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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 your stockbroker, licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Ruicheng (China) Media Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**(1) PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;
(2) PROPOSED CHANGE OF COMPANY NAME;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Placing Agent



**路華證券有限公司
ROOFER SECURITIES LIMITED**

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A notice convening the EGM to be held at Suite 1201, 12/F, 1111 King's Road, Taikoo Shing, Hong Kong on Monday, 27 January 2025, at 11:30 a.m. is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular for despatch to the Shareholders. Whether or not you intend to attend and/or vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as practicable but in any event not later than 48 hours before the time specified for holding the EGM 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 EGM or any adjournment thereof should you so wish.

10 January 2025

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DEFINITIONS

In this circular, unless otherwise defined, the following expressions have the following meanings:

“Advertising Business”	the provision of advertising services in the PRC, being one of the business segments of the Group
“Board”	the board of Directors
“Bond Instrument”	the instrument to be executed by the Company constituting the Convertible Bonds
“Bondholder(s)”	holder(s) of the Convertible Bond(s) from time to time
“Business Day”	means a day (other than Saturday, Sunday, public holiday and any day on which “extreme conditions” is announced by the Government of Hong Kong or 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 licensed banks are open in Hong Kong for general banking business
“Company”	Ruicheng (China) Media Group Limited (stock code: 1640), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Conversion Period”	any time from the date falling 300 days from the Issue Date and ending on the Maturity Date (both days inclusive), during which the Bondholders may exercise the Conversion Rights
“Conversion Price”	the initial conversion price of HK\$2.60 per Conversion Share (subject to adjustment)
“Conversion Rights”	the rights pursuant to the terms and conditions of the Bond Instruments attached to the Convertible Bonds, to convert the principal amount or a part thereof into Shares
“Conversion Share(s)”	the Share(s) to be allotted and issued by the Company upon the exercise of the Conversion Rights

DEFINITIONS

“Convertible Bonds”	the 5% per annum coupon interest rate convertible bonds in the aggregate principal amount of up to HK\$300,001,000 proposed to be issued by the Company and to be placed by the Placing Agent pursuant to the terms and conditions of the Placing Agreement
“Current Market Price”	in respect of a Share at a particular date, the average of the price published in the Stock Exchange’s daily quotation sheets for one Share for the five consecutive dealing days ending on the dealing day immediately preceding such date
“Director(s)”	the director(s) of the Company, from time to time
“EGM”	the extraordinary general meeting of the Company to be held at Suite 1201, 12/F, 1111 King’s Road, Taikoo Shing, Hong Kong on Monday, 27 January 2025, at 11:30 a.m. for the Shareholders to consider and, if thought fit, approve, among other things, (i) the Placing Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate; and (ii) the Proposed Change of Company Name
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	10 January 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information included in this circular
“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 Takeovers Codes) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Issue Date”	date of issue for the Convertible Bonds on the date of Completion

DEFINITIONS

“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”	28 February 2025 as varied in the Supplemental Announcement (or such later date as may be agreed between the Company and the Placing Agent in writing)
“Placee(s)”	any professional, institutional and/or other private investor(s) to whom the Placing Agent or its agents shall procure or, as the case may be, shall have procured to subscribe for the Convertible Bonds pursuant to the Placing Agreement
“Placing”	the placing of the Convertible Bonds in the aggregate principal amount of up to HK\$300,001,000 to the Placees, on a best effort basis, procured by the Placing Agent on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Roofer Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 4 November 2024 in relation to the Placing
“PRC”	the People’s Republic of China, excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Change of Company Name”	the proposed change of the English name of the Company from “Ruicheng (China) Media Group Limited” to “Qian Xun Technology Limited” and the dual foreign name in Chinese of the Company from “瑞誠(中國)傳媒集團有限公司” to “千循科技有限公司”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)

DEFINITIONS

“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM for the granting to the Board to allot, issue and deal with the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Announcement”	the announcement of the Company dated 19 December 2024 regarding the extension of long stop date from 31 December 2024 to 28 February 2025 (or such later date as may be agreed between the Company and the Placing Agent in writing)
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“trading day”	a day on which the Stock Exchange is open for the trading of securities
“%”	per cent.

* *For identification purpose only. The English names are only translations of the official Chinese names. In case of inconsistency, the Chinese names prevail.*

LETTER FROM THE BOARD



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)

Executive Directors:

Wang Xin (*Chairlady*)

Leng Xuejun (*Vice Chairman*)

Sun Changpeng

Independent non-executive Directors:

Lam Hoi Yan Karen

Wong Sincere

Niu Zhongjie

Registered office:

190 Elgin Avenue

George Town

Grand Cayman

KY1-9008

Cayman Islands

*Principal place of business
in Hong Kong:*

Flat 2917, 29/F

1 Hung To Road

Kwun Tong

Hong Kong

10 January 2025

To the Shareholders

Dear Sir or Madam,

**(1) PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;
(2) PROPOSED CHANGE OF COMPANY NAME;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

References are made to the announcement of the Company dated 4 November 2024 and the Supplemental Announcement, in relation to, amongst other things, the placing of the Convertible Bonds under the Specific Mandate and the Proposed Change of Company Name.

