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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in China Ruyi Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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) REVISION OF EXISTING ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTION IN RELATION TO
THE 2023 GAME COOPERATION FRAMEWORK AGREEMENT;
(2) NOTICE OF SGM; AND
(3) CLOSURE OF REGISTER OF MEMBERS**

Independent financial adviser to the Company



邁時資本
MAXA CAPITAL

Capitalised terms used in this cover shall have the same meanings as defined in this circular. A letter from the Board is set out on pages 5 to 12 of this circular. A notice convening the special general meeting of the Company (the “SGM”) to be held at 11:00 a.m. on Tuesday, 19 December 2023 at 15th Floor, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use by the Shareholders at the SGM (and at any adjournment thereof) is also enclosed herein.

Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and returning it to the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person should you so wish and in such event, the authority of the proxy shall be deemed to be revoked.

4 December 2023

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

“2023 Game Cooperation Framework Agreement”	the continuing connected transaction agreement dated 22 February 2023 entered into between Beijing Jingxiu and Tencent Computer, pursuant to which the parties agreed that, (1) Tencent Representative Companies and Beijing Jingxiu shall carry out Distribution Cooperation, (2) Tencent Representative Companies and Beijing Jingxiu shall carry out Joint Operation Cooperation and (3) Beijing Jingxiu shall provide Marketing Services to Tencent Representative Companies
“Announcement”	the announcement of the Company dated 22 November 2023 in relation to the revision of existing annual cap for continuing connected transactions in relation to the 2023 Game Cooperation Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Jingxiu”	Beijing Ruyi Jingxiu Network Technology Co., Ltd.* (北京儒意景秀網絡科技有限公司) (formerly known as Shenzhen Jingxiu Network Technology Co., Ltd.* (深圳市景秀網絡科技有限公司)), a company established in the PRC with limited liability and a subsidiary of the Company
“Board”	the board of directors of the Company
“CCT Circular”	the circular of the Company dated 12 June 2023 in relation to, among others, the 2023 Game Cooperation Framework Agreement entered into between Beijing Jingxiu and Tencent Computer
“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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Cooperation Products”	the games developed by the Tencent Group or of which the Tencent Group owns the IP rights which shall be published and operated by the Group in the PRC under the continuing connected transactions

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Distribution Cooperation”	has the meaning ascribed thereto under the section headed “Introduction” in this circular
“Existing Annual Caps”	the annual caps in respect of the expected maximum annual transaction amount receivable by Beijing Jingxiu from Tencent Representative Companies, and payable by Beijing Jingxiu to Tencent Representative Companies for the three years ending 31 December 2025 in relation to the transactions contemplated under the 2023 Game Cooperation Framework Agreement as approved by the Independent Shareholders at the special general meeting of the Company held on 28 June 2023
“Existing 2023 Receivable Annual Cap”	the annual cap in respect of the total amount receivable by Beijing Jingxiu from Tencent Representative Companies for the year ending 31 December 2023 as approved by the Independent Shareholders at the special general meeting of the Company held on 28 June 2023
“Group”	the Company, its subsidiaries and controlled entities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin, being the independent non-executive Directors, formed to advise the Independent Shareholders on the Revised 2023 Receivable Annual Cap
“Independent Financial Adviser”	Maxa Capital Limited, being appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised 2023 Receivable Annual Cap
“Independent Shareholders”	Shareholders other than Water Lily Investment Limited and its respective associates
“Joint Operation Cooperation”	has the meaning ascribed thereto under the section headed “Introduction” in this circular
“Latest Practicable Date”	28 November 2023, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Marketing Services”	has the meaning ascribed thereto under the section headed “Introduction” in this circular
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Revised 2023 Receivable Annual Cap”	the proposed annual cap in respect of the total amount receivable by Beijing Jingxiu from Tencent Representative Companies for the year ending 31 December 2023
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened, as and when appropriate, for the Independent Shareholders to consider, and vote on, the Revised 2023 Receivable Annual Cap
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司), a company established in the PRC and a subsidiary of Tencent Holdings
“Tencent Group”	Tencent Holdings and its subsidiaries
“Tencent Holdings”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700) and the controlling shareholder of Tencent Computer
“Tencent Representative Companies”	Tencent Group, but excluding (i) China Literature Limited, its subsidiaries and its controllable companies through contractual arrangements; and (ii) Tencent Music Entertainment Group, its subsidiaries, and its controllable companies through contractual arrangements

DEFINITIONS

“Water Lily” Water Lily Investment Limited, a Shareholder which held 2,545,734,565 Shares as at the Latest Practicable Date and is indirectly wholly-owned by Tencent Holdings

“%” per cent

* *In this circular, the English translation of certain Chinese names, entities and addresses is included for information purpose only and should not be regarded as official English translation of such Chinese names, entities and addresses.*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Ke Liming (Chairman)
Ms. Chen Xi
Mr. Zhang Qiang

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr. Yang Ming

*Head office and principal place of
business in Hong Kong:*

15th Floor
YF Life Centre
38 Gloucester Road
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. Chau Shing Yim, David
Mr. Nie Zhixin
Mr. Chen Haiquan
Professor Shi Zhuomin

4 December 2023

To the Shareholders

Dear Sir or Madam,

**(1) REVISION OF EXISTING ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
THE 2023 GAME COOPERATION FRAMEWORK AGREEMENT;
(2) NOTICE OF SGM; AND
(3) CLOSURE OF REGISTER OF MEMBERS**

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 22 February 2023 and the CCT Circular in relation to, among others, the 2023 Game Cooperation Framework Agreement entered into between Beijing Jingxiu and Tencent Computer on 22 February 2023 in respect of the cooperation of Beijing Jingxiu and Tencent Representative Companies in the field of gaming; and (ii) the Announcement.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Revised 2023 Receivable Annual Cap; (ii) the recommendations of the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) notice of the SGM.

Pursuant to the 2023 Game Cooperation Framework Agreement, the parties shall cooperate on the following matters:

1. Tencent Representative Companies agreed to license Beijing Jingxiu to distribute and operate the Cooperation Products as (i) exclusive distributor; or (ii) distributor on certain platforms (the “**Distribution Cooperation**”);
2. Tencent Representative Companies and Beijing Jingxiu agreed to jointly distribute and operate the Cooperation Products, and the parties shall be responsible for managing the settlement of fees on different platforms based on actual demand as agreed between the parties (the “**Joint Operation Cooperation**”); and
3. Beijing Jingxiu agreed to provide marketing and advertising services to Tencent Representative Companies (the “**Marketing Services**”).

Please refer to the CCT Circular for further details of the 2023 Game Cooperation Framework Agreement.

The 2023 Game Cooperation Framework Agreement, the transactions contemplated thereunder and the relevant annual caps for the three years ending 31 December 2025 were approved by the Independent Shareholders at the special general meeting of the Company held on 28 June 2023.

PROPOSED REVISION OF THE EXISTING 2023 RECEIVABLE ANNUAL CAP

During a recent review by the Board on the existing continuing connected transactions of the Group, the Board anticipates that the Existing 2023 Receivable Annual Cap may not be sufficient to meet the needs of the Group. As such, the Board has resolved to revise the Existing 2023 Receivable Annual Cap from RMB700 million to RMB1,200 million.

