

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 appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

*This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Placing Shares mentioned in this announcement have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”).*

The Placing Shares may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.



Ruicheng (China) Media Group Limited

瑞誠(中國)傳媒集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1640)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



路華證券有限公司

ROOFER SECURITIES LIMITED

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 24 May 2024 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to issue, and the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for a maximum of 80,000,000 Placing Shares at the Placing Price of HK\$0.50 per Placing Share.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the date of the Completion (other than the issue of the Placing Shares), the 80,000,000 Placing Shares represent 20.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.50 per Placing Share represents:

- (a) a discount of approximately 13.79% to the closing price of HK\$0.58 per Share as quoted on the Stock Exchange on 24 May 2024, being the date of the Placing Agreement; and
- (b) a discount of approximately 19.35% to the average closing price of HK\$0.62 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

Assuming all the Placing Shares are fully placed and subject to the Completion, it is expected that the maximum gross proceeds and net proceeds (after deducting placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$40,000,000.00 and HK\$39,400,000.00 respectively. On such basis, the net issue price will be HK\$0.4925 per Placing Share.

No Shareholders' approval is required for the Placing and the allotment and issue of the Placing Shares by the Company as the Placing Shares will be issued and allotted pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 6 June 2023, under which the Directors may allot and issue up to 80,000,000 Shares (representing 20.00% of the issued share capital of the Company as at the date of the passing of the resolution at the AGM).

The Placing are conditional upon, *inter alia*, the Listing Committee granting the listing of, and permission to deal in the Placing Shares.

As completion of the Placing is subject to the satisfaction of a number of conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board announces that on 24 May 2024 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to issue, and the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for a maximum of 80,000,000 Placing Shares at the Placing Price of HK\$0.50 per Placing Share.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are set out below:

Date

24 May 2024 (after trading hours of the Stock Exchange)

Parties to the Placing Agreement

Company: The Company
The Placing Agent: Roofer Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons.

Placees

Pursuant to the terms of the Placing Agreement, the Placing Agent has conditionally agreed to place, on a best effort basis, the Placing Shares to not fewer than six Placees who will be institutional, professional and/or private investors at the Placing Price. Each of the Placees and their respective ultimate beneficial owner(s) shall be Independent Third Parties, and that each of the Placees is not acting in concert (as defined under the Takeovers Code) with the Company and/or any of their respective connected person(s) in relation to the control of the Company.

It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after the Completion.

Number of Placing Shares

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the date of the Completion (other than the issue of the Placing Shares), the 80,000,000 Placing Shares represent 20.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the number of Placing Shares to be allotted and issued will be HK\$800,000.00.

Placing Price

The Placing Price of HK\$0.50 per Placing Share represents:

- (a) a discount of approximately 13.79% to the closing price of HK\$0.58 per Share as quoted on the Stock Exchange on 24 May 2024, being the date of the Placing Agreement; and
- (b) a discount of approximately 19.35% to the average closing price of HK\$0.62 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent and with reference to the market conditions and the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable and the Placing is in the interest of the Company and the Shareholders as a whole.

Placing Commission

The Placing Agent will receive a placing commission of 1.5% of the aggregate Placing Price of the Placing Shares actually placed by the Placing Agent. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the placing commission in respect of the Placing is fair and reasonable with reference to the prevailing market conditions.

Conditions of the Placing

The Placing is conditional upon the following conditions being fulfilled:

- (a) the granting by the Listing Committee of listing of, and permission to deal in, all of the Placing Shares being obtained and not being subsequently revoked prior to the later of (i) the Completion; and (ii) the delivery of the Placing Shares (whichever is later);
- (b) the passing by the Board of resolutions to approve the Placing, the Placing Agreement and the transactions contemplated thereunder; and
- (c) all necessary authorisations, consent and approvals as may be obtained by the Company and the Placing Agent having been obtained in respect of the Placing Agreement from relevant authorities (including but not limited to the Stock Exchange).

