which they are currently used or intended.
- 3.13 **Default.** None of the members of the Group is in material breach of (nor has any event occurred which, with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement would result in a material default) its constitutional documents or any material contract or agreement to which any member of the Group is a party, and each such contract or agreement constitutes valid, binding and enforceable obligations of the parties thereto.
- 3.14 **Taxes.** Each member of the Group has paid or accounted for all applicable taxes (if any) due to be paid or accounted for by it before the date of this Agreement. There is no dispute or disagreement with any authority regarding liability or potential liability of any member of the Group to any tax or regarding the availability to any member of the Group of any relief from tax. There is no circumstance which has given rise or may give rise to any such dispute or disagreement.

3.15 **Borrowing.** The aggregate indebtedness of each member of the Group does not exceed any maximum stipulated in its constitutional documents, or any financing or loan document, debenture, charge or other document binding on the relevant member of the Group.

3.16 **Information technology**

3.16.1 The information technology systems used in or for the business of each member of the Group including hardware and software (the "**IT Systems**") are either owned by, or properly licensed or leased to the relevant member of the Group. So far as the Company is aware, there are no circumstances in which the ownership or right to use the IT Systems may be lost.

3.16.2 The IT Systems are functioning properly and in accordance with all specifications. There have been no material failures or breakdowns of any of the IT Systems, or corruption of any data, in the last 12 months.

3.16.3 The IT Systems have sufficient capability and capacity for the processing, communications and other functions required to enable each member of the Group to carry on its business in the manner in which it is currently carried on.

3.17 **Intellectual Property Rights**

3.17.1 Each of the intellectual property rights of each member of the Group, including but not limited to those granted under the authorisation agreement or license agreement, is:

- (a) valid and enforceable and nothing has been done or omitted to be done by which it may cease to be valid and enforceable;
- (b) legally and beneficially owned by, and validly granted to, the relevant member of the Group, or (as the case may be) validly licensed to the relevant member of the Group which are not terminable as a result of any transaction contemplated in this Agreement; or
- (c) free from Encumbrances.

3.17.2 Neither the validity or subsistence of the intellectual property of each member of the Group, nor the right, title and interest of each member of the Group in its respective intellectual property, is the subject of any current, pending or threatened challenge, claim or proceedings nor has it been in the last 12 months. So far as the Company is aware, there are no facts or matters which might give rise to any such challenge, claim or proceedings.

3.17.3 Each member of the Group owns or has the right to use all the intellectual property it requires to carry on its business in the manner in which it is currently carried on, and has obtained any waivers of moral rights (or equivalent rights) needed to use any intellectual property in connection with its business.

3.17.4 No claim has been made by a third party which alleges that the operations of any member of the Group infringe, or are likely to infringe, the intellectual property of a third party. So far as the Company is aware, no circumstances exist which are likely to give rise to such a claim.

3.17.5 None of the members of the Group are engaged in any activities which involve the misuse of any know-how, trade secrets or any other confidential information belonging to any third party.

- 3.18 **Employees.** There is no circumstance which has given rise or may give rise to termination of any senior management or key employee of the Group.
- 3.19 **Significant customers and suppliers.** None of the five largest customers and the five largest suppliers to the Group based on the Group's turnover according to the Accounts (each a "**Significant Customer or Supplier**") has, during the period of 12 months prior to this Agreement, ceased to trade with, or indicated an intention to cease to trade with, the Group either in whole or in part. During the period of 12 months prior to the date of this Agreement, the terms of trade of the Group with each Significant Customer or Supplier have not significantly changed to the detriment of the Group. So far as the Company is aware, no cessation or substantial reduction in trade or change in terms of dealing as described above is likely.
- 3.20 **Information supplied.** All information supplied or disclosed in writing by the Company or its Affiliates, representatives to the Subscriber, its agents or professional advisers is in every material respect true and accurate and not misleading.