Historical transaction amount

As disclosed in the CCT Circular, there was no historical amount incurred prior to the date of the 2023 Game Cooperation Framework Agreement. From the date of the 2023 Game Cooperation Framework Agreement up until 5 June 2023, being the latest practicable date prior to the publication of the CCT Circular, there had been no actual transaction amount incurred under the 2023 Game Cooperation Framework Agreement. Based on the Company’s unaudited financial information as at 31 October 2023, the total amount received by the Company from Tencent Representative Companies under the 2023 Game Cooperation Framework Agreement for the period from June 2023 to October 2023 amounted to approximately RMB501 million.

LETTER FROM THE BOARD

The Directors confirm that, based on the Company's unaudited financial information, the Existing 2023 Receivable Annual Cap under the 2023 Game Cooperation Framework Agreement has not been exceeded as at the Latest Practicable Date.

The Existing Annual Caps and the Revised 2023 Receivable Annual Cap

The Existing Annual Caps and the Revised 2023 Receivable Annual cap for the total amount receivable by the Group from Tencent Representative Companies for the transactions under the 2023 Game Cooperation Framework Agreement are as follows:

	For the year ending 31 December		
	2023	2024	2025
	<i>(RMB million)</i>		
Existing Annual Caps⁽¹⁾	700	700	700
Revised 2023 Receivable Annual Cap	1,200	—	—

Note (1): The total amount receivable by the Group from Tencent Representative Companies is (a) the relevant fees payable by Tencent Representative Companies to the Group after Tencent Representative Companies derive income from the end users of the Cooperation Products, which are jointly operated and distributed by the parties, on the platform they are responsible for; and (b) marketing service fees. For details of the relevant cooperation and provision of services, please refer to the CCT Circular.

Basis for the Revised 2023 Receivable Annual Cap

The Revised 2023 Receivable Annual Cap had been determined with reference to the following factors:

1. the actual fees received by the Group from Tencent Representative Companies for the period from June 2023 to October 2023 recorded in the unaudited financial information of the Company which accounted for approximately 71.6% of the Existing 2023 Receivable Annual Cap. Such increase in the fees receivable was attributed to (i) the launch of 11 Cooperation Products before the end of October 2023, as compared to five Cooperation Products originally anticipated by the management of the Company at the time of determining the Existing 2023 Receivable Annual Cap; and (ii) additional scope of Marketing Services required by Tencent Representative Companies from the Group, including provision of market planning and online advertising resources, which the Group gained additional service fees. The pricing for the additional scope of Market Services will be determined based on the same pricing principles applicable to the Marketing Services under the 2023 Game Cooperation Framework Agreement; and
2. the anticipated increase in fees payable by Tencent Representative Companies to the Group between November 2023 and December 2023 under the 2023 Game Cooperation Framework Agreement based on the status of the existing Cooperation Products and Marketing Services projects in the pipeline. In respect of the projects for the aforementioned additional scope of Marketing Services, Beijing Jingxiu has completed 34 projects for the aforementioned additional scope of Marketing Services during September 2023 and October 2023, it is anticipated that Beijing Jingxiu will complete around 30 to 35 projects for such services in November 2023 and December 2023.

LETTER FROM THE BOARD

If further revisions are proposed to the Existing Annual Caps (other than the Existing 2023 Receivable Annual Cap), the Company will re-comply with the relevant requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE REVISED 2023 RECEIVABLE ANNUAL CAP

After taking into account (i) the actual total amount received by the Group from Tencent Representative Companies for the period from June 2023 to October 2023 amounted to approximately RMB501 million, representing approximately 71.6% of the Existing 2023 Receivable Annual Cap; and (ii) the estimated total amount of receivable by the Group from Tencent Representative Companies for the year ending 31 December 2023, the Board expected that the actual total amount receivable by the Group from Tencent Representative Companies for the year ending 31 December 2023 will exceed the Existing 2023 Receivable Annual Cap and therefore proposed to revise the Existing 2023 Receivable Annual Cap for the continuing connected transaction contemplated under the 2023 Game Cooperation Framework Agreement.

As the total amount receivable by the Group from Tencent Representative Companies for the year ending 31 December 2023 will be recognised as a revenue of the Group for the financial year ending 31 December 2023, the proposed revision of the Existing 2023 Receivable Annual Cap would allow the Group to cater the changes in demand from Tencent Representative Companies and ensure the Company's income and business growth.

Notwithstanding the abovementioned anticipated increase in the total amount received by the Group from Tencent Representative Companies, the Board considers that there is no undue reliance on Tencent Group as a result of its relationship with Tencent Representative Companies under the 2023 Game Cooperation Framework Agreement and the 2023 Game Cooperation Framework Agreement will not have any material adverse impact on the Group's businesses for the following reasons:

- The Group adheres to a diversified development path, and continues to expand its operation in other existing businesses, namely film and television drama production business and the online streaming business (the “**Existing Businesses**”). Notably, after the end of the COVID-19 outbreak, the film industry has gradually recovered. In the first half of 2023, a number of films and television dramas produced by the Group were released with outstanding revenue performance. In the second half of 2023, films in which the Group has participated in the production, including “One and Only” (《熱烈》) and “Fireworks of My Heart” (《我的人間煙火》) have been released in the cinemas and achieved remarkable results in terms of reputation and box office. The established Existing Businesses have continued to be an integral and sustainable source of revenue of the Group.
- The relationship between the Group and Tencent Group is complementary. After fully tapping into streaming media business for almost three years, the Group has been fully leveraging its professional and talent competitive edges in terms of content and technology, as well as the resources of its major shareholders, including Tencent Holdings, by further tapping in the realms of online streaming and game products operation. As disclosed in the CCT Circular, the 2023 Game Cooperation Framework Agreement was entered into for the purpose of further broadening the scope of game

LETTER FROM THE BOARD

cooperation and enriching the cooperation model in the game field between the parties. This will also enable the Group continue to broaden the scope of entertainment business of the Company, and strengthen the Group's talent pool and consolidate its technological capability, which will in turn allow the Company to leap into a new stage of development.

- The strategic partnership between the Group and Tencent Group in the gaming sector began in the first half of 2022. Tencent Group is a leading internet and technology company and publishes some of the world's most popular video games and other high-quality digital content. The Directors are of the view that the cooperation with Tencent Group is in line with the industry norm such that it is natural for the Group to seek a renowned industry leader to cooperate in the field of gaming. The Directors do not see any material red flags indicating any material adverse changes to the established relationship between Tencent Group and the Group.

Having considered the above, the Directors consider that the proposed Revised 2023 Receivable Annual Cap is entered into in the ordinary and usual course of business of the Group, on normal commercial terms after arm's length negotiations between the parties, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, BEIJING JINGXIU AND TENCENT COMPUTER

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.

Beijing Jingxiu

Beijing Jingxiu (former name was Shenzhen Jingxiu Network Technology Co., Ltd.* (深圳市景秀網絡科技有限公司)) is a company established under the laws of the PRC and a subsidiary of the Company. It is principally engaged in the development and procurement of film and television copyrights.

The Tencent Group

The Tencent Group is principally engaged in value-added services, online advertising, fintech and business services.

Tencent Computer

Tencent Computer is a company established under the laws of the PRC and a subsidiary of Tencent Holdings. It is principally engaged in the development and provision of integrated internet services in the PRC.