The purpose of this circular is to provide you with further information relating to (i) the Convertible Bonds, the Placing Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate); (ii) the Proposed Change of Company Name; and (iii) the notice of the EGM.

LETTER FROM THE BOARD

1. PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 4 November 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company proposed to offer for subscription, and the Placing Agent agreed to procure subscriptions for the Convertible Bonds on a best effort basis on the terms and subject to the conditions set out in the Placing Agreement. The Placing Agent shall procure not less than six (6) Placees to subscribe for the Convertible Bonds in the aggregate principal amount of up to HK\$300,001,000.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are set out as follows:

Date: 4 November 2024 (after trading hours)

Issuer: The Company

Placing Agent: Roofer Securities Limited

The Placing Agent is a company incorporated in Hong Kong with limited liability and it is a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Subject matter

Pursuant to the terms and conditions of the Placing Agreement, the Placing Agent has conditionally agreed to procure no less than six (6) Placees to subscribe for the Convertible Bonds in the aggregate principal amount of up to HK\$300,001,000 at the initial Conversion Price of HK\$2.60 (subject to adjustment) on a best-effort basis.

Placees

Pursuant to the Placing Agreement, the Placing Agent shall ensure that each of the Placees and/ or their respective ultimate beneficial owner(s) shall be Independent Third Parties, and not parties acting in concert with any other Placee(s) and/or Shareholders to the effect that any Placing to such Placee(s) shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Codes. Furthermore, it is expected that, and the Placing Agent shall as well ensure that, none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) upon the full conversion of the Convertible Bonds.

As advised by the Placing Agent, they will solicit the Placees by sending out invitation to offer to its existing client base. As at the Latest Practicable Date, the Placing Agent has identified three (3) potential Placees.

LETTER FROM THE BOARD

The Placing Agent and the Company shall ensure that none of the Placees (i) has any relationships with the Company, its connected persons (including Mr. Sang Kangqiao (“**Mr. Sang Kangqiao**”) who was interested in 25% of the issued Shares as at the Latest Practicable Date) and their respective associates; and (ii) has any relationships with the vendor(s) of Charm Linkage Holdings Limited which the Company acquired in August 2024. As confirmed by the Company, the Placing will not result in a change in control or de facto control of the Company.

Conditions precedent

The Completion is subject to and conditional upon:

- (a) the passing by the Shareholders who are entitled to vote and not required to abstain from voting under the Listing Rules and other applicable regulations of resolutions to approve the Placing Agreement and the transactions contemplated thereunder, including the issue of the Convertible Bonds and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares at the EGM by way of poll;
- (b) the Listing Committee having granted approval for the listing of, and permission to deal in, the Conversion Shares allotted and issued with respect to the exercise of the Conversion Rights on the Stock Exchange and the approval not having been subsequently revoked or cancelled;
- (c) all necessary consents and approvals having been obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder;
- (d) the Company’s representations, warranties and undertakings made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the date of Completion; and
- (e) there has been no material adverse change has taken place regarding the conditions of the Group (financials or others), which is material with respect to the Placing, on or prior to the Completion.

Other than condition precedent (d) above that can be waived by the Placing Agent, all other conditions precedent above cannot be waived. As of the Latest Practicable Date, the Placing Agent has no intention to waive the condition precedent (d). The parties to the Placing Agreement shall use their best endeavours to procure the fulfillment of the abovementioned conditions precedent (except such condition(s) precedent having been waived, as the case may be).

As at the Latest Practicable Date, (i) on condition (c) above, the Directors have not been aware of any necessary consents and approvals being required (other than those set out as conditions (a) and (b) above); (ii) the Directors have not been aware of any indication of material adverse change has taken place regarding the conditions of the Group (financials or others), which is material with respect to the Placing; and (iii)

LETTER FROM THE BOARD

the respective representations, warranties and undertakings made by the Company are true, accurate and not misleading with respect to the Placing Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, none of the above conditions precedent has been fulfilled.

If any of the conditions is not fulfilled (or waived, as the case may be) on or before 28 February 2025 (i.e. the Long Stop Date), 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.

Placing period

The placing period for the Placing shall commence on the date of the Placing Agreement and expire at 5:00 p.m. on 27 February 2025.

Completion

The Completion shall take place on a date falling on the third Business Day after the fulfillment (or as the case may be, waiver) of the conditions precedent set out above. Given the Long Stop Date is 28 February 2025, the expected date of Completion should be on or before 5 March 2025.

In the event that the completion of the Placing does not take place on or before 5 March 2025, the Company will re-comply with the applicable Listing Rules requirements.

Placing commission

Provided that the Completion occurs in accordance with the terms and conditions of the Placing Agreement, a commission, in Hong Kong dollars, of 1% of the amount equal to the principal amount of the Convertible Bonds for which the Placing Agent has successfully procured subscribers for the Convertible Bonds.

Specific Mandate

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Shareholders at the EGM, therefore the Placing Agreement and the transactions contemplated thereunder will be subject to the Shareholders' approval at the EGM.

