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Raily Aesthetic Medicine International Holdings Limited

瑞麗醫美國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2135)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) SHARES HELD ON THE RECORD DATE AND ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Reference is made to the prospectus of Raily Aesthetic Medicine International Holdings Limited (the “**Company**”) dated 2 April 2024 (the “**Prospectus**”) in connection with the Rights Issue. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that, as all conditions set out in the Underwriting Agreement have been fulfilled and the Underwriter did not terminate the Underwriting Agreement prior to the Latest Time for Termination, the Rights Issue became unconditional at 4:00 p.m. on Thursday, 18 April 2024.

As at 4:00 p.m. on Wednesday, 17 April 2024, being the Latest Time for Acceptance,

- (i) a total of 3 valid acceptances of provisional allotment under the PALs had been received for a total of 95,300,064 Rights Shares, representing approximately 68.4% of the total number of 139,269,333 Right Shares available for subscription under the Rights Issue; and
- (ii) a total of 5 valid application for Excess Rights Shares under the EAFs had been received for a total of 88,093,051 Excess Rights Shares, representing approximately 63.3% of the total number of 139,269,333 Rights Shares available for subscription under the Rights Issue.

Pursuant to the Irrevocable Undertakings, Ruide Consultation Limited has subscribed for all of the Rights Shares provisionally allotted to it.

In aggregate, 8 valid acceptances and application in respect of a total of 183,393,115 Rights Shares under the PALs and the EAFs, representing approximately 131.7% of the total number of 139,269,333 Rights Shares available for subscription under the Rights Issue, had been received.

Based on the above results, the Rights Issue was over-subscribed by 44,123,782 Rights Shares, representing approximately 31.7% of the total number of 139,269,333 Rights Shares available for subscription under the Rights Issue.

EXCESS RIGHTS SHARES

Given the valid acceptance of provisional allotments under the PALs mentioned above, 43,969,269 Rights Shares, representing approximately 31.6% of the total number of 139,269,333 Rights Shares were available for subscription under the EAFs. Such number of the Excess Rights Shares was insufficient to satisfy all valid applications for a total number of 88,093,051 Excess Rights Shares under the EAFs.

In view of the over-subscription of the Rights Shares, the Board has resolved to allocate the 43,969,269 Rights Shares to those Qualifying Shareholders who applied for Excess Rights Shares on a pro-rata basis of approximately 49.9% by reference to the number of Excess Rights Shares applied for under each application. The allocation of the Excess Rights Shares was made pursuant to the principles set out in the section headed “LETTER FROM THE BOARD – PROPOSED RIGHTS ISSUE – APPLICATION FOR EXCESS RIGHTS SHARES” in the Prospectus. No reference has been made to the Rights Shares subscribed through applications by a PAL or the existing number of Shares held by Qualifying Shareholders and no preference has been given to topping-up odd lots to whole board lots.

UNDERWRITING AGREEMENT

As a result of the over-subscription of the Rights Shares taking into account of the valid applications for the Excess Rights Shares, the Underwriter’s obligations under the Underwriting Agreement in respect of the Underwritten Shares have been fully discharged.

USE OF PROCEEDS

The gross proceeds from the Rights Issue are approximately HK\$20.6 million and the net proceeds from the Rights Issue after expenses are estimated to be approximately HK\$19.2 million. The Company will apply the net proceeds of the Rights Issue in accordance with the proposed use of proceeds as set out in the section headed “LETTER FROM THE BOARD – REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Prospectus.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	No. of Shares	%	No. of Shares (Note 3)	%
Ruide Consultation Limited (Note 1)	221,856,692	53.10	295,808,923	53.10
Beauty Milkway (HK) Limited	25,825,749	6.18	25,825,749	4.64
Shanghai Donghua Health Management Partnership (Limited Liability Partnership) (Note 2)	22,448,891	5.37	22,448,891	4.03
Youxin Management Co., Ltd.	12,139,221	2.91	46,133,008	8.28
Other public Shareholders	135,537,447	32.44	166,860,762	29.95
	<u>417,808,000</u>	<u>100.00</u>	<u>557,077,333</u>	<u>100.00</u>

Notes:

- Ruide Consultation Limited is wholly owned by Mr. Fu.
- According to information available to the Company, 22,448,891 Shares are held by Shanghai Donghua Health Management Partnership (Limited Liability Partnership)* (上海東燭健康管理合夥企業(有限合夥)) in the capacity of beneficial owner. Shanghai Donghua Health Management Partnership (Limited Liability Partnership) is owned as to approximately 99.81% and approximately 0.19% by Qinghai Dongfang Tibetan Medicine Industry Development Fund (Limited Liability Partnership)* (青海省東方藏醫藥產業發展基金(有限合夥)) and Qinghai Dongfang Tibetan Medicine Industry Investment Management Co., Ltd.* (青海省東方藏醫藥產業投資管理有限公司), respectively. Qinghai Dongfang Tibetan Medicine Industry Development Fund (Limited Liability Partnership) is owned as to approximately 48.78% and approximately 2.44% by Shenzhen Dongfang Venture Capital Co., Ltd.* (深圳東方創業投資有限公司) and Qinghai Dongfang Tibetan Medicine Industry Investment Management Co., Ltd., respectively. Qinghai Dongfang Tibetan Medicine Industry Investment Management Co., Ltd. is owned as to approximately 51% by Shenzhen Qianhai Fortune Dongfang Investment Fund Management Co., Ltd.* (深圳前海財富東方股權投資基金管理有限公司). Shenzhen Dongfang Venture Capital Co., Ltd. is wholly-owned by Orient Asset Management (China) Holdings Co., Ltd.* (東方資產管理(中國)控股有限公司). Shenzhen Qianhai Fortune Dongfang Investment Fund Management Co., Ltd. and Orient Asset Management (China) Holdings Co., Ltd. are wholly-owned by China Orient Asset Management (International) Holding Limited. Each of Dong Yin Development (Holdings) Limited and Wise Leader Assets Ltd. owns 50% of China Orient Asset Management (International) Holding Limited. Wise Leader Assets Ltd. is wholly-owned by Dong Yin Development (Holdings) Limited, which is wholly-owned by China Orient Asset Management Co., Ltd..
- The number of Shares shown is based on the allocation ratio of Rights Shares under valid application of Excess Rights Shares submitted. The final allotment may be slightly different due to the allocation of Rights Shares registered in the name of HKSCC Nominees Limited amongst CCASS Participants that have validly applied for Excess Rights Shares.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

* For identification purpose only

DESPATCH OF SHARE CERTIFICATES AND REFUND CHEQUES

It is expected that the share certificates for the fully-paid Rights Shares and refund cheques (if any) for wholly and partially unsuccessful excess applications will be posted to the allottees and/or the applicants by ordinary post to their registered addresses at their own risks on Thursday, 25 April 2024.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 26 April 2024.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the terms of the Share Option Scheme, the subscription prices on the exercise of the Share Options and/or number of Shares related to the Share Options under the Share Option Scheme may be adjusted in accordance with the Share Option Scheme upon the Share Consolidation becoming effective and the Rights Issue becoming unconditional.

As a result of completion of the Share Consolidation and the Rights Issue, adjustments to the exercise prices and the number of Shares to be issued upon exercise of the outstanding Share Options, pursuant to the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules in relation to the adjustment to the terms of the Share Option Scheme, the Supplementary Guidance on the Listing Rule 17.03(13) and the Note Immediately After the Rule (the “**Stock Exchange Supplementary Guidance**”) attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020 and updated in January 2023, are as follows:

Date of grant	Immediately prior to the adjustments as a result of completion of the Share Consolidation		Immediately after the adjustments as a result of completion of the Share Consolidation and prior to the adjustment as a result of completion of the Rights Issue		Immediately after the adjustments as a result of completion of the Rights Issue	
	Number of Shares falling to be issued upon exercise of the outstanding Share Options	Exercise price per Share (HK\$)	Number of Shares falling to be issued upon exercise of the outstanding Share Options	Adjusted exercise price per Share (HK\$)	Adjusted number of Shares falling to be issued upon exercise of the outstanding Share Options	Adjusted exercise price per Share (HK\$)
29 August 2022	109,439,072	0.1678	21,887,814	0.839	25,177,077	0.7294
26 January 2024	48,630,462	0.115	9,726,092	0.575	11,187,713	0.4999
23 February 2024	47,430,466	0.122	9,486,093	0.61	10,911,647	0.5303

Save for the above adjustments, all other terms and conditions of the outstanding Share Options remain unchanged. Red Solar Capital Limited, the independent financial adviser of the Company, has reviewed and certified in writing to the Company that the aforesaid adjustments to the outstanding Share Options are in compliance with the requirements as set out in the terms of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the note thereto, and the Stock Exchange Supplementary Guidance.

Raily Aesthetic Medicine International Holdings Limited

Mr. Fu Haishu

Chairman and Executive Director

Hong Kong, 24 April 2024

As at the date of this announcement, the Board comprises Mr. Fu Haishu, Mr. Song Jianliang and Mr. Wang Ying as Executive Directors; and Mr. Cao Dequan, Ms. Yang Xiaofen and Mr. Liu Teng as Independent Non-executive Directors.