LETTER FROM THE BOARD

INTERNAL CONTROL

The Company continues to monitor the historical aggregate accumulated transaction amount and has been monitoring the approval of the Existing Annual Caps under the 2023 Game Cooperation Framework Agreement. The Company has adopted a series of internal control policies in its daily operations. These internal control policies are implemented and monitored by the Company's internal audit and internal control department, independent non-executive Directors and external auditors:

1. the Company's internal control department conducts regular monitoring of connected transactions, the results of which together with the external auditor's report are then submitted to the audit committee and independent non-executive Directors for review. The Company's internal audit and internal control department supervises connected transactions and ensures that these transactions are carried out in the following ways: (a) in accordance with the pricing principles of the 2023 Game Cooperation Framework Agreement; (b) in the ordinary and usual course of business of the Group; (c) on normal or better commercial terms; and (d) in accordance with the 2023 Game Cooperation Framework Agreement, and that the terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole;
2. the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions and confirm in the annual report whether: these transactions are entered into on normal or better commercial terms; in accordance with the 2023 Game Cooperation Framework Agreement, and that the terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole; and
3. the Company's external auditors will also conduct annual reviews of the pricing principles, total amount of accumulated transactions and, if applicable, the annual caps of the 2023 Game Cooperation Framework Agreement and make corresponding confirmations in the Company's annual report.

The Board believes that the above internal control procedures can ensure that the transactions under the 2023 Game Cooperation Framework Agreement will continue to be implemented on normal or better commercial terms and will not harm the interests of the Company and its Shareholders.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Tencent Holdings is a shareholder indirectly holding more than 10% of the shares of the Company. Pursuant to Chapter 14A of the Listing Rules, Tencent Holdings and its subsidiaries are connected persons of the Company. Accordingly, the 2023 Game Cooperation Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As the highest applicable percentage ratio in respect of the transactions under the Revised 2023 Receivable Annual Cap calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5%, such transactions and the Revised 2023 Receivable Annual Cap shall be subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the Independent Financial Adviser as and when appropriate) believe that, the Revised 2023 Receivable Annual Cap is fair and reasonable, on normal commercial terms and beneficial to the business development of the Group. In addition, the Revised 2023 Receivable Annual Cap is no less favourable than those offered to or by independent third parties. 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 Revised 2023 Receivable Annual Cap or is otherwise required to abstain from voting on the relevant resolution(s) of the Board.

SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Revised 2023 Receivable Annual Cap. A notice convening the SGM to be held at 11:00 a.m. on Tuesday, 19 December 2023 at 15th Floor, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular.

Water Lily is a Shareholder and is a company indirectly wholly-owned by Tencent Holdings. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder, other than Water Lily and its associates, has a material interest in the Revised 2023 Receivable Annual Cap which is different from other Shareholders. Therefore, Water Lily and its associate(s) will abstain from voting at the SGM. As at the Latest Practicable Date, Water Lily held 2,545,734,565 Shares, which represent approximately 21.97% of the issued Shares. To the best of the Directors' knowledge, information and belief, other than Water Lily, no Shareholder is required to abstain from voting 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 Revised 2023 Receivable Annual Cap or is otherwise required to abstain from voting on the relevant resolution(s) of the Board.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM or any adjournment thereof (as the case may be), you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit it at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish.

LETTER FROM THE BOARD

RECOMMENDATIONS

Your attention is drawn to (i) the letter of advice from the Independent Board Committee to the Independent Shareholders on the Revised 2023 Receivable Annual Cap; and (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Revised 2023 Receivable Annual Cap.

The Board (including the members of the Independent Board Committee whose opinion is set forth in the “Letter from the Independent Board Committee” in this circular after considering the advice of the Independent Financial Adviser), is of the view that the proposed Revised 2023 Receivable Annual Cap is fair and reasonable, and on normal commercial terms, in the ordinary and usual course of business of the Group, and is in the interests of the Company and the Shareholders as a whole. The Board recommends that the Independent Shareholders to vote in favor of the ordinary resolution relating thereto at the SGM.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 15 December 2023 to Tuesday, 19 December 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder of the Company to be eligible to attend and vote at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 14 December 2023.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

FORWARD-LOOKING STATEMENTS

There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this circular and any of the matters set out herein are attainable, will actually occur or will be realized or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place any excessive reliance on the information disclosed herein. Any Shareholder or potential investor who is in doubt is advised to seek advice from professional advisors.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Revised 2023 Receivable Annual Cap for inclusion in this circular.



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)

4 December 2023

To the Independent Shareholders

REVISION OF EXISTING ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2023 GAME COOPERATION FRAMEWORK AGREEMENT

Dear Sir or Madam,

We refer to the circular issued by the Company to its Shareholders dated 4 December 2023 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board to form an independent board committee to consider and advise you as to whether the Revised 2023 Receivable Annual Cap is fair and reasonable, and on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, and to recommend as to whether the Independent Shareholders should approve the Revised 2023 Receivable Annual Cap. Maxa Capital Limited has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 12 of the Circular and a letter of advice from Maxa Capital Limited, as set out on pages 15 to 31 of the Circular, both of which provide details and the basis for the proposed Revised 2023 Receivable Annual Cap.

Having considered the basis for the Revised 2023 Receivable Annual Cap, the advice and recommendation from Maxa Capital Limited and the relevant information contained in the letter from the Board, we are of the opinion that the Revised 2023 Receivable Annual Cap is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned,

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

and is entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favor of the resolution to be proposed at the SGM to approve the Revised 2023 Receivable Annual Cap.

Yours faithfully,

For and on behalf of

the Independent Board Committee

Mr. Chau Shing Yim,

David

Independent

non-executive Director

Mr. Nie Zhixin

Independent

non-executive Director

Mr. Chen Haiquan

Independent

non-executive Director

Professor Shi

Zhuomin

Independent

non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Maxa Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, setting out its advice in respect of the Revised 2023 Receivables Annual Cap, which has been prepared for the purpose of inclusion in this circular.



Unit 1908, Harbour Center
25 Harbour Road
Wan Chai
Hong Kong

4 December 2023

*To the Independent Board Committee
and the Independent Shareholders*

Dear Sir or Madam,

REVISION OF EXISTING ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2023 GAME COOPERATION FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Revised 2023 Receivable Annual Cap, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 4 December 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 22 February 2023 and the CCT Circular in relation to, among others, the 2023 Game Cooperation Framework Agreement entered into between Beijing Jingxiu and Tencent Computer on 22 February 2023 in respect of the cooperation between Beijing Jingxiu and Tencent Representative Companies in the field of gaming. The 2023 Game Cooperation Framework Agreement, the transactions contemplated thereunder and the relevant annual caps for the three years ending 31 December 2025 were approved by the Independent Shareholders at the special general meeting of the Company held on 28 June 2023.

