*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*

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)**

# COMPLETION OF ISSUE OF 1ST TRANCHE SUBSCRIPTION SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of China Ruyi Holdings Limited (中國儒意控股有限公司) (the "**Company**") dated 1 August 2025 (the "**Announcement**") in relation to the issue of new shares under general mandate. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that (i) all the conditions precedent to the 1st Tranche Subscription, as set out in the Subscription Agreement, have been fulfilled or waived (where applicable) and the completion of the 1st Tranche Subscription took place on 18 August 2025 in accordance with the terms of the Subscription Agreement; and (ii) all the conditions precedent set out in the Placing Agreement have been fulfilled and completion of the placing of the 1st Tranche Subscription Shares under the Placing Agreement took place on 18 August 2025 in accordance with the terms of the Placing Agreement.

A total of 390,000,000 Subscription Shares have been subscribed at the Subscription Price of HK$3.00 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately before the completion of the 1st Tranche Subscription; and (ii) immediately upon completion of the 1st Tranche Subscription:

| Name of Shareholders | Immediately before the completion of the 1st Tranche Subscription | | Immediately upon completion of the 1st Tranche Subscription | |
|---|---|---|---|---|
| | *Number of Shares* | *Approximate percentage* | *Number of Shares* | *Approximate percentage* |
| *Directors (Note 1)* | | | | |
| Mr. Ke Liming *(Note 2)* | 2,627,381,250 | 16.41% | 2,627,381,250 | 16.02% |
| Mr. Yang Ming *(Note 3)* | 1,080,000 | 0.01% | 1,080,000 | 0.01% |
| *Substantial Shareholders (other than Mr. Ke)* | | | | |
| Tencent Holdings Limited | 2,582,401,232 | 16.13% | 2,582,401,232 | 15.75% |
| **Sub-total of non-public Shareholders** | **5,210,862,482** | **32.55%** | **5,210,862,482** | **31.77%** |
| *Public Shareholders* | | | | |
| Infini Global Master Fund | — | — | 390,000,000 | 2.38% |
| Other public Shareholders | 10,799,752,133 | 67.45% | 10,799,752,133 | 65.85% |
| **Sub-total of public Shareholders** | **10,799,752,133** | **67.45%** | **11,189,752,133** | **68.23%** |
| **Total number of issued Shares** | **16,010,614,615** | **100%** | **16,400,614,615** | **100%** |

*Notes:*

1. As at the date of this announcement, Mr. Zhang Qiang, an executive Director, was interested in 10,000,000 Shares (within the meaning of Part XV of the SFO), being the underlying shares of the share options granted pursuant to the share option scheme of the Company. For the purpose of this announcement, the above table does not include any underlying shares to be issued under any share options granted to the Directors.

2. As at the date of this announcement, Mr. Ke Liming, an executive Director and the Chairman of the Board, held 2,627,381,250 Shares through Pumpkin Films Limited, a company wholly owned by him.

3. As at the date of this announcement, Mr. Yang Ming, a non-executive Director, was directly interested in 1,080,000 Shares.

4. As at the date of this announcement, Tencent Holdings Limited indirectly held interests in 2,582,401,232 shares, of which 2,545,734,565 shares were directly held by Water Lily (an indirect wholly-owned subsidiary of Tencent Holdings), and 36,666,667 shares were directly held by Tencent Mobility Limited (a wholly-owned subsidiary of Tencent Holdings Limited).

5. Certain figures included in the table above have been rounded to the nearest integer or two decimal places. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

## SUPPLEMENTAL INFORMATION

The Company would like to provide the Shareholders with the following additional information about the Subscription and the Placing:

### The Placing Agreement

The Company wishes to clarify that the Placing Agent was engaged primarily to facilitate the settlement and dematerialization of the Subscription Shares under the Subscription Agreement, which was a request of the Subscriber.