LETTER FROM THE BOARD

Termination

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company given at any time up to 8:00 a.m. on the date of the Completion if:

- (a) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing;
- (b) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing;
- (c) 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;
- (d) there is any suspension of dealings in the Shares on the Stock Exchange for more than five (5) consecutive Business Days (other than as a result of or in connection with the Placing); or
- (e) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the Latest Practicable Date.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Set out below are the principal terms of the Convertible Bonds:

Issuer:	The Company
Principal amount:	Up to HK\$300,001,000
Maturity Date:	the date falling 364 days from the Issue Date
Interest:	The Convertible Bonds will bear interest at a rate of 5% per annum, payable in arrears on the Maturity Date.

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Status: The Convertible Bonds constitute general, unsecured and unsubordinated obligations of the Company and shall rank *pari passu* among themselves.

Upon the exercise of the Conversion Rights pursuant to the terms and conditions of the Convertible Bonds, the Conversion Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the Conversion Shares.

Conversion Price: The initial Conversion Price shall be HK\$2.60 per Conversion Share, subject to adjustment(s) upon occurrence of certain events as summarised in the paragraph headed “Adjustments of Conversion Price” below. The initial Conversion Price of HK\$2.60 per Conversion Share represents:

- (a) a discount of approximately 35.96% to the closing price of HK\$4.06 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 1.56% over the closing price of HK\$2.56 per Share as quoted on the Stock Exchange on 4 November 2024, being the date of the Placing Agreement;
- (c) a premium of approximately 0.70% over the average closing price of HK\$2.582 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement;
- (d) a premium of approximately 1.68% over the average closing price of HK\$2.557 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Placing Agreement;
- (e) a premium of approximately 12.05% over the average closing price of HK\$2.3203 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to the date of the Placing Agreement;

LETTER FROM THE BOARD

- (f) a premium of approximately 6.05 times over the unaudited consolidated net asset value of approximately HK\$0.43 per Share (equivalent to RMB0.4 per Share) as at 30 June 2024, calculated based on the unaudited consolidated net asset value of RMB224,088,000 as at 30 June 2024 divided by the total number of 560,000,000 Shares in issue as at the Latest Practicable Date; and
- (g) there is no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), represented by the theoretical diluted price of approximately HK\$2.585 per Share to the benchmarked price of approximately HK\$2.582 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the date of Placing Agreement; and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Placing Agreement).

The aggregate nominal value of the number of Conversion Shares to be allotted and issued will be HK\$3,000,010.00.

The Conversion Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent and with reference to the recent trading performance of the Company, the Group's existing financial position and business development and future prospect of the Group after fully utilising the net of proceeds arising from the Placing.

LETTER FROM THE BOARD

Given (i) the daily closing price has been traded above HK\$2.28 per Share since 3 October 2024 and there is a uptrend with volatility of the Share price movement until the Latest Practicable Date; (ii) if such Conversion Rights were exercised, the Group is able to generate more cash inflow with a slightly higher Conversion Price to raise its cash position; and (iii) it is expected the New Business (as defined under the section headed “Reasons for and Benefits of the Placing and Use of Proceeds”), with the utilisation of net proceeds, will obtain an expansion to further generate returns to the Company and its Shareholders as a whole, it is reasonable to foresee that the potential Placees are willing to pay a reasonable extent of premium over the Share price as at the date of entering into the Placing. Thus, the Directors (including the independent non-executive Directors) consider that the Conversion Price is fair and reasonable and the Placing is in the interest of the Company and the Shareholders as a whole.

**Adjustments of
Conversion Price:**

The initial Conversion Price shall be adjusted if any of the following events arises:

- (a) If and whenever the Shares shall be consolidated, subdivided or reclassified, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$A / B$$

where:

A is the nominal amount of one Share immediately after such consolidation, sub-division or reclassification; and

B is the nominal amount of one Share immediately before such consolidation, sub-division or reclassification.

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- (b) if the Company issues any Shares credited as fully paid to any Shareholder by way of capitalisation of profits or reserves other than Shares issued in lieu of the whole or a part of a cash dividend or capital distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$A / B$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the Shares issued in such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, the day immediately after such record date.

- (c) In the case of an issue of Shares by way of a scrip dividend where the Current Market Price of such Shares on the date of announcement of the terms of such issue of Shares multiplied by the number of Shares issued exceeds the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$(A + B) / (A + C)$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue;

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B is the aggregate nominal amount of Shares issued by way of such scrip dividend multiplied by a fraction of which: (i) the numerator is the amount of the whole (or the relevant part) of the relevant cash dividend; and (ii) the denominator is the Current Market Price of the Shares issued by way of scrip dividend in respect of each existing Share in lieu of the whole (or the relevant part) of the relevant cash dividend; and

C is the aggregate nominal amount of Shares issued by way of such scrip dividend.

In making any calculation, such adjustments (if any) shall be made as an independent investment bank / auditor may consider fair and appropriate. Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, the day immediately after such record date.

- (d) If and whenever the Issuer shall pay or make any Capital Distribution to Shareholders, the Conversion Price (except where, and to the extent that, the Conversion Price falls to be adjusted under paragraph (b) above) shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$(A - B) / A$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which the capital distribution is publicly announced

B is the fair market value on the date of such announcement of the portion of the capital distribution attributable to one Share.