During a recent review by the Board on the existing continuing connected transactions of the Group, the Board anticipates that the Existing 2023 Receivable Annual Cap may not be sufficient to meet the needs of the Group. As such, the Board, has resolved to revise the Existing 2023 Receivable Annual Cap from RMB700 million to RMB1,200 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

LISTING RULES IMPLICATION

As at the Latest Practicable Date, Tencent Holdings is a shareholder indirectly holding more than 10% of the shares of the Company. Pursuant to Chapter 14A of the Listing Rules, Tencent Holdings and its subsidiaries are connected persons of the Company. Accordingly, the 2023 Game Cooperation Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable ratio in respect of the transactions under the Revised 2023 Receivable Annual Cap calculated pursuant to Rule 14.07 of the Listing Rule exceeds 5%, such transactions and the Revised 2023 Receivable Annual Cap shall be subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Water Lily is a Shareholder and is a company indirectly wholly-owned by Tencent Holdings. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder, other than Water Lily and its respective associates, has a material interest in the 2023 Game Cooperation Framework Agreement which is different from other Shareholders. Therefore, Water Lily and its associate(s) will abstain from voting at the SGM. As at the Latest Practicable Date, Water Lily and its associate(s) held 2,545,734,565 Shares, which represented approximately 21.97% of the issued Shares. To the best of the Directors' knowledge, information and belief, other than Water Lily, no Shareholder is required to abstain from voting at the SGM.

INDEPENDENT BOARD COMMITTEE

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 Revised 2023 Receivable Annual Cap. We, Maxa Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Revised 2023 Receivable Annual Cap. In the past two years, we were appointed by the Company as the independent financial adviser in respect of certain continuing connected transactions, share subscription transactions and refreshment of general mandate, details of which were set out in the circulars of the Company dated 30 August 2023, 12 June 2023, 7 September 2022, 12 April 2022 and 14 March 2022. Save as disclosed above and apart from the normal advisory fee payable to us in connection with this appointment, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

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BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, among other things: (i) the 2023 Game Cooperation Framework Agreement; (ii) the annual report of the Company for the year ended 31 December 2021 (the “**2021 AR**”); (iii) the annual report of the Company for the year ended 31 December 2022 (the “**2022 AR**”); (iv) the interim report of the Company for the six months ended 30 June 2023 (the “**2023 IR**”); and (v) basis and assumption adopted in determining the Revised 2023 Receivable Annual Cap. We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Group (the “**Management**”). We have reviewed, *inter alia*, the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the Management. We have assumed that (i) all statements, information and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the SGM. We have also assumed that all statements of belief, opinion, intention and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the representations and opinions expressed by the Company, its advisers and/or the Directors. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the Management nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Revised 2023 Receivable Annual Cap, we have taken into consideration the following principal factors and reasons:

1. Background information of the Group

The Company is an investment holding company. The Group is principally engaged in content production and online streaming business, internet community services and related business and manufacture and sales of accessories.

Beijing Jingxiu (former name was Shenzhen Jingxiu Network Technology Co., Ltd.* (深圳市景秀網絡科技有限公司) is a company established under the laws of the PRC and a subsidiary of the Company. It is principally engaged in the development and procurement of film and television copyrights.

On 26 October 2020, the Company announced the acquisition of Virtual Cinema Entertainment Limited for a total consideration of HK\$7.2 billion (the “**VCEL Acquisition**”). The acquisition was subsequently completed on 20 January 2021. Upon completion of the VCEL Acquisition, the Company, through the variable interest entity arrangement, currently controls and holds 100% interest in several variable interest entities, namely Beijing Ruyi Streaming Media Information Technology Co., Ltd., Beijing Jingxiu, Beijing Xiaoming Zhumeng Data Services Co., Ltd. and Shanghai Ruyi Movie Television Production Co., Ltd. (“**Ruyi Films**”) and each of the wholly-owned subsidiaries of Ruyi Films. Ruyi Films is a professional film and television production arm of the Group with industry-leading capabilities in research and development, production, as well as promotion and distribution.

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Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2021 (“**FY2021**”) and 31 December 2022 (“**FY2022**”), and for the six months ended 30 June 2022 (“**1H2022**”) and 30 June 2023 (“**1H2023**”) as extracted from the 2021 AR, 2022 AR and 2023 IR:

	For the year ended 31		For the six months ended	
	December		30 June	
	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	2,318,132	1,319,928	651,797	804,056
— Content production business	1,296,216	105,641	491	646,372
— Online streaming and online gaming businesses	918,856	1,163,522	627,727	139,100
— Other businesses	103,060	50,765	23,579	18,584
Gross profit/(loss)	1,032,268	261,615	353,871	(345,302)
Profit/(Loss) for the year	1,173,652	787,552	146,567	(263,651)

FY2022 vs FY2021

As illustrated in the table above, the Group’s revenue amounted to approximately RMB1,319.9 million for FY2022, representing a decrease of approximately 43.1% as compared to approximately RMB2,318.1 million for FY2021. The decrease in the Group’s revenue was mainly due to the combined effects of (i) decrease in revenue derived from the content production business by approximately RMB1,190.6 million to approximately RMB105.6 million for FY2022 as the recurring pandemic frequently affected the film arrangement in cinemas and Ruyi Films released fewer films in FY2022 as compared to FY2021; and (ii) increase in revenue derived from the online streaming and online gaming businesses segment by approximately RMB244.7 million to approximately RMB1,163.5 million for FY2022, which was mainly attributable to the increase in revenue derived from the online streaming business by approximately RMB189.1 million and an additional revenue of approximately RMB55.6 million generated from the online gaming business. During FY2022, Ruyi Films participated in the production of the film “Moon Man” (《獨行月球》), which achieved a cumulative box office of RMB3.1 billion. On May 2022, the Group launched its first mobile game, “The War of Three Kingdoms” (《亂世逐鹿》), which is a Three Kingdoms-based strategy card game presented in a novel format. Endorsed by Tony Leung Chiu-wai, an award-winning actor, the game was recommended by the “App Store Today” and ranked top in the free game rankings on the day of its launch. After that, on 26 July 2022, the Group launched “Chuanqi Tianxia” (《傳奇天下》), a large-scale multiplayer online role-playing mobile

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game with official license from the Chuanqi Series. Inheriting the oriental fantasy background from its original IP, Chuanqi Tianxia brings players a more realistic and fierce battling experience with a powerful physically-based rendering system.

The Group recorded net profit of approximately RMB787.6 million for FY2022, which decreased by approximately 32.9% as compared to the net profit of approximately RMB1,173.7 million for FY2021. The decrease in the Group's net profit for FY2022 was mainly due to the combined effects of (i) decrease of approximately RMB658.9 million in profit from the content production business segment as a result of decrease in number of films released and impairment loss on films and television programmes rights of approximately RMB295.8 million recognised during FY2022. It contributed to a segment loss of approximately RMB283.1 million for FY2022 as compared to a segment profit of approximately RMB375.8 million for FY2021; (ii) increase in other gains net by approximately RMB668.8 million as the Group recognised fair value gain in contingent consideration payable in relation to the VCEL Acquisition of approximately RMB988.6 million; and (iii) change from net finance income of approximately RMB348.1 million for FY2021 to net finance cost of approximately RMB32.4 million for FY2022.