SCHEDULE 3
REPRESENTATIONS AND WARRANTIES OF THE SUBSCRIBER

1. CAPACITY AND AUTHORITY

- 1.1 **Organization.** Each of the Subscriber and its nominee (as the case may be) is an entity duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. The Subscriber has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.
- 1.2 **Authority and Consents.** The Subscriber has all necessary authority and corporate power to enter into, and each of the Subscriber and its nominee (as the case may be) has all necessary authority and corporate power to perform its obligations under, this Agreement. The Subscriber has obtained all material consents and approvals of, and made all material filings or registrations with, any government or political subdivision or department thereof, any Authority necessary in connection with the execution, delivery and performance by the Subscriber of this Agreement.
- 1.3 **Due Execution.** The Subscriber has duly and validly executed and delivered this Agreement and (assuming due execution and delivery by the Company) this Agreement constitutes a valid and binding obligation of the Subscriber and its nominee (as the case may be) enforceable against it in accordance with its terms.
- 1.4 **No Violation.** The execution, delivery and performance by the Subscriber and its nominee (as the case may be) of this Agreement does not:
- 1.4.1 conflict with or result in a breach of, in any material respect, any of the terms, conditions or provisions of, or constitute a default or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which the Subscriber is a party or by which it is bound;
 - 1.4.2 violate any of the terms or provisions of its constitutional documents; or
 - 1.4.3 violate any judgment, decree or order or any statute, law, rule or regulation applicable to the Subscriber (including but not limited to the Listing Rules).

SCHEDULE 4
LIMITATION OF LIABILITIES OF THE COMPANY
UNDER THE COMPANY WARRANTIES

1. Scope

- 1.1 Save as otherwise expressly provided in this Schedule, the provisions of this Schedule shall operate to limit the liability of the Company in respect of any claim under the Company Warranties and references to "**claim**" and "**claims**" shall be construed accordingly.
- 1.2 All of the limitations on the liability of the Company contained in this Schedule are subject to paragraph 6 of this Schedule.

2. Limitations of quantum

The maximum aggregate liability of the Company in respect of all claims shall not exceed the total amount of the Subscription Price for all of the Subscription Shares.

3. No double recovery

The Subscriber shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once for the same loss.

4. Payment of claim to be in reduction of consideration

If the Company pays any sum to the Subscriber pursuant to a claim, that part of the Subscription Price received by the Company shall be deemed to be reduced by the amount of such payment.

5. Mitigation not affected

Nothing in this Agreement shall affect the application of the common law rules on mitigation in respect of any claim or any matter giving rise to a claim.

6. Exclusions

None of the limitations on the liability of the Company set out in this Schedule (whether as to the quantum of the claim or otherwise) shall apply to any claim against the Company to the extent that the liability of the Company in respect of that claim arises from fraud, wilful default, concealment, dishonesty or deliberate non-disclosure on the part of Company.

SCHEDULE 5

FORM OF CLOSING CERTIFICATE

To: Water Lily Investment Limited

Subscription Shares

I, the undersigned, being a director of China Ruyi Holdings Limited (中國儒意控股有限公司) (the “**Company**”), refer to the share subscription agreement dated 4 July 2023 between the Company and Water Lily Investment Limited (as may be amended or supplemented from time to time) (the “**Subscription Agreement**”) in respect of the Subscription Shares. Terms defined in the Subscription Agreement have the same meanings when used in this certificate.

As required by Clause 3 (*Conditions*) and Clause 4.2.2 (*Closing*) of the Subscription Agreement, I hereby certify that:

- (a) the Company Warranties are true and accurate as at, and as if made on, the Closing Date;
- (b) all Conditions have been duly fulfilled (except for such Conditions specified to be performed by or on the part of the Subscriber or which have been waived by the Subscriber); and
- (c) the Company has not committed any breach of or has not omitted to observe any of its obligations or undertakings under the Subscription Agreement.

Yours faithfully

for and on behalf of

CHINA RUYI HOLDINGS LIMITED (中國儒意控股有限公司)

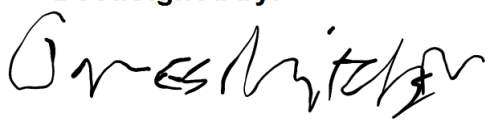
.....

Name:

Director

EXECUTED by the parties:

Signed by
for and on behalf of
WATER LILY INVESTMENT LIMITED

DocuSigned by:

C574D0771A91494...

EXECUTED by the parties:

Signed by KE Liming
for and on behalf of
CHINA RUYI HOLDINGS LIMITED
(中國儒意控股有限公司)

)
)
)
)
_____ 柯利明