LETTER FROM THE BOARD

In making any calculation pursuant to this condition, such adjustments (if any) shall be made as an independent investment bank may consider appropriate to reflect: (a) any consolidation or subdivision of the Shares; (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event; (c) the modification of any rights to dividends of Shares; or (d) any change in the financial year of the Company. Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, the day immediately after such record date.

- (e) If and whenever the Issuer shall issue Shares to all or substantially all existing Shareholders as a class by way of rights, or issue or grant to all or substantially all existing Shareholders as a class, by way of rights, options, warrants or other rights to subscribe for or purchase any Shares (the "Options"), at less than 90% of the Current Market Price per Share on the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$(A + B) / (A + C)$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the Options issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and

LETTER FROM THE BOARD

C is the aggregate number of Shares issued or (as the case may be) comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such Options (as the case may be) or, where a record date is fixed therefor, the day immediately after such record date.

- (f) If and whenever the Company shall issue any securities (other than Shares or share options) to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities (other than Shares or share options), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$A - B / A$$

where:

A: is the Current Market Price of one Share on the last Trading Day preceding the date on which the final terms of such issue or grant is publicly announced

B: is the fair market value on the date of such announcement of the portion of the rights attributable to one Share (as assessed by an independent investment bank / auditor).

Such adjustment shall become effective or, where a record date is fixed therefor, the day immediately after such record date.

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- (g) If and whenever the Company shall issue (otherwise than as mentioned in Condition (e) above) wholly for cash any new Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or subscription for, Shares) or the issue or grant (otherwise than as mentioned in Condition (e) above) of options, warrants or other rights to subscribe or purchase Shares, at a price per Share which is less than 90% of the Current Market Price on the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$(A + B) / (A + C)$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and

C is the maximum number of Shares issuable with respect to the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or, where a record date is fixed, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants (as the case may be).

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- (h) the issue wholly for cash by the Company of any securities (other than the Convertible Bond) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares or securities which by their terms might be redesignated as Shares to be issued by the Company upon conversion, exchange, subscription or redesignation at a consideration per Share which is less than 90% of the Current Market Price on the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$(A + B) / (A + C)$$

where:

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Company (if any) for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

LETTER FROM THE BOARD

- (i) If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as mentioned in (h) above so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 90% of the Current Market Price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$(A + B) / (A + C)$$

where:

A is the number of Shares in issue immediately before such issue; and

B is the number of Shares which the aggregate consideration receivable by the Company (if any) for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such designated price per Share; and

C is the maximum number of Shares issuable upon conversion, exchange or subscription following the modification

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

LETTER FROM THE BOARD

Conversion Shares: Assuming (i) the Convertible Bonds are fully placed and subscribed; (ii) all the Conversion Rights are exercised in full at the Conversion Price without adjustment; and (iii) there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds, upon full conversion of the Convertible Bonds, a maximum of 115,385,000 Conversion Shares will be allotted and issued to the Placees, which represents:

- (1) approximately 20.60% of the existing issued share capital of the Company as at the Latest Practicable Date; and
- (2) approximately 17.08% of the Company's issued share capital as enlarged by the allotment and issue of the Conversion Shares.

The allotment and issue of the Conversion Shares are subject to the granting of the Specific Mandate by the Shareholders at the EGM.

Conversion Period: The Conversion Rights may be exercised at any time from the date falling 300 days from the Issue Date and ending on the Maturity Date (both days inclusive).

Conversion Rights & Conversion Restriction: For the avoidance of doubt, subject to the schedule of conversion throughout the Conversion Period contemplated above and the terms and conditions of the Bond Instruments, the Convertible Bonds shall only be converted in full (the "**Full Conversion**") and the Conversion Rights cannot be exercised partially. In the event that the Full Conversion breaches any of the terms and conditions of the Bond Instruments, the Bondholder(s) may convert partially with respect to the outstanding principal amount of the Convertible Bonds (in the amount of HK\$1,000,000 or integral multiples thereof) at any time during the Conversion Period in accordance with the terms and conditions of the Bond Instruments.

LETTER FROM THE BOARD

No Bondholder shall exercise such Conversion Rights with respect to his/her/its Convertible Bonds and the Company shall not issue any Conversion Share in the event that the exercise of such Conversion Rights by the Bondholder will cause: (1) the Bondholder(s) and/or parties acting in concert (as defined in the Takeovers Codes) with it being required to make a mandatory general offer to other Shareholders in accordance with Rule 26 of the Takeovers Codes; and/or (2) the public float of the Company being less than 25% of its issued share capital.

Redemption on maturity:

The Company shall not redeem any Convertible Bonds prior to Maturity Date.

By the Maturity Date, all Convertible Bonds not yet converted shall be redeemed by the Company in full in the sum of (i) 100% of the outstanding principal amount of the Convertible Bonds; (ii) any outstanding interests accrued thereupon; and (iii) any other outstanding amount due and payable under the Convertible Bonds (if any), within thirty (30) Business Days after the Maturity Date.

