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復興亞洲絲路集團有限公司
RENAISSANCE ASIA SILK ROAD GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 274)

DISCLOSEABLE TRANSACTION

**ACQUISITION OF 51% EQUITY INTEREST
IN THE TARGET COMPANY**

Financial Advisor



ACQUISITION

On 24 May 2023 (after trading hours), the Purchaser, the Vendor and Mr. Sun entered into the Agreement, pursuant to which the Purchaser agreed to purchase, and the Vendor and Mr. Sun agreed to sell the Sale Shares at the Consideration of RMB32,000,000, which shall be settled by cash.

As at the date of this announcement, the Target Company holds the exploration licences and the Mining Licence in respect of the Gold Mine.

Upon Completion, the Target Company will become a subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as set out in the Listing Rules) in relation to the Acquisition is/are more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

THE ACQUISITION

On 24 May 2023 (after trading hours), the Purchaser, the Vendor and Mr. Sun entered into the Agreement, pursuant to which the Purchaser agreed to purchase, and the Vendor and Mr. Sun agreed to sell the Sale Shares at the Consideration of RMB32,000,000, which shall be settled by cash.

The details of the Agreement are as follows:

Date: 24 May 2023 (after trading hours)

Parties

Party A (The Purchaser): 復興絲路(天津)物產有限公司, a direct wholly-owned subsidiary of the Company

Party B (The Vendor): Huafeng Mining Co., Ltd., which as at the date of this announcement holds 100% of the total issued share capital of New Asia Mining Co., Ltd., the Target Company

Party C: Mr. Sun

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendor together with Mr. Sun are Independent Third Parties.

Subject matter

Pursuant to the Agreement, the Purchaser agreed to purchase, and the Vendor agreed to sell the Sale Shares, representing 51% of the total issued share capital of the Target Company as at the date of this announcement.

Upon Completion, the Target Company will become a subsidiary of the Company.

Consideration and the determination basis

The consideration in respect of the Acquisition is RMB32,000,000, which is slightly lower than the Valuation. The Consideration was determined by the Vendor and the Purchaser after arm's length negotiations taking into account, among other things, (i) the Valuation; (ii) the quality, quantity and location of the potential gold resources of the Gold Mine; (iii) historical financial performance of the Target Company; (iv) the future prospect of the Target Company; (v) the recent trend of international gold price; and (vi) the factors as set out in the section headed "Reasons for and Benefits of the Acquisition". Taking into account the above, in particular, that the Consideration represents a discount to the Valuation, the Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Payment terms

A deposit of RMB3,500,000 which was already paid by the Purchaser to the Vendor shall be applied to settle part of the Consideration. The remaining balance of the Consideration, being RMB28,500,000 will be settled by the Company in the following manner:

- (i) RMB3,500,000 shall be paid by the Purchaser to the Vendor within 30 Business Days after signing the Agreement provided that the Purchaser obtained the confirmation from the Vendor that the Sale Shares are not subject to pledge, guarantee, sealed up or frozen;
- (ii) RMB18,000,000 shall be paid by the Purchaser to the Vendor within 180 Business Days after the completion of the update of the register of member of the Target Company; and
- (iii) RMB7,000,000 shall be paid by the Purchaser to the Vendor within 240 Business Days after the appointment of directors, general manager, chief financial officer and senior management nominated by the Purchaser pursuant to the relevant clause in the Agreement.

Conditions precedent

Completion is conditional upon the satisfaction (or waiver, if applicable) of all of the following conditions:

- (i) the board of directors and the shareholders of the Purchaser have approved the resolution in relation to the Acquisition;
- (ii) the Vendor, as the shareholder of the Target Company, has approved the resolution in relation to the Acquisition; and
- (iii) the obtaining of all necessary consents and approvals in respect of the Acquisition from the relevant governmental or regulatory bodies, and no governmental or regulatory bodies has issued any orders, laws, regulations to disallow or restrain Completion from taking place.

Completion

Completion shall take place on the Completion Date.

Upon Completion, the Target Company will become a subsidiary of the Company. The results and assets and liabilities of the Target Company will be consolidated with, and accounted for as a subsidiary, in the Company's consolidated financial statements.

Other matters

Purchaser shall have the right to appoint an independent valuer to provide a valuation of the mining assets of the Target Company within three (3) months of the date of the Agreement. If such valuation is under RMB64,000,000, the Vendor and Mr. Sun have agreed to guarantee to rebate the Purchaser the difference between the valuation value and RMB64,000,000 up to a limit of RMB20,000,000. On the other hand, if the valuation value is more than RMB64,000,000, the Purchaser will not have any obligation to pay any further consideration under the Agreement.

INFORMATION OF THE PARTIES

The Group

The Company is a company incorporated in the Cayman Islands with limited liability, shares of which are listed on the Stock Exchange. The Group is principally engaged in three business segments: (i) gold mining, exploration and trading of gold products in the PRC; (ii) provision of money lending services in Hong Kong; and (iii) trading of coal and wholesale and trading of frozen meat in the PRC.