1H2023 vs 1H2022

The total revenue of the Group was approximately RMB804.1 million for 1H2023, representing an increase of approximately 23.4% as compared to approximately RMB651.8 million for 1H2022. Such increase in the revenue was primarily attributable to the revenue derived from the content production business segment from approximately RMB0.5 million for 1H2022 to approximately RMB646.4 million for 1H2023. During 1H2023, the number of films which Ruyi Films participated in the production and distribution significantly increased with a cumulative box office of RMB5.4 billion. The films in which Ruyi Films served as the main producer or co-producer, including “Five Hundred Miles” (《交換人生》), “Post-Truth” (《保你平安》), “Born to Fly” (《長空之王》) and “Lost in the Stars” (《消失的她》) achieved remarkable results in terms of reputation and box office. In particular, “Post-Truth” won the “2023 Weibo Movie Night Audience Favourite Movie of the Year” (2023微博電影之夜年度觀眾喜愛影片). The television drama “Love is Full of Jiudaowan” (《情滿九道彎》) produced by Ruyi Films was awarded the “Outstanding TV Series of the Year” (年度優秀電視劇) by the “2023 Spring Capital TV Program Forum & Market” (2023首都電視節目春推會). In addition, “One and Only” (《熱烈》), an inspirational sports-themed film starring Wang Yibo and Huang Bo in which Ruyi Films served as the main producer, has been screened on 17 June 2023 and acclaimed by the audience, and the television drama “Fireworks of My Heart” (《我的人間煙火》) starring Yang Yang has been released on 5 July 2023 and is expected to significantly boost the Company's revenue and profit in the second half of 2023.

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The Group recorded net loss of approximately RMB263.7 million for 1H2023 as compared to net profit of approximately RMB146.6 million for 1H2022. The loss-making position of the Group for 1H2023 was mainly due to the significant increase in the amortisation of film and television programmes rights from approximately RMB146.4 million for 1H2022 to approximately RMB892.7 million for 1H2023, resulting in loss derived from the content production business and online streaming and online gaming businesses segments of approximately RMB90.2 million and RMB330.9 million, respectively.

	As at 31 December		As at
	2021	2022	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)
Non-current assets	6,626,991	8,018,020	7,703,220
Current assets	<u>3,992,901</u>	<u>5,200,949</u>	<u>5,344,982</u>
Total assets	<u>10,619,892</u>	<u>13,218,969</u>	<u>13,048,202</u>
Non-current liabilities	3,275,492	3,201,956	2,263,184
Current liabilities	<u>1,724,984</u>	<u>2,041,582</u>	<u>3,068,942</u>
Total liabilities	<u>5,000,476</u>	<u>5,243,538</u>	<u>5,332,126</u>
Net current assets	2,267,917	3,159,367	2,276,040
Net assets	5,619,416	7,975,431	7,716,076

Total assets

The Group had total assets of approximately RMB13,219.0 million as at 31 December 2022, which mainly comprised of (i) goodwill of approximately RMB4,214.6 million; (ii) film and television programmes rights of approximately RMB4,061.0 million; (iii) trade and other receivables of approximately RMB2,048.7 million; and (iv) cash and cash equivalents of approximately RMB1,189.7 million. The increase in the total assets by approximately RMB2,599.1 million to approximately RMB13,219.0 million as at 31 December 2022 as compared to 31 December 2021 was mainly attributable to the increase in (i) film and television programmes rights by approximately RMB1,479.1 million; (ii) trade and other receivables by approximately RMB748.2 million; and (iii) financial assets at fair value through profit or loss of approximately RMB406.2 million.

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The Group had total assets of approximately RMB13,048.2 million as at 30 June 2023, which mainly comprised of (i) goodwill of approximately RMB4,214.6 million; (ii) film and television programmes rights of approximately RMB3,834.8 million; (iii) other receivables and deposits of approximately RMB1,158.2 million; and (iv) cash and cash equivalents of approximately RMB889.2 million. The decrease in the Group's total assets by approximately RMB170.8 million to approximately RMB13,048.2 million as at 30 June 2023 as compared to 31 December 2022 was mainly due to (i) decrease in cash and cash equivalents by approximately RMB300.5 million; and partially offset by (ii) increase in financial assets at fair value through profit or loss by approximately RMB179.0 million.

Total liabilities

The Group had total liabilities of approximately RMB5,243.5 million as at 31 December 2022, which mainly comprised of (i) borrowings of approximately RMB1,769.9 million; (ii) contingent consideration payable of approximately RMB1,180.6 million; (iii) film and television programmes investment funds from investors of approximately RMB725.0 million; and (iv) trade payables of approximately RMB560.5 million. The increase in the total liabilities by approximately RMB243.1 million to approximately RMB5,243.5 million as at 31 December 2022 as compared to 31 December 2021 was mainly due to (i) increase in trade payables by approximately RMB510.0 million; (ii) increase in total borrowings by approximately RMB246.9 million; (iii) increase in total film and television programmes investment funds from investors by approximately RMB166.0 million; (iv) increase in other payables and accruals of approximately RMB234.0 million; and was partially offset by (v) decrease in contingent consideration payable by approximately RMB880.0 million.

The Group had total liabilities of approximately RMB5,332.1 million as at 30 June 2023, which mainly comprised of (i) contingent consideration payable of approximately RMB1,023.3 million; (ii) borrowing of approximately RMB1,865.2 million; (iii) other payables and accruals of approximately RMB673.2 million; and (iv) film and television programmes investment funds from investors of approximately RMB739.3 million. The increase in the total liabilities by approximately RMB88.6 million to approximately RMB5,332.1 million as at 30 June 2023 as compared to 31 December 2022 was mainly due to (i) increase in other payables and accruals by approximately RMB358.6 million; (ii) increase in borrowings by approximately RMB95.3 million; and partially offset by (iii) decrease in trade payables by approximately RMB205.0 million; and (iv) decrease in contingent consideration payable by approximately RMB157.3 million.

Liquidity Position

The Group's current ratios were approximately 2.3 times, 2.5 times and 1.7 times as at each of 31 December 2021 and 2022 and 30 June 2023, respectively. The decrease in the Group's current ratio from approximately 2.5 times as at 31 December 2022 to approximately 1.7 times as at 30 June 2023 was mainly due to the reclassification of the

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non-current portion of (a) the contingent consideration payable; and (b) film and television programmes investment funds from investors as current portion, resulting in the increase in current liabilities by approximately RMB1,027.4 million as at 30 June 2023 as compared to 31 December 2022. The Group's gearing ratios, which are calculated on the basis of the Group's total debts (interest-bearing borrowings and lease liabilities) over shareholders' funds, as at each of 31 December 2021 and 2022 and 30 June 2023 remained fairly stable at approximately 3.4%, 3.3% and 3.5%, respectively.

2. Background information of Tencent Group and Tencent Computer

The Tencent Group is principally engaged in value-added services, online advertising, fintech and business services.

Tencent Computer is a company established under the laws of the PRC and a subsidiary of Tencent Holdings. It is principally engaged in the development and provision of integrated internet services in the PRC.

3. The 2023 Game Cooperation Framework Agreement

The principal terms of the 2023 Game Cooperation Framework Agreement are summarised as below:

Date: 22 February 2023

Parties: (1) Beijing Jingxiu, a subsidiary of the Company; and
(2) Tencent Computer, a subsidiary of Tencent Holdings and an associate of the connected person of the Company.

Term: The term of the 2023 Game Cooperation Framework Agreement is from 22 February 2023 to 31 December 2025.