Redemption on default:

If any of the events of default specified in the Bond Instrument occurs, the Company shall forthwith give notice to the Bondholder and each Bondholder may (without prejudice to any other rights and remedies available to the Bondholder), opt to issue a notice of redemption to the Company in respect of all or part of the principal amount of the Convertible Bonds held by it, whereupon the Convertible Bonds shall immediately become due and payable at a redemption amount equal to the aggregate of 100% of the principal amount of the outstanding Convertible Bonds and such outstanding interests accrued thereupon.

Transferability:

The Convertible Bonds cannot be transferred.

Voting rights:

The Convertible Bonds do not confer its holders with the right to vote at any meetings of the Company.

The interest rate of 5% per annum of the Convertible Bonds was arrived after consideration of (i) the prime lending rate of the banks over the Hong Kong market as at the date of the Placing Agreement of 5.625% per annum; (ii) the expected further interest rate cut in the following 12 months; and (iii) the attached Conversion Rights as an entitlement to mitigate the difference between the prevailing lending rate of 5.625% per annum in the Hong Kong market and the interest rate of 5% of the Convertible

LETTER FROM THE BOARD

Bonds, as the Company is of the view that such rate is attractive for potential placees based on the aforementioned factors, who have the discretion to decide whether to subscribe for the Convertible Bonds or not.

The term of the Convertible Bonds was set as one year, for the purpose of (i) enhancing the potential Placees' confidence on the debt-paying ability of the Company; and (ii) stipulating the scale of the potential shareholding dilution arising from the conversion of the Convertible Bonds within a specific period.

In light of above, the Board is of the view that the interest and the term of the Convertible Bonds are fair and reasonable, which not only enable the Company to meet its capital needs to fulfill the plans under the use of proceeds, but also provides certainty about the possible impact to the Company in the following one year for it to better accommodate the business strategy.

Application for listing of the conversion shares

As at the Latest Practicable Date, the Company did not hold any treasury Shares and does not plan to use treasury Shares to satisfy its obligation upon conversion of any of the Convertible Bonds.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be allotted and issued upon conversion of the Convertible Bonds. No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds	Intended use of net proceeds	Actual use of net proceeds
24 May 2024, 7 June 2024	Placing of new Shares under general mandate	HK\$39,400,000	(1) approximately HK\$23.60 million of the net proceeds from the Placing are intended to be applied for the repayment of bank borrowings; and (2) 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.	Fully utilized in accordance with the intended use

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past 12 months prior to the Latest Practicable Date.

LETTER FROM THE BOARD

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 (i) the provision of advertising services in the PRC; and (ii) trading of second-hand computer, communication and consumer electronic products and gadgets (“**3C Products**”) in the PRC.

In August 2024, the Company completed the acquisition of Charm Linkage Holdings Limited (創領集團有限公司), through its indirectly wholly-owned subsidiary, 深圳市分毫科技有限公司 (Shenzhen Fenhao Technology Company Limited*), which is engaged in the operation of a mobile e-commerce platform for the transactions of 3C Products. The Board confirms that none of the vendor(s) of Charm Linkage Holdings Limited has any relationships with Mr. Sang Kangqiao.

With respect to the business segment of the Advertising Business, according to the published financial statements of the Company, revenue generated from the Advertising Business were approximately RMB378.7 million and approximately RMB67.1 million for the year ended 31 December 2023 and for the six months ended 30 June 2024, respectively. As at 30 June 2024, the unaudited total assets of the Group were approximately RMB601.4 million, which were primarily related to the Advertising Business.

The Company acquired the business in relation to the operation of a mobile e-commerce platform for the transactions of 3C Products (the “**New Business**”) in August 2024 which constituted a discloseable transaction. According to the announcement of the Company dated 24 July 2024 in relation to the acquisition of the New Business, the unaudited revenue of the target group was approximately RMB59.8 million for the six months ended 30 June 2024, which is comparable to the Group’s revenue generated from the Advertising Business of approximately RMB67.1 million for the six months ended 30 June 2024. The New Business recorded loss after tax of approximately RMB3.5 million and approximately RMB0.1 million for the year ended 31 December 2023 and for the six months ended 30 June 2024, respectively. As at 30 June 2024, the unaudited total assets of the New Business amounted to approximately RMB86.1 million. Taking into account the net proceeds from the Placing, assuming there is no change in the unaudited total assets of the New Business, and the total assets of the Group as at 30 June 2024, the ratio of the unaudited total assets of the New Business over the unaudited enlarged total asset of the Group will be approximately 30.0%. From the above elaboration, the Advertising Business and the New Business are of comparable scale in terms of revenue and assets. Moreover, with the New Business in a comparable (and not substantially larger) operation scale as the Advertising Business, the Group intends to continue its operations with respect to the Advertising Business and has no current plan or intention to enter into any form of agreement, arrangement, undertaking and negotiation (whether formal or informal; oral or written; expressed or implied) to dispose or downsize the Advertising Business.

As of the Latest Practicable Date, the Company does not have any plan or intention or entered into any agreement, arrangement, undertaking and negotiation (whether formal or informal; express or implied) to acquire any new businesses.