The Purchaser

復興絲路(天津)物產有限公司, a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Vendor

Huafeng Mining Co., Ltd., the Vendor, is a company incorporated in China with limited liability on 22 December 2003. As at the date of this announcement, the Target Company is wholly-owned by the Vendor which is owned as to 55% by Mr. Sun. It is principally engaged in the mining and sales of ore.

The Target Company

New Asia Mining Co., Ltd., the Target Company, is a company incorporated in China with limited liability on 3 December 2009. As at the date of this announcement, it is wholly-owned by Huafeng Mining Co., Ltd. It is principally engaged in the exploration, mining and sales of gold, silver, aluminum, zinc. As at the date of this announcement, the Target Company holds the Mining Licence in respect of the Gold Mine.

Set out below is a summary of the audited financial information on the Target Company prepared in accordance with the China Accounting Standard for Business Enterprises for the two years ended 31 December 2021 and 2022:

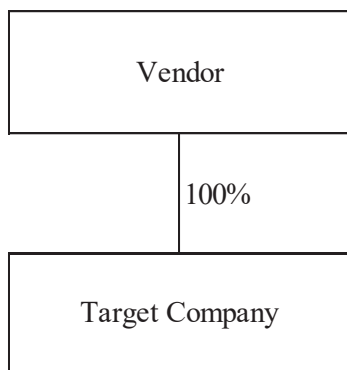
	For the years ended	
	31 December	
	2021	2022
	RMB	RMB
Revenue	–	–
Net loss (before and after taxation)	2,290,618	2,392,587

The audited net asset value of the Target Company as at 31 December 2022 and 31 December 2021 was approximately RMB24,001,578 and RMB26,394,165 respectively.

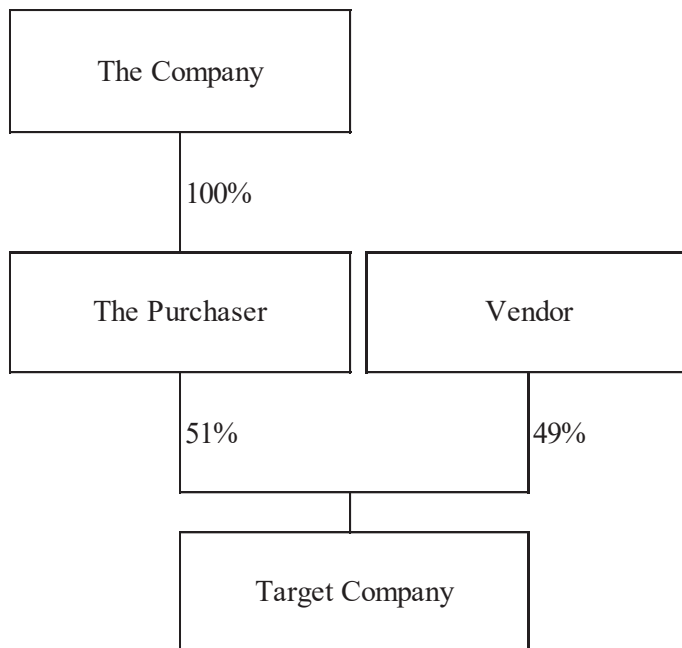
As noted from the Independent Technical Report, the mine had been in production from 2004 to 2016. Production had been suspended in May 2016 to apply for a new mining license with increased production capacity and the production has not been resumed as at the date of this announcement.

The following charts illustrate the shareholding structure of the Target Company: (i) as at the date of this announcement and (ii) immediately upon Completion, respectively.

(i) As at the date of this announcement:



(ii) Immediately upon Completion:



The Gold Mine

The Gold Mine is located in Huadian City in the Jilin Province of the PRC.

Details of the Mining Licence held by the Target Company as extracted from the Independent Technical Report, are summarised below:

Licence holder	Mining Licence number	Mining area (km²)	Valid period
Target Company	C2200002009044120009875	0.6581	20 April 2016 to 20 September 2031

Other licences and permits

According to the Mineral Resources Law of the PRC (中華人民共和國礦產資源法) issued by the Standing Committee of the National People's Congress, which became effective from 1 October 1986 and as amended on 29 August 1996 and 27 August 2009, the Implementation Rules of the Mineral Resource Law of the PRC (中華人民共和國礦產資源法實施細則) issued by the State Council on 26 March 1994, the Administrative Measures on Registration of Mineral Resources Exploration and Survey using the Block System (礦產資源勘查區塊登記管理辦法) issued by the State Council, which became effective from 12 February 1998 and as amended on 29 July 2014 and the Administrative Measures on Registration of Mineral Resources Exploitation (礦產資源開採登記管理辦法) issued by the State Council, which became effective from 12 February 1998 and as amended on 29 July 2014, enterprises engaged in the mining of mineral resources shall obtain a mining licence and enterprises engaged in exploration of mineral resources shall obtain an exploration licence.