Principal terms

(1) *Distribution and operation of the Cooperation Products by Beijing Jingxiu ("Distribution Cooperation")*

Tencent Representative Companies agreed to license Beijing Jingxiu to distribute and operate the Cooperation Products as (i) exclusive distributor; or (ii) distributor on certain platforms. Beijing Jingxiu will act as the distributor of the Cooperation Products and directly derive income from the end users of the Cooperation Products on the platform. Tencent Representative Companies shall provide to Beijing Jingxiu intellectual property rights licensing and/or content update and maintenance services in respect of the Cooperation Products. Depending on the needs of Cooperation Products, Beijing Jingxiu shall pay to Tencent Representative Companies (i) intellectual property license fees (if

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applicable); (ii) content update and maintenance fees of cooperation game (if applicable); and/or (iii) other fees negotiated by the parties, including discretionary bonus determined with reference to the revenue generated from the Cooperation Products and fees for such other distribution and operation services incidental to the Distribution Cooperation.

The payment and settlement terms of such fees payable by Beijing Jingxiu shall be separately agreed between the relevant parties in the implementation agreements to be entered into pursuant to the terms of the 2023 Game Cooperation Framework Agreement.

(2) *Joint distribution and operation of games by Tencent Representative Companies and Beijing Jingxiu (“Joint Operation Cooperation”)*

Tencent Representative Companies and Beijing Jingxiu agreed to jointly distribute and operate the Cooperation Products, and the parties shall be responsible for managing the settlement of fees on different platforms based on actual demand as agreed between the parties. Tencent Representative Companies and Beijing Jingxiu shall directly derive income from the end users of the Cooperation Products on the platforms which they are responsible for, and then pay each other (as the case may be) relevant fees.

The platforms or scope of channels for which each party is responsible for, and payment and settlement terms of such fees payable and/or receivable (as the case may be) by each party shall be separately agreed between the respective parties in the implementation agreements to be entered into pursuant to the terms of the 2023 Game Cooperation Framework Agreement.

(3) *Marketing services provided by Beijing Jingxiu (“Marketing Services”)*

Beijing Jingxiu agreed to provide marketing and advertising services to Tencent Representative Companies. Through the linkage between films and games, Beijing Jingxiu will leverage on its strengths in the film and television field to formulate specific marketing plans for the promotion of the Cooperation Products, including but not limited to designing and executing game marketing plans, promotion planning and video content production.

The payment and settlement terms of relevant marketing services fees or service bonus (where applicable) payable by Tencent Representative Companies to Beijing Jingxiu shall be separately determined between the respective parties in the implementation agreements to be entered into pursuant to the terms of the 2023 Game Cooperation Framework Agreement.

Pricing principles

Save for the revision of the Existing 2023 Receivable Annual Cap, all other terms and conditions under the 2023 Game Cooperation Framework Agreement remain unchanged. The major terms (including the pricing principles) of the 2023 Game

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Cooperation Framework Agreement are set out in the section headed “THE 2023 GAME COOPERATION FRAMEWORK AGREEMENT” in the Letter from the Board in the circular of the Company dated 12 June 2023.

4. Reasons for and benefits of the revision of the Existing 2023 Receivable Annual Cap

As disclosed in the CCT Circular, in view of the Tencent Group’s extensive experience in the realm of game products operation and it being one of the integrated service providers in the PRC, the 2023 Game Cooperation Framework Agreement was entered into for the purpose of further broadening the scope of game cooperation and enriching the cooperation model in the game field between the Group and the Tencent Group. The 2023 Game Cooperation Framework Agreement will help the Group continue to broaden the scope of its entertainment business, and enhance the monetisation of the proprietary intellectual properties of the Company through the linkage between films and games, and in the long run, help to strengthen the Group’s talent pool and consolidate its technological capability, which will in turn allow the Company to leap into a new stage of development.

We note from the Letter from the Board that the actual total amount received by the Group from Tencent Representative Companies for the period from June 2023 to October 2023 amounted to approximately RMB501 million, representing approximately 71.6% of the Existing 2023 Receivable Annual Cap. Taking into account the estimated total amount of receivable by the Group from Tencent Representative Companies for the year ending 31 December 2023, the Board expected that the actual total amount receivable by the Group from Tencent Representative Companies for the year ending 31 December 2023 will exceed the Existing 2023 Receivable Annual Cap and therefore proposed to revise the Existing 2023 Receivable Annual Cap for the continuing connected transactions contemplated under the 2023 Game Cooperation Framework Agreement.

Based on our discussion with the Management, we understand that the Existing 2023 Receivable Annual Caps was determined primarily with reference to the expected level of fees to be generated from the provision of marketing and advertising services to Tencent Representative Companies under the scope of the Marketing Services. At the time of determining the Existing 2023 Receivable Annual Cap, the Management envisaged that Beijing Jingxiu will enter into separate marketing and promotion agreement with Tencent Representative Companies in respect of five Cooperation Products under the scope of the Marketing Services. As the service fees receivable by Beijing Jingxiu are calculated based on the percentage of revenue generated from the Cooperation Products, the Existing 2023 Receivable Annual Cap was determined based on the projected revenue of each Cooperation Product with reference to the operating data of other games that are similar or comparable to the Cooperation Products. Given that, at the time of entering into of the 2023 Game Cooperation Framework Agreement, Beijing Jingxiu had not commenced negotiation with Tencent Representative Companies on other type of marketing and promotion services, such as

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formulation of marketing plan, provision of advertising resources, etc., the Management decided to determine the Existing 2023 Receivable Annual Cap primarily based on the marketing service fees to be derived from the Cooperation Products for prudent sake.

As advised by the Management, since the date of the 2023 Game Cooperation Framework Agreement, Beijing Jingxiu has entered into marketing and promotion agreements with Tencent Representative Companies in respect of 11 Cooperation Products that were launched before the end of October 2023. Hence, the actual number of Cooperation Products of which Beijing Jingxiu providing the marketing and promotion services substantially exceeds the number of the Cooperation Products originally anticipated by the Management at the time of determining the Existing 2023 Receivable Annual Cap. Further, capitalising on the experience gained from the marketing and promotion services provided by Beijing Jingxiu on the Cooperation Products and leveraging on the Group's strengths in content production and online streaming business, Beijing Jingxiu has deepened the cooperation with Tencent Representative Companies by offering more comprehensive and diversified marketing and promotion services in the field of gaming, including provision of market planning and online advertising resources. As such, the Management considers that the Existing 2023 Receivable Annual Cap is unable to cater for the demand from Tencent Representative Companies on such additional scope of Marketing Services to be provided by Beijing Jingxiu.

In light of the above, we consider that it is reasonable for the Company to revise the Existing 2023 Receivable Annual Cap in order to cater for the changes in demand from Tencent Representative Companies on the Marketing Services and ensure the Company's income and business growth.