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Attributable to stimulation of domestic demand through a new round of trade-in policies in the PRC which could help release consumption potential, as well as the green and intelligent trend in the household appliances and digital industries in the PRC, the Group is optimistic of the outlook of this new business segment and is dedicated to its development.

Assuming the Convertible Bonds are fully placed by the Placing Agent, the gross proceeds and the net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) are estimated to be HK\$300,001,000 and approximately HK\$299,661,000, respectively. The net Conversion Price, after deduction of relevant expenses, is approximately HK\$2.597 per Conversion Share.

Assuming there is no change in the unaudited bank balances and cash of the Group and the unaudited total assets of the Group since 30 June 2024, based on (i) the unaudited bank balances and cash of the Group as at 30 June 2024 of approximately RMB37.6 million; (ii) the unaudited total assets of the Group as at 30 June 2024 of approximately RMB601.4 million; and (iii) the net proceeds from the Placing of approximately HK\$299.7 million, the cash-to-total assets ratio of the Company would increase from approximately 6.25% before Placing to approximately 37.4% after Placing.

With respect to the net proceeds from the Placing, (i) approximately HK\$210 million are intended to be applied for the development of the New Business, of which (a) HK\$150 million shall be allocated for overseas expansion; and (b) HK\$60 million shall be allocated for existing operation in the PRC; (ii) approximately HK\$60 million of the net proceeds from the Placing are intended to be applied for the repayment of bank borrowings; and (iii) the remaining balance of such net proceeds of approximately HK\$29.66 million are intended to be utilised towards general working capital of the Group, including staff cost, rental expenses and other office overhead of the Group.

The Company plans to use all the net of proceeds by January 2026 according to the existing schedule.

It is planned that among the HK\$60 million for the purpose of repayment of bank borrowings, (i) HK\$30 million of which will be repaid by April 2025 primarily for bank loan A, B and C, with the respective principal amount of HK\$10 million which will be due by end of April 2025; and (ii) HK\$30 million of which will be repaid by June 2025 mainly for bank loan D and E with principal amount of HK\$10 million and HK\$20 million, respectively which will be due by end of June 2025;

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During the year 2025, the Group plans to deploy a total of HK\$210 million for the expansion of the PRC operation and overseas expansion of the New Business, (i) approximately HK\$60.0 million is expected to be applied for the expansion of the PRC operation by recruiting 100 employees and lease the office premise and warehouse to maintain the operation and explore business opportunities; (ii) approximately HK\$76.6 million is expected to be applied for the proposed new e-commerce operation in Asia-Pacific (excluding PRC) by recruiting 15 employees and lease the office premise and warehouse; (iii) approximately HK\$65.4 million is expected to be applied for the proposed new e-commerce operation in Northern America by recruiting 8 employees and lease the office premise and warehouse; and (iv) approximately HK\$8.0 million is expected to be applied for the research, development and regular maintenance of the e-commerce platform for 3C Products for the overseas regions. The usage of net proceeds in each regional operation includes working capital for procurement of 3C Products, rental expenses, salaries, capital expenditure and other operating expenses.

The Board has considered other fund-raising alternatives before resolving to the placing of convertible bonds, including but not limited to debt financing, placing of new Shares, rights issue and open offer. The Company has approached approximately three financial institutions and seek for the relevant terms and expected amounts of costs of each these alternatives, the feedback from such financial institutions were set out as below. After assessing the proposed terms and corresponding costs to be expected to incur, the Board decided to adopt the placing of convertible bonds for such fund raising.

In respect of debt financing, the sum of the current lending interest rate of 5.25% per annum and the additional interest burden which is expected to arise from a third party who will charge the Company additional fees by providing personal guarantee over the potential bank loans for the Company, was still on a high level position as compared to 5% of the Convertible Bonds since the interest rate cut progress slowed down. Further, most financial institutions may require lengthy due diligence process taking approximately 3-4 months and heavy guarantee or legal charges for such loan borrowings. As disclosed in the annual report of the Company for the year ended 31 December 2023, 97% of its bank and other borrowings of the Company were guaranteed by four independent third party guarantors, who charged the Group an upfront guarantee fees range from 1.8% to 2.5% of the corresponding loan principal amounts, which amounted to further interest burden to the Company. The Company need to pursue more guarantors who are willing to provide guarantee for the new proposed bank borrowings and incurred more costs from the guarantee fees. Therefore, the Directors are of the view that the debt financing from financial institutions are of limited accessibility and undesirable effects, which is not a favourable mean for fund raising and is not in the interests of the Company and the Shareholders as a whole.

If consider to adopt the rights issue and open offer, which usually require a relatively longer period of 10 weeks more and involve more stringent documentary requirements, including but not limited to negotiation with the underwriter on the terms and conditions of the underwriting agreement and preparation of listing document and application forms and registration for listing document. Unless the Shareholders have sufficient funding and are willing to participate in the fund-raising, Shareholders' proportionate shareholdings in the Company would be diluted.

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In light of the assessment aforementioned, and given that (i) Placing placed a lower interest burden to the Company than the debt financing; and (ii) the Placing enables more potential investors to participate in the Company, the Board is of the view that the Placing is an appropriate method for the Company to attract fund raising.