As at the date of this announcement, application has been made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Placing Shares.

As at the date of this announcement, the Directors have not been aware of any authorisations, consent or approvals as may be obtained pursuant to the condition (c) above, and the condition (b) above has been fulfilled.

None of the above conditions can be waived. If any of the conditions is not fulfilled on or before 7 June 2024 (i.e. the long stop date contemplated under the Placing Agreement for the fulfillment of the above conditions for the Placing), or such other date as the parties of the Placing Agreement may agree in writing, the Placing Agreement shall be terminated, all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine and that they shall both be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against one another for costs, damages, compensation or otherwise arising under the Placing Agreement, save and except for any antecedent breaches of the Placing Agreement.

Completion

The Completion shall take place on a date falling within three Business Days after the fulfillment of the conditions set out above (or such later date as may be agreed between the parties to the Placing Agreement in writing).

Termination of the Placing Agreement

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 8:00 a.m. on the date of the Completion upon the occurrence of the following events:

- (i) any introduction of new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group in material respects; or
- (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing in material respects; or

- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (iv) any material breach of any of the Company's representations and warranties contemplated under the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of the Completion which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement in material respects; or
- (v) any material adverse change in the assets, businesses or in the financial position or prospects of the Group as a whole, and which in the Placing Agent's reasonable opinion would make it inappropriate or inadvisable to proceed with the Placing.

Upon the termination of the Placing Agreement as a result of the aforementioned termination events, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

As completion of the Placing is subject to the satisfaction of a number of conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

RANKING OF THE PLACING SHARES

The Placing Shares will rank, upon allotment and issue, *pari passu* in all respects with each other, among themselves and with the other Shares in issue on the date of allotment and issue of the Placing Shares.

GENERAL MANDATE TO ALLOT AND ISSUE OF THE PLACING SHARES

No Shareholders' approval is required for the Placing and the allotment and issue of the Placing Shares by the Company as the Placing Shares will be issued and allotted pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 6 June 2023, under which the Directors may allot and issue up to 80,000,000 Shares (representing 20.00% of the issued share capital of the Company as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately prior to the entering into of the Placing Agreement, the General Mandate has not been utilised.

APPLICATION FOR LISTING OF THE PLACING SHARES

Application has been made by the Company to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the Placing Shares.

The Placing are conditional upon, *inter alia*, the Listing Committee granting the listing of, and permission to deal in, the Placing Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of advertising services in the PRC.

Assuming all the Placing Shares are fully placed and subject to the Completion, it is expected that the maximum gross proceeds and net proceeds (after deducting placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$40,000,000.00 and HK\$39,400,000.00 respectively. On such basis, the net issue price will be HK\$0.4925 per Placing Share.

With respect to the net proceeds from the Placing, (i) approximately HK\$23.60 million of the net proceeds from the Placing are intended to be applied for the repayment of bank borrowings; and (ii) the remaining balance of such net proceeds is intended to be utilised towards general working capital of the Group, including staff cost, rental expenses and other office overhead of the Group.

The Board of Directors (including the independent non-executive Directors) is of the view that the Placing will strengthen the financial position of the Group by reducing the amount in bank borrowings and its corresponding finance costs, and in turn, lowering the gearing ratio of the Group. Moreover, it is also of the view that the Placing can provide a higher liquidity and operational flexibility to the Group by increasing its working capital through the Placing without (i) increasing the interest burden on the Group; and (ii) affecting the financial position and the liquidity risk of the Group by means of equity fundraising. Last but not least, the Placing also represents good opportunities to broaden the Shareholders' base.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the Placing commission payable to the Placing Agent) are fair and reasonable and with reference to the prevailing market conditions. The Placing and the entry into the Placing Agreement are in the interest of the Company and the Shareholders as a whole.