A mining licence holder has the right to conduct mining activities and to construct structures that are related to its mining activities within the licenced mining area, whereas an exploration licence holder has the right to explore mineral resources within the area covered under the licence. After the exploitable mineral is measured, an exploration license holder may, within the term of a valid exploration license, discontinue the expenditure for exploration and be relieved of the obligation to meet a minimum expenditure requirement upon approval by the licensing authorities and may apply to reserve the exploration right. Furthermore, according to the legal adviser to the Company as to PRC law, under the current PRC laws, holders of an exploration licence are entitled to explore mineral resources within the area covered by the relevant exploration licence, and have the rights to apply for the mining licence to carry out mining activities within the said area upon demonstrating the existence of minable resources and undertaking the necessary application procedures.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Gold mining, exploration and trading of gold products in the PRC is one of the Group's business segment. The Target Company is principally engaged in the exploration, mining and sales of, among other things, gold which is in line with the business of the Group. The Gold Mine is located in the PRC and the Group is currently operating a gold project in the PRC (the "**Existing Gold Project**") as well. As such, the Group may utilize its previous mining experience of the Existing Gold Project to the Gold Mine to achieve synergy.

As noted in the annual report of the Group for the FY2022, the Existing Gold Project encountered low known mineral reserves, insufficient proven mineral for mining and reduction of the area of exploration right by the Department of Natural Resources of Hunan Province resulted from the limited and insufficient efforts and investments in exploration projects over the past years. The Target Company owns the Gold Mine and holds the Mining Licence of the Gold Mine covering a total area of 0.6581km² and valid until 2031 as mentioned above. As such, the Acquisition may facilitate the Group to expand its mineral portfolio to enhance the development of the Group.

Accordingly, the Directors are of the view that the Acquisition is fair and reasonable and in the ordinary and usual course of business of the Group, and are in the interest of the Company and its shareholders as a whole

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as set out in the Listing Rules) in relation to the Acquisition is/are more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

None of the Directors has a material interest in the Acquisition and is required to abstain from voting at the Board meeting for considering and approving the same.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the sale and purchase agreement entered into between the Purchaser and the Vendor on 24 May 2023 in relation to the Acquisition
“Board”	the board of directors of the Company
“Business Day”	a day on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing securities
“Company”	Renaissance Asia Silk Road Group Limited (formerly known as China Billion Resources Limited), a company incorporated in the Cayman Islands with limited liability, shares of which are listed on the Stock Exchange
“Completion”	the completion of the Acquisition contemplated under the Agreement
“Completion Date”	the date on which the last conditions precedent set out in the Agreement has been fulfilled (or otherwise waived) or such other date as the parties may agree in writing
“Consideration”	the consideration in respect of the Acquisition
“Director(s)”	the director(s) of the Company
“Gold Mine”	A gold mine owned by the Target Company and is located in Wangjiadian Village, Gonjixiang, Huadian City, Jilin Province of the PRC

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Technical Report”	the technical review report dated 30 November 2022 prepared by Roma Oil and Mining Associates Limited, an Independent Third Party, of the Gold Mine
“Independent Third Party(ies)”	any individual or company, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“km ² ”	square kilometer(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mining Licence”	the licence authorizing the Target Company to conduct mining activities at the Gold Mine
“Mr. Sun”	Mr. Sun Fude, the ultimate beneficial owner of the Target Company who holds 55% equity interest in the Target Company as at the date of this announcement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong SAR, Macau SAR and Taiwan
“Purchaser”	復興絲路(天津)物產有限公司, a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	51% of the total issued share capital in the Target Company as at the date of this announcement and up to and include the Completion Date
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	New Asia Mining Co., Ltd.* (新亞礦業有限公司), a company established in the PRC with limited liability which is wholly-owned by Huafeng Mining Co., Ltd.
“Valuation”	a valuation on the 100% equity interest in the Target Company as at 28 February 2023 prepared by Roma Appraisals Limited, which was RMB63,733,000

“Valuation Report”	the valuation report prepared by Roma Appraisals Limited regarding the Valuation
“Vendor”	Huafeng Mining Co., Ltd.* (華豐礦業有限責任公司), a company established in the PRC with limited liability which as at the date of this announcement holds 100% of the total issued share capital of New Asia Mining Co., Ltd., the Target Company
“%”	per cent

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

Hong Kong, 24 May 2023

As at the date of this announcement, the Board comprises Mr. Qiu Zhenyi (Chairman of the Board), Mr. Pan Feng, Mr. Xie Qiangming and Mr. Zhu Shengsheng as executive Directors, Ms. Ng Ching and Mr. Xu Huiqiang as non-executive Directors, and Dr. Liu Ka Ying Rebecca, Mr. Chen Jian and Mr. Tse Sze Pan as independent non-executive Directors.

* For identification purpose only