As at the Latest Practicable Date, the Company is of the view that the net proceeds from the Placing can satisfy the Company's expected funding needs for the next 12 months.

The Board (including the independent non-executive Directors) is of the view that the Placing provides the Group with higher liquidity such that it may strengthen its financial position by reducing the amount in bank borrowings and its corresponding finance costs, and in turn, lowering the gearing ratio of the Group, and moreover, the increase availability of funds permits the Group to expand and develop the New Business, which, as the Group's businesses become diversified, will become one of the Group's focus in development. The Board is also of the view that the Placing offers flexibility to the Group's in its capital management, as the issue of the Convertible Bonds will not have an immediate dilution effect on the shareholding of the existing Shareholders, and, if the Conversion Rights are exercised, the Shareholders base will be broaden, which will demonstrate such new investors' strong faith in the Company's prospects.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the terms and conditions of the Convertible Bonds and the Conversion Price) are on normal commercial terms and the Placing and the proposed issue of the Convertible Bonds are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECTS OF COMPLETION ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 560,000,000 Shares in issue.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Conversion Shares upon the exercise of the Conversion Rights in full (assuming that (a) the Convertible Bonds are fully placed and subscribed; and (b) there is no further issue or repurchase of Shares, or otherwise any other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds):

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Shareholders	As at the Latest Practicable Date		Immediately after full conversion of the Convertible Bonds	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Mr. Sang Kangqiao	140,000,000	25.00	140,000,000	20.73
Ms. Li Ye	64,000,000	11.43	64,000,000	9.48
Public Shareholders	356,000,000	63.57	356,000,000	52.71
Placees	—	—	115,385,000	17.08
Total (<i>Note 1</i>)	<u>560,000,000</u>	<u>100.00</u>	<u>675,385,000</u>	<u>100.00</u>

Note:

- (1) The percentages are subject to rounding difference, if any. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

2. PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “Ruicheng (China) Media Group Limited” to “Qian Xun Technology Limited” and the dual foreign name in Chinese of the Company from “瑞誠(中國)傳媒集團有限公司” to “千循科技有限公司”.

Conditions for the Proposed Change of Company Name

The Proposed Change of Company Name is subject to the following conditions:

- (a) the passing of a special resolution by the Shareholders to approve the Proposed Change of Company Name at the EGM; and
- (b) the Registrar of Companies in the Cayman Islands having approved the Proposed Change of Company Name.

Subject to the satisfaction of the above conditions, the Proposed Change of Company Name will take effect from the date on which the certificate of incorporation on change of name is issued by the Registrar of Companies in the Cayman Islands to the Company. Upon the Proposed Change of Company Name becoming effective, the Company will carry out all necessary filing procedures with the Companies Registry in Hong Kong pursuant to Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Effects of the Proposed Change of Company Name

The Proposed Change of Company Name will not affect any of the rights of the Shareholders or the Company’s daily business operation and its financial position. All existing share certificates in issue bearing the Company’s existing name shall continue to be evidence of the title to the Shares and valid for trading, settlement, registration and delivery for the same number of Shares in the new name of the Company. There will not be any arrangements for free exchange of existing share certificates for new

LETTER FROM THE BOARD

share certificates under the new name of the Company. Once the Proposed Change of Company Name becomes effective, share certificates of the Company will be issued in the new names of the Company and the Shares will be traded on the Stock Exchange under the new names of the Company. Additionally, subject to confirmation by the Stock Exchange, the English and Chinese stock short names of the Company for trading in the securities on the Stock Exchange will also be changed upon the Proposed Change of Company Name becoming effective.

Reasons for the Proposed Change of Company Name

Upon completion of the acquisition of Charm Linkage Holdings Limited, the Group's principal business has broadened from provision of advertising services in the PRC to advertising and brand management, operation of e-commerce platform for 3C Products. In light of the diversification of the Group's business sectors, the Board considers that the Proposed Change of Company Name will better reflect the nature of the Group's business profile and future development of the Group's business as a whole. The Board also considers that the proposed new English name and the dual foreign name in Chinese of the Company will provide the Group with a new corporate image and enhance the Company's brand identity for its future business development. Therefore, the Board considers that the Proposed Change of Company Name is in the best interests of the Company and the Shareholders as a whole.

3. EGM

A notice convening the EGM to be held at Suite 1201, 12/F, 1111 King's Road, Taikoo Shing, Hong Kong on Monday, 27 January 2025, at 11:30 a.m. is set out on pages EGM-1 to EGM-4 of this circular. At the EGM, resolutions will be proposed to approve, among other things, (i) the Placing Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate; and (ii) the Proposed Change of Company Name.

A form of proxy for use by Shareholders at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange at <https://www.hkexnews.hk> and the Company at <https://www.reach-ad.com>.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

In order to determine the eligibility of the Shareholders to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's

LETTER FROM THE BOARD

Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Tuesday, 21 January 2025. Shareholders whose names appear on the register of members of the Company on Tuesday, 21 January 2025 are entitled to attend and vote at the EGM.