EFFECTS OF PLACING ON SHAREHOLDINGS STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the date of the Completion other than the issue of the Placing Shares) are set out as follows:

Shareholders	Immediately before the Completion		Immediately upon the Completion	
	No. of Shares	Approximate%	No. of Shares	Approximate%
Yingheng Co. Ltd. (Note 1)	161,704,734	40.43	161,704,734	33.69
Jujia Co. Ltd. (Note 2)	36,761,102	9.19	36,761,102	7.66
Youyi Co. Ltd. (Note 3)	26,284,188	6.57	26,284,188	5.48
Ruichengtianhe Co. Ltd.	25,246,606	6.31	25,246,606	5.26
Jing Gen Holdings Limited (Note 4)	14,781,639	3.70	14,781,639	3.08
Public Shareholders (other than the Placees)	135,221,731	33.81	135,221,731	28.17
Placees	0	0	80,000,000	16.67
Total:	400,000,000	100.00	480,000,000	100.00

Notes:

- (i) The Company is held directly by Yingheng Co. Ltd. as to approximately 40.43% of the total issued share capital. Yingheng Co. Ltd. is wholly-owned by Ms. Wang Lei. Ms. Wang Lei is deemed, or taken to be interested, in all the Shares held by Yingheng Co. Ltd. for the purpose of the SFO;
- (ii) The Company is held directly by Jujia Co. Ltd. as to approximately 9.19% of the total issued share capital. Jujia Co. Ltd. is wholly-owned by Ms. Li Na, an executive Director. Ms. Li Na and her spouse, Mr. Shi Rui are deemed, or taken to be interested, in all the Shares held by Jujia Co. Ltd. for the purpose of the SFO;
- (iii) The Company is held directly by Youyi Co. Ltd. as to approximately 6.31% of the total issued share capital. Youyi Co. Ltd. is owned as to approximately 53.38% by Ms. Wang Xin, an executive Director. Ms. Wang Xin and her spouse, Mr. Wei Chunlei are deemed, or taken to be interested, in all the Shares held by Youyi Co. Ltd. for the purpose of the SFO; furthermore, Youyi Co. Ltd. is owned as to approximately 46.62% by Mr. Wang Pingpin. Mr. Wang Pingpin and his spouse, Ms. Zhang Miao are deemed, or taken to be interested, in all the Shares held by Youyi Co. Ltd. for the purpose of the SFO; and

- (iv) Mr. Leng Xuejun, an executive Director, is interested in 52.43% of Jing Gen Holdings Limited which holds 3.70% of the shareholding in the Company. Mr. Leng Xuejun is therefore deemed to be interested in the Shares held by Jing Gen Holdings Limited by virtue of the SFO.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately prior to the date of this announcement.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held and convened on 6 June 2023
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	means a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Company”	Ruicheng (China) Media Group 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: 1640)
“Completion”	the completion of the Placing in accordance with the terms and condition set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 20.00% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Last Trading Day”	23 May 2024, being the last full trading day for the Shares prior to the date of this announcement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	7 June 2024, or such other date as may be agreed by the Company and the Placing Agent
“Placees”	any professional, institutional and/or private investors who are Independent Third Parties, with whom the Placing Agent or its sub-agent(s) procure(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares (i.e. a maximum of 80,000,000 new Shares), on a best effort basis, procured by the Placing Agent to the Placees on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Roofer Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 24 May 2024 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.50 per Placing Share
“Placing Share(s)”	a maximum of 80,000,000 new Shares to be placed under the Placing Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“SFO”	Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares in the issued share capital of the Company, in the par value of HK\$0.01
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“trading day”	means a day on which the Stock Exchange is open for the trading of securities
“%”	per cent

By order of the Board
Ruicheng (China) Media Group Limited
WANG Xin
Chairlady and Executive Director

Hong Kong, 24 May 2024

As at the date of this announcement, the executive Directors are Ms. Wang Xin, Ms. Li Na and Mr. Leng Xuejun, and the independent non-executive Directors are Mr. Li Xue, Mr. Wu Ke and Mr. How Sze Ming.