5. Determination of the Revised 2023 Receivable Annual Cap

As disclosed in the CCT Circular, there was no historical amount incurred prior to the date of the 2023 Game Cooperation Framework Agreement. From the date of the 2023 Game Cooperation Framework Agreement up until 5 June 2023, being the latest practicable date prior to the publication of the CCT Circular, there had been no actual transaction amount incurred under the 2023 Game Cooperation Framework Agreement. The table below sets out the (i) the Existing 2023 Receivable Annual Cap; (ii) the historical transaction amounts for the five months period ended 31 October 2023; and (iii) the Revised 2023 Receivable Annual Cap:

	Historical amounts/ annual cap for the year ending 31 December 2023 (RMB million)
Existing 2023 Receivable Annual Cap	700
Historical transaction amount	501
Utilisation rate	71.6%
Revised 2023 Receivable Annual Cap	1,200

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As disclosed in the Letter from the Board, the Revised 2023 Receivable Annual Cap had been determined with reference to the following factors:

- (1) the actual fees received by the Group from Tencent Representative Companies for the period from June 2023 to October 2023 recorded in the unaudited financial information of the Company which accounted for approximately 71.6% of the Existing 2023 Receivable Annual Cap. Such increase in the fees receivables was attributed to (i) the launched of 11 Cooperation Products before the end of October 2023, as compared to five Cooperation Products originally anticipated by the Management at the time of determining the Existing 2023 Receivable Annual Cap; and (ii) additional scope of Marketing Services required by Tencent Representative Companies from the Group, including provision of market planning and online advertising resource, which the Group gained additional service fees. The pricing for the additional scope of Market Services will be determined based on the same pricing principles applicable to the Marketing Services under the 2023 Game Cooperation Framework Agreement; and
- (2) the anticipated increase in fees payable by Tencent Representative Companies to the Group between November 2023 and December 2023 under the 2023 Game Cooperation Framework Agreement based on the status of the existing Cooperation Products and Marketing Services projects in the pipeline. In respect of the Marketing Services projects, Beijing Jingxiu has completed 34 projects for the aforementioned additional scope of Marketing Services during September and October 2023, it is anticipated that Beijing Jingxiu will complete around 30 to 35 projects for such services in November and December 2023.

In order to assess the fairness and reasonableness of the Revised 2023 Receivable Annual Cap, we have obtained and reviewed (i) the breakdown of the historical transaction amounts under the Existing 2023 Receivable Annual Cap from the date of the 2023 Game Cooperation Framework Agreement to 31 October 2023 (the “**Historical Transactions**”); and (ii) the underlying calculation of the Revised 2023 Receivable Annual Cap, and discussed with the Management on the bases and assumptions adopted in the calculation. We note from the Historical Transactions that Beijing Jingxiu has been providing marketing and promotion services for 11 Cooperation Products which were launched before the end of October 2023. Given that most of these Cooperation Products were launched during the second half of 2023, Beijing Jingxiu started to recognise marketing service fees derived from the Cooperation Products from June 2023 and the Historical Transactions in fact only reflected the revenue contributed from these Cooperation Products for a five-months period (i.e. June to October 2023).

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As the marketing service fees derived from the Cooperation Products are determined using the revenue-sharing mechanism, the Management estimates the projected service fees to be generated from each Cooperation Product for November and December 2023 based on the historical average monthly fee recognised by Beijing Jingxiu. As part of our due diligence work, we have obtained and reviewed (i) four sample contracts entered into between Beijing Jingxiu and Tencent Representative Companies separately in respect of four Cooperation Products which contributed the highest service fees during the five months period ended 31 October 2023; and (ii) pre-reconciliation statements of the service fees receivable by Beijing Jingxiu for each of September and October 2023 in respect of the abovementioned Cooperation Products. As advised by the Management, such monthly pre-reconciliation statements were circulated by Tencent Representative Companies to estimate the monthly service fees payable to Beijing Jingxiu before its settlement at the end of each quarter. We have cross-checked the amount of monthly service fees for September and October 2023 used in the calculation of the historical average monthly fee for the abovementioned Cooperation Products to the amount of service fees as stated in the sample pre-reconciliation statements in respect of the same Cooperation Products obtained by us, and there are no material differences identified. Therefore, we consider the historical monthly service fees used in the calculation of the historical average monthly fee for the Cooperation Products are in line with the actual amount paid/payable by Tencent Representative Companies to Beijing Jingxiu. Based on our sample review of the historical monthly service fees of certain Cooperation Products, we are not aware of any significant month to month fluctuations in the amount of service fees and therefore consider that the adoption of the historical average monthly fees for revenue projection of the Cooperation Products is reasonable.

Further, we note from the Historical Transactions that the Group has seen rapid growth in the provision of additional scope of Marketing Services and completed over 30 projects between September and October 2023. As advised by the Management, the amount of service fees charged by Beijing Jingxiu for the provision of additional scope of Marketing Services will vary depending on the nature and scale of the relevant projects as well as the Group's resources contribution, costs and expenses incurred in providing such marketing services. In addition, the additional scope of Marketing Services projects are usually ad-hoc in nature and therefore the Management do not have sufficient details on the pricing of such project pipeline for the purpose of accurately forecasting the revenue generated from each project. As such, in estimating the projected service fees to be generated from the additional scope of Marketing Services, the Management mainly uses the historical average service fee generated per project and multiplied by the expected number of additional scope of Marketing Services projects to be completed in November and December 2023. As part of our due diligence, we have obtained and reviewed (i) the framework agreements in relation to the additional scope of Marketing Services entered into between Beijing Jingxiu and Tencent Representative Companies; and (ii) the list of historical completed additional scope of Marketing Services projects with transaction amounts thereunder. Based on our review of the abovementioned list of completed projects, we note that Beijing Jingxiu has completed 34 additional scope of Marketing Services projects during September and October 2023. Based on our discussion with the Management, it is estimated that Beijing Jingxiu will complete around 30 to 35

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additional scope of Marketing Services projects in November and December 2023, which is at similar level as compared to the number of historical projects completed in September and October 2023. Taking into account (i) the nature of the additional scope of Marketing Services projects will be similar to the historical completed projects; (ii) the pricing policy of the projected additional scope of Marketing Services projects will be in line with the pricing policy of the historical completed projects as well as the term of the 2023 Game Cooperation Framework Agreement; and (iii) the number of historical completed projects forms a reasonable sample size for the purpose of projecting the service fees for November and December 2023, we consider that the estimated number of the additional scope of Marketing Services projects to be undertaken by the Company and the adoption of the historical average service fee generated per project for projecting the revenue of the additional scope of Marketing Services in November and December 2023 to be fair and reasonable.

The total amount receivable by the Group from Tencent Representative Companies under the Revised 2023 Receivable Annual Cap would eventually depend on the future levels of acceptance of and popularity of the Cooperation Products as well as Tencent Representative Companies' demand for the additional scope of Marketing Services, which are beyond the control of the Group. Therefore, we consider it would be difficult for the Management to determine the Revised 2023 Receivable Annual Cap with high degree of certainty. Nonetheless, we consider that it is in the interests of the Group and the Shareholders to determine the Revised 2023 Receivable Annual Cap at appropriate level which can accommodate the potential growth of the Group's business. In addition, the Group has appropriate internal control policies (please refer to the section headed "6. Internal Control Policies" below for reference) in place to safeguard the interests of the Shareholders. In assessing the fairness and reasonableness of the Revised 2023 Receivable Annual Cap, we have discussed with the Management the factors taken into account as stated earlier in this section. We consider it is reasonable for the Company to use the above factors and assumption in determining the Revised 2023 Receivable Annual Cap to be fair and reasonable.