At the EGM, any Shareholder with a material interest in the Placing Agreement as set out in the ordinary resolution(s) is required to abstain from voting on the relevant resolution(s) at the EGM.

To the best information, knowledge and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the Placing Agreement and the transactions contemplated thereunder that is materially different from the other Shareholders. Furthermore, there are also no Shareholder who will be required to abstain from voting on the resolution to approve the Proposed Change of Company Name.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of EGM will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his/her/its name on the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his/ her/ its votes or cast all the votes he/she/it uses in the same way.

4. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

5. RECOMMENDATION

The Board considers that the Placing and the terms of the Placing Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve, among other things, (i) the Placing Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate; and (ii) the Proposed Change of Company Name.

LETTER FROM THE BOARD

6. GENERAL INFORMATION

The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

By Order of the Board
Ruicheng (China) Media Group Limited
Sun Changpeng
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Ruicheng (China) Media Group Limited (the “**Company**”) will be held at Suite 1201, 12/F, 1111 King’s Road, Taikoo Shing, Hong Kong on Monday, 27 January 2025, at 11:30 a.m., to consider, if thought fit, pass with or without modifications the following resolutions of the Company:

ORDINARY RESOLUTION

“THAT:

1. (a) the placing agreement dated 4 November 2024 and the supplemental agreement in respect of such placing agreement dated 19 December 2024, respectively entered into between the Company and Roofer Securities Limited (collectively, the “**Placing Agreements**”) (a copy of which has been produced to the Meeting and initialed by the chairman of the Meeting for identification purpose) in relation to the placing of convertible bonds of the Company in the aggregate principal amount of up to HK\$300,001,000, entitling the holders thereof to convert such principal amount into a maximum of 115,385,000 new shares (the “**Conversion Share(s)**”) of the Company at the initial conversion price of HK\$2.60 per Conversion Share (subject to adjustment), the transaction contemplated thereunder and any other ancillary documents, be and are hereby confirmed, approved and ratified, subject to such addition or amendment as any director(s) of the Company (the “**Director(s)**”) may consider necessary, desirable or appropriate;
- (b) conditional upon the approval of the listing of and the dealing in the Conversion Shares (given by the Listing Committee of The Stock Exchange of Hong Kong Limited), the Directors be and are hereby granted the specific mandate (the “**Specific Mandate**”) to allot and issue such Conversion Shares (such Specific Mandate shall be in addition to, and shall not prejudice nor revoke any existing or such other general or specific mandate(s) which has/have been granted to the Directors by the shareholders of the Company prior to the passing of this resolution); and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any Director be and is hereby authorised for and on behalf of the Company to, amongst others, sign, execute and deliver or to authorise the signing, execution and delivery of all such documents and deeds, to do or authorise doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the Placing Agreements and any ancillary documentation and transactions thereof.

SPECIAL RESOLUTION

“THAT:

2. “THAT subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands, the English name of the Company be changed from “Ruicheng (China) Media Group Limited” to “Qian Xun Technology Limited”, and the Chinese name (千循科技有限公司) be adopted and registered as the dual foreign name of the Company in place of its existing Chinese name (瑞誠(中國)傳媒集團有限公司) with effect from the date of registration as set out in the certificate of incorporation on change of name issued by the Registrar of Companies in the Cayman Islands, and that any one Director be and is hereby authorised to do all such acts and things and execute all such documents, including under seal where appropriate, which he/she may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the change of the name of the Company and to attend to any necessary registration and/or filing for and on behalf of the Company.”

By Order of the Board
Ruicheng (China) Media Group Limited
Sun Changpeng
Executive Director

Hong Kong, 10 January 2025

Registered office:
190 Elgin Avenue
George Town
Grand Cayman
KY1-9008
Cayman Islands

*Head office and principal place
of business in Hong Kong:*
Flat 2917, 29/F
1 Hung To Road
Kwun Tong
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the above meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.
3. In order to be valid, a form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the above meeting (or any adjournment thereof) if they so wish.
4. In order to determine the eligibility of the shareholders to attend and vote at the Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Tuesday, 21 January 2025. Shareholders whose names appear on the register of members of the Company on Tuesday, 21 January 2025 are entitled to attend and vote at the EGM.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The Company reminds all shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the Meeting as their proxy to vote on the relevant resolutions at the Meeting instead of attending the Meeting in person, by completing and return the form of proxy.
7. If any shareholder chooses not to attend the Meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the head office and principal place of business in Hong Kong of the Company or by fax at (852) 2816 9078. If any shareholder has any question relating to the Meeting, please contact Union Registrars Limited, the Company's Hong Kong branch share registrar as follows:

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong
Email: info@unionregistrars.com.hk
Tel: (852) 2849 3399
Fax: (852) 2849 3319
8. This notice is prepared in both English and Chinese. In the event of inconsistency, the English text of the notice shall prevail over the Chinese text.

As at the date of this notice, the executive directors are Ms. Wang Xin, Mr. Leng Xuejun and Mr. Sun Changpeng, and the independent non-executive directors are Ms. Lam Hoi Yan Karen, Mr. Wong Sincere and Mr. Niu Zhongjie.