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## **RENAISSANCE ASIA SILK ROAD GROUP LIMITED**

**復興亞洲絲路集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 274)**

### **PROPOSED ISSUE OF NEW SHARES UNDER THE GENERAL MANDATE**

#### **PROPOSED ISSUE OF SETTLEMENT SHARES UNDER THE GENERAL MANDATE**

On 12 January 2023, the Company entered into the Settlement Agreement in relation to the issue and subscription of new Shares. Subject to the fulfilment of condition precedent of the Settlement Agreement, the Indebtedness due to Subscriber is to be settled in full by the Company by the issue and allotment of 66,334,814 Settlement Shares to Subscriber at the Subscription Price of HK\$0.27.

The Settlement Shares represent approximately 4.38% of the total number of Shares in issue as at the date of this announcement and approximately 4.19% of the total number of Shares as enlarged by the issue of the Settlement Shares (assuming there will be no other change in the total number of Shares from the date of this announcement and up to the date of Completion).

#### **USE OF PROCEEDS**

There will be no proceeds from the issue of Settlement Shares, as the Settlement Shares are to be used to settle the Indebtedness in full.

#### **GENERAL MANDATE**

The issue of the Settlement Shares will be pursuant to the General Mandate and is not subject to Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Settlement Shares.

**Completion of the issue of the Settlement Shares are subject to the condition precedent under the Settlement Agreement and may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## INTRODUCTION

On 12 January 2023, the Company entered into the Settlement Agreement in relation to the issue and subscription of the new Shares at the Subscription Price and the principal terms of the Settlement Agreement are described below.

### *Settlement Agreement*

Subscriber	:	Wei Yuyin (“ <b>Subscriber</b> ”)
Number of Settlement Shares to be issued	:	66,334,814 (representing approximately 4.38% of the total number of Shares in issue as at the date of this announcement and 4.19% of the total number of Shares as enlarged by the issue of these Settlement Shares)
Manner of settlement of the Subscription Price	:	By way of set off and extinguishment of all rights of Subscriber against the Company in relation to Indebtedness at Completion
Amount of indebtedness being settled	:	All indebtedness due from the Company to Subscriber at Completion in the total amount of HK\$17,910,400 (“ <b>Indebtedness</b> ”)

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected persons.

### **Subscription Price**

The Subscription Price is HK\$0.27 per Settlement Share.

The Subscription Price was determined after arm’s length negotiation between the Company and the Subscriber. The Company agreed the Subscription Price with reference to the average closing price per Share for the five trading days immediately preceding the date of the Settlement Agreement.

The Subscription Price represents:

- (1) a discount of approximately 11.48% to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on the date of the Settlement Agreement; and
- (2) a discount of approximately 14.83% to the average closing price of HK\$0.317 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Settlement Agreement.

Based on the closing price of the Shares of HK\$0.305 per Share on the date of the Settlement Agreement, the Settlement Shares have an aggregate market value of HK\$20,232,118.27. The aggregate nominal value of the Settlement Shares is HK\$663,348.14.

## Condition precedent

The obligations of the Company and the Subscriber to effect Completion under the Settlement Agreement are conditional upon the listing of, and permission to deal in, the Settlement Shares which are subject to the listing and permission being granted by the Stock Exchange (and such listing and permission not subsequently revoked prior to Completion) on or before 31 January 2023 (or such later date as the parties may agree).

In the event that such condition precedent is not satisfied on or before 31 January 2023 (or such later date as the parties may agree), the Settlement Agreement shall terminate and neither party shall be liable to the other or have any claim against the other party for damages, compensation or otherwise save and except any liability for antecedent breaches of either party.

## Completion

Completion of the Settlement Agreement is to take place within ten Business Days immediately following the fulfilment of the condition precedent.

## Ranking of the Settlement Shares

The Settlement Shares will, when issued, rank *pari passu* in all respects among themselves and with the Shares in issue at the time of issue and allotment of the Settlement Shares save in respect of any rights the record date for which falls on or before Completion.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately upon Completion (assuming that there will be no other change to the share capital of and shareholding in the Company other than the issue and allotment of the Settlement Shares) is:

	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	Approximate shareholding (%)	Number of Shares	Approximate shareholding (%)
<b>Substantial Shareholders</b>				
Reconstruction Capital Group Limited (Note 1)	368,728,789	24.33	368,728,789	23.31
Sun Guiling	368,728,789	24.33	368,728,789	23.31
Wang Song	368,728,789	24.33	368,728,789	23.31
Excellent Shine Capital Limited (Note 2)	243,237,376	16.05	243,237,376	15.38
Xu Huiqiang (Note 3)	315,291,852	20.81	315,291,852	19.94
Wang Huimin	243,237,376	16.05	243,237,376	15.38
<b>Subscriber</b>	-	-	66,334,814	4.19
<b>Other public Shareholders</b>	831,235,417	54.86	831,235,417	52.56
<b>Total</b>	<b>1,515,256,058</b>	<b>100.00</b>	<b>1,581,590,872</b>	<b>100.00</b>

### Notes:

1. Reconstruction Capital Group Limited is a company directly held 50% by Sun Guiling and 50% by Wang Song, therefore they are deemed to be interested in the Shares in which Reconstruction Capital Group Limited is interested in.
2. Excellent Shine Capital Limited, is a company directly held 50% by Wang Huimin and 50% by Xu Huiqiang, therefore, they are deemed to be interested in the Shares in which Excellent Shine Capital Limited is interested in.
3. Zhongyingsheng International Investment Management Co., Limited held 72,054,476 Shares and is a company directly and wholly held by Xu Huiqiang, therefore, he is deemed to be interested in the Shares in which Zhongyingsheng International Investment Management Co., Limited is interested in.

## **REASONS FOR AND THE BENEFITS OF THE ISSUE OF THE SETTLEMENT SHARES**

The Group is principally engaged in (i) gold mining, exploration and trading of gold products in the PRC; and (ii) trading of coal and wholesale and trading of frozen meat in the PRC.

The Settlement Agreement, if completed, would help strengthen the balance sheet of the Group which recorded as at 30 June 2022, net liabilities of approximately HK\$80.5 million and bank and cash balances at approximately HK\$4.7 million, by reducing Indebtedness without significant cash outflow and providing cash resources to fund its working capital and to enable the Group to further pursue mining business opportunities referred to in the Company's announcements dated 27 June 2022 and 24 November 2022 (including necessary due diligence to explore such opportunities).

The Directors are of the view that the Settlement Agreement is entered into upon normal commercial terms and that the terms of the Settlement Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

There will be no proceeds from the issue of Settlement Shares, as the Settlement Shares are to be used to settle the Indebtedness in full.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activity in the twelve months immediately preceding the date of this announcement.

## **GENERAL MANDATE**

The Settlement Shares will be issued pursuant to the General Mandate and is not subject to Shareholders' approval. The Company has not allotted and issued any Shares pursuant to the General Mandate and the General Mandate is therefore sufficient to cover the issuance of the Settlement Shares.

The Company will make an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Settlement Shares on the Stock Exchange.

None of the other Directors had any interest in the Settlement Agreement or the transactions contemplated thereunder.

**Completion of the issue of the Settlement Shares is subject to the condition precedent under the Settlement Agreement and may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday) on which banks in Hong Kong are open for business

“Company”	Renaissance Asia Silk Road Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the issue of the Settlement Shares pursuant to the Settlement Agreement
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting held on 1 June 2022 pursuant to which a maximum of 303,051,211 Shares, being 20% of the total number of Shares in issue as at 1 June 2022, may fall to be allotted and issued
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indebtedness”	has the meaning ascribed to it in the section headed “Introduction - Settlement Agreement” of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Settlement Agreement”	settlement agreement dated 12 January 2023 entered into by the Company with the Subscriber for the settlement of the Indebtedness due to him
“Settlement Share(s)”	Shares to be issued by the Company to the Subscriber in accordance with the terms of the Settlement Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	has the meaning ascribed to it in the section headed “Introduction - Settlement Agreement” of this announcement
“Subscription Price”	subscription price as stated in the Settlement Agreement, being HK\$0.27 per Share
“substantial shareholder(s)”	has the same meaning ascribed to it in the Listing Rules
“%”	per cent

By order of the Board of  
**Renaissance Asia Silk Road Group Limited**  
**Qiu Zhenyi**  
*Chairman of the Board*

Hong Kong, 12 January 2023

As at the date this announcement, the Board comprises following Directors, namely,

Executive Directors:

Mr. Qiu Zhenyi (*Chairman of the Board*)  
Mr. Zhu Shengsheng (*Chief executive officer*)  
Mr. Pan Feng  
Mr. Xie Qiangming

Non-executive Directors:

Ms. Ng Ching  
Mr. Xu Huiqiang

Independent non-executive Directors:

Dr. Liu Ka Ying Rebecca  
Mr. Chen Jian  
Mr. Tse Sze Pan