### Information about the Designated Person

Infini Global Master Fund, the Designated Person for the 1st Tranche Subscription, is a discretionary fund whose investment decisions are made by the Subscriber (i.e. Infini Capital Management Limited) subject to certain requirements. Under the terms of the Subscription Agreement, the Subscriber is, subject to satisfaction or waiver of the conditions precedents set out in the Subscription Agreement, contractually obligated to subscribe, or procure that fund(s) which is managed by it, to subscribe the 2nd Tranche Subscription Shares and the 3rd Tranche Subscription Shares.

### Use of Proceeds

The Company would like to provide a breakdown of the allocation of net proceeds from the Subscription of approximately HK$3,895 million as follows:

| **Proposed use of proceeds** | **Allocated amount of net proceeds** *approximate HK$ million* | **Expected timeline for fully utilising the proceeds** |
|---|---|---|
| **Growth and expansion of the business of the Group**[*Note 1*] | 779 | |
| (i) Purchase of upstream literary works and script copyright | 194.75 | By 31 December 2027 |
| (ii) Collaborative investments with screenwriter and director | 194.75 | By 31 December 2027 |
| (iii) Film and television production or related investment | 389.50 | By 31 December 2027 |
| **Strategic investments and acquisitions to expand the Group's business**[*Note 2*] | 2,337 | |
| (i) Investment and acquisitions involving targets in the gaming industry | 1,168.50 | By 31 December 2027 |
| (ii) Investment and acquisitions involving targets in the film industry | 1,168.50 | By 31 December 2027 |
| **General working capital purposes (mainly including payment of advertising and promotion costs, staff costs, technical and development services fee, and rental costs)** | 779 | By 31 December 2027 |
| **Total** | 3,895 | |

*Notes:*

(1) The Company conducted share subscriptions and a placing, and issued convertible bonds in 2025. The net proceeds from the above equity fund raising activities amount to approximately HK$5,824 million. As at the date of this announcement, the Company has certain unutilised proceeds in the amount of approximately HK$4,250 million, of which (i) approximately HK$4,089 million was proposed to be used for the growth and expansion of the business of the Group, including but not limited to content production, purchase of drama script and copyright, purchase of copyright of films and TV programs, and for others (such as development of online game business); and (ii) approximately HK$162 million was proposed to be used for general working capital purpose. All unutilised proceeds are expected to be fully utilised in accordance with their original intended purposes by 31 December 2027.

The proposed use of the Subscription proceeds differs from the unutilised proceeds as follows:

(a) Purchase of upstream literary works and script copyright: 5% of the net proceeds from the Subscription are intended to be used for purchase of upstream literary works and script copyright, which refers to securing copyrights to original novels and literary content at an earlier stage of development. This initiative aims to strengthen the Company's content pipeline by collaborating with talented authors and scriptwriters to customized stories that are more suitable for film and television adaptation. In contrast, the previous allocation for "purchase of drama script and copyright" refers to the purchase of completed scripts that are already developed and ready for production, and the "purchase of copyright of films and TV programs" refers to the purchase of fully produced and released content for distribution on the Company's pumpkin films online streaming platform.

(b) Collaborative investments with screenwriter and director: 5% of the net proceeds from the Subscription are intended to be used for strategic collaboration with creative talent, such as screenwriters and directors. This involves entering into of equity partnerships or long-term agreements to secure ongoing cooperation with top-tier industry professionals, thereby enhancing the Company's creative capabilities and project pipeline.

(c) Film and television production or related investment: 10% of the net proceeds from the Subscription are intended to be used for film and television production or related investment, which overlaps with the previous allocation for "content production". This is primarily due to the high production costs of film and television projects in Mainland China. The additional funding will help ensure the Company can continue to produce high-quality content at scale.

(2) As at the date of this announcement, the Company has not identified or determined any specific investment or acquisition targets. The Company will continue to evaluate potential opportunities in the gaming and film sectors in line with its strategic development plans. Once a specific target is identified and a definitive agreement is entered into, the Company will comply with all applicable requirements under the Listing Rules as and when appropriate.