6. Internal Control Policies

As disclosed in the Letter from the Board, the Company continues to monitor the historical aggregate accumulated transaction amount and has been monitoring the approval of the Existing Annual Caps under the 2023 Game Cooperation Framework Agreement. The Company has adopted a series of internal control policies in its daily operations. These internal control policies are implemented and monitored by the Company's internal audit and internal control department, independent non-executive Directors and external auditors:

- (i) the Company's internal control department conducts regular monitoring of connected transactions, the results of which together with the external auditor's report are then submitted to the audit committee and independent non-executive Directors for review. The Company's internal audit and internal control department supervises connected transactions and ensures that these transactions are carried out in the following ways: (a) in accordance with the pricing principles of the 2023

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Game Cooperation Framework Agreement; (b) in the ordinary and usual course of business of the Group; (c) on normal or better commercial terms; and (d) in accordance with the 2023 Game Cooperation Framework Agreement, and that the terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole;

- (ii) the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions and confirm in the annual report whether: these transactions are entered into on normal or better commercial terms; in accordance with the 2023 Game Cooperation Framework Agreement, and that the terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole; and
- (iii) the Company's external auditors will also conduct annual reviews of the pricing principles, total amount of accumulated transactions and, if applicable, annual caps of the 2023 Game Cooperation Framework Agreement and make corresponding confirmations in the Company's annual report.

For the purpose of evaluating the effectiveness of internal control policies in place to monitor the usage of the Existing Annual Caps, and ensure that the annual caps would not be exceeded, we have reviewed the 2021 AR and 2022 AR and note that the Company has been in compliance with the annual caps requirement under the Listing Rules as the Company's auditors had issued unqualified letters containing the findings and conclusions in respect of the Company's continuing connected transactions and nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions (i) were not entered into, in all material respects, in accordance with the relevant agreement(s) governing the transaction; and (ii) have exceeded the maximum aggregate annual caps in respect of the disclosed continuing connected transactions.

In light of the above, we are of the view that appropriate measures will be in place to monitor the transactions contemplated under the 2023 Game Cooperation Framework Agreement and the usage of the Revised 2023 Receivable Annual Cap.

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RECOMMENDATION

Having taken into consideration the principal factors and reasons discussed above, we are of the view that (i) the revision of the Existing 2023 Receivable Annual Cap is in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole; and (ii) the Revised 2023 Receivable Annual Cap under the 2023 Game Cooperation Agreement is fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed for approving the Revised 2023 Receivable Annual Cap at the SGM.

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Sammy Leung
Managing Director

Mr. Sammy Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 11 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This document, for which the Directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executives of the Company in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, were as follows:

Interest of the Company

Name of Director	Capacity in which interests are held	Interest in the Shares	Approximate percentage of total issued Shares as at the Latest Practicable Date
Mr. Ke Liming	Interest of a controlled corporation	3,727,381,250 (Note 1)	32.17%
Ms. Chen Xi	Beneficial owner	48,000,000 (Note 2)	0.52%
Mr. Zhang Qiang	Beneficial owner	10,000,000 (Note 3)	0.11%
Mr. Yang Ming	Beneficial owner	1,080,000 (Note 4)	0.01%

Notes:

- (1) 1,893,101,943 Shares were indirectly held by Mr. Ke Liming through Pumpkin Films Limited, a company indirectly wholly-owned by Mr. Ke Liming. 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.
- (2) Ms. Chen Xi was interested in 48,000,000 Shares, all of which were represented by share options of the Company.
- (3) Mr. Zhang Qiang was interested in 10,000,000 Shares, all of which were represented by share options of the Company.
- (4) Mr. Yang Ming was directly interested in 1,080,000 shares of the Company.

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

(b) Interests of substantial Shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity in which interests are held	Interest in the Shares	Approximate percentage of total issued Shares as at the Latest Practicable Date
Mr. Ke Liming	Interest of a controlled corporation	3,727,381,250	32.17%
Virtual Cinema Holding Limited (Note 1)	Interest of a controlled corporation	3,727,381,250	32.17%
Pumpkin Films Limited (Note 1)	Beneficial owner	3,727,381,250	32.17%
Tencent Holdings Limited	Interest of a controlled corporation	2,545,734,565	21.97%
Water Lily (Note 2)	Beneficial owner	2,545,734,565	21.97%

Notes:

- (1) Virtual Cinema Holding Limited is deemed to be interested in 3,727,381,250 Shares through its wholly-owned subsidiary Pumpkin Films Limited. Virtual Cinema Holding Limited is directly wholly-owned by Mr. Ke Liming, a Director. Pumpkin Films Limited is wholly-owned by Mr. Ke Liming. Mr. Ke Liming is the director of Virtual Cinema Holding Limited and Pumpkin Films Limited. 1,893,101,943 Shares were indirectly held by Mr. Ke Liming through Pumpkin Films Limited. Mr. Ke Liming was also deemed to be interested in 1,834,279,307 Shares (as defined in Part XV of the SFO), i.e. the underlying shares of the warrants granted to Pumpkin Films Limited, a company wholly-owned by him.
- (2) Tencent Holdings Limited was deemed to be interested in 2,545,734,565 Shares through its wholly-owned subsidiary Water Lily. Mr. Yang Ming, a Director of the Company, is an employee of Tencent Holdings Limited.

Save as disclosed above in the table, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of

Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or proposed Director or their respective close associates (as defined in the Listing Rules) had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interest in any asset which had been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTEREST IN CONTRACT

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022 being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

9. QUALIFICATION AND CONSENT OF EXPERT

- (a) The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Maxa Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

- (b) As at the Latest Practicable Date, Maxa Capital Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) Maxa Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear respectively.
- (d) As at the Latest Practicable Date, Maxa Capital Limited did not have any interest, direct or indirect, in any assets which have been, since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is at 15/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited, the Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The company secretary of the Company is Mr. Fong Kar Chun, Jimmy, who is a member of the Law Society of Hong Kong and a qualified solicitor in Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

A copy of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ryholdings.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the written consent of Maxa Capital Limited as referred to in the section headed “9. Qualification and Consent of Expert” in this appendix; and
- (b) the 2023 Game Cooperation Framework Agreement.

NOTICE OF SGM



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)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of China Ruyi Holdings Limited (the “**Company**”) shall be held at 11:00 a.m. on Tuesday, 19 December 2023 at 15th Floor, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following ordinary resolution. Words and expressions that are not expressly defined in this notice of SGM shall bear the same meaning as those defined in the circular of the Company dated 4 December 2023 (the “**Circular**”).

ORDINARY RESOLUTION

“**THAT** the Revised 2023 Receivable Annual Cap (as defined in the Circular) be and is hereby approved.”

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

Hong Kong, 4 December 2023

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or, if he is the holder of two or more Shares, more than one proxy to attend and vote instead of him/her/it. A proxy need not be a member.
2. A form of proxy for use at the SGM is enclosed herewith. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and deposit of the form of proxy will not preclude a Shareholder from attending and voting in person at the SGM or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude a Shareholder of the Company from attending and voting in person at the SGM convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.

NOTICE OF SGM

4. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it was solely entitled thereto. If more than one of such joint holders are present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 15 December 2023 to Tuesday, 19 December 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder of the Company to be eligible to attend and vote at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 14 December 2023.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the executive directors of the Company are Mr. KE Liming, Ms. CHEN Xi and Mr. ZHANG Qiang; non-executive director of the Company is Mr. YANG Ming; and the independent non-executive directors of the Company are Mr. CHAU Shing Yim, David, Mr. NIE Zhixin, Mr. CHEN Haiquan and Professor SHI Zhuomin.