**Use of Cash and Cash Equivalents**

The Company has cash and cash equivalents of RMB3,500 million as at 31 December 2024, which are expected to be used primarily for its core businesses as follows:

(i) for the development and production of films and television content by 31 December 2027: As a leading domestic film and television production company, the Company has been fully committed to developing its content production business, focusing on high-quality content investment and purchase of copyright, and continuously strengthening its capabilities in content development and production. Currently, dozens of film and television projects are in the stages of development, production or distribution;

(ii) for the expansion of its online streaming business by 31 December 2027: Pumpkin Films will continue to expand its content procurement scope, with a focus on increasing coverage of first-class domestic and foreign films. The Company plans to purchase the copyrights to all domestic films with box office revenue exceeding RMB20 million and enhance the cooperation with six top Hollywood film companies and other worldwide excellent IP holders. In parallel, Pumpkin Films is upgrading its consumer-facing technical services, aiming to transition into a comprehensive AI-powered film assistant platform. By leveraging open-source inference models and proprietary AI models tailored for film content, the Company will conduct private training based on users' viewing behavior. This will enable more accurate content recommendations tailored to individual users and household members. Additionally, the Company will intensify its marketing efforts to further enhance Pumpkin Films' brand influence and expand its user base; and

(iii) for the investment in games business by 31 December 2027: Historically, the Company's investment in the games business segment has focused on strategic layout, including the purchase of high-quality assets, licensing partnerships with leading global IP holders (such as Electronic Arts and Ubisoft Entertainment), and the establishment of core R&D teams. Building on this foundation, the Company is now expanding its efforts to enhance R&D infrastructure (e.g., scaling up development teams) and strengthen global user operations (e.g., building international publishing channels). These initiatives are a natural extension of the Company's established IP partnerships, aiming to deepen user engagement and build a closed-loop IP ecosystem that spans "IP Licensing — Product Development — Ecosystem Expansion".

**Reasons for and Benefits of the Subscription**

The Company believes that the Subscription is beneficial for the following reasons: (i) capital-intensive nature and long development cycles of core business: the Company's core business, including film production, game development and online streaming require substantial capital investment and involve long development timelines. Individual projects often demand investments of several hundred million dollars and may span multiple years. Additional funding will enable the Company to accelerate the development of high-quality content and invest across the value chain, thereby strengthening its competitive position; and (ii) favourable market conditions and strategic investment flexibility: with the Hong Kong capital markets currently experiencing positive momentum, the Company seeks to raise additional funds on favourable conditions. This financial flexibility will allow the Company to pursue strategic investments and acquisitions in a timely manner, particularly in the event of industry merger and consolidation, and enhance its market share across key business segments.

The proposed use of proceeds from the Subscription is distinct from the existing unutilised proceeds. Specifically, 60% of the Subscription proceeds will be allocated to strategic investments and acquisitions, with a primary focus on opportunities in the gaming and film industries. In recent years, China's cultural and entertainment industries have witnessed the emergence of several high-performing titles, reflecting strong market potential and audience demand. At the same time, national policies continue to support the development of cultural industries, including film and gaming, as part of broader efforts to stimulate domestic consumption and foster cultural confidence. Despite macroeconomic headwinds and a relatively subdued domestic environment, the film and gaming sectors remain resilient and increasingly differentiated. High-quality content and IP-driven projects continue to attract capital and generate outsized returns. The Company believes that strategic investments and acquisitions in these sectors will be critical to its long-term growth and competitiveness. The proceeds raised from the Subscription are intended to serve as a dedicated capital reserve to capture time-sensitive investment and acquisition opportunities in the film and gaming industries. These opportunities often require swift execution, and securing funding under favourable market conditions will enable the Company to position itself for the next two years of strategic development.

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

Hong Kong, 18 August 2025

*As at the date of this announcement, the Executive Directors of the Company are Mr. Ke Liming and Mr. Zhang Qiang; the Non-Executive Director of the Company is Mr. Yang Ming; and the Independent Non-Executive Directors of the Company are Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin.*