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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 – DISPOSAL OF 10.8915% OF
THE EQUITY INTEREST IN THE TARGET COMPANY**

The Disposal

On 12 June 2023 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal of the Sale Shares, representing 10.8915% of the equity interest in the Target Company, by the Vendor to the Purchaser for an aggregate Consideration of HK\$42,000,000. Upon Completion, the Company will no longer have any equity interest in the Target Company.

Implication under the Listing Rules

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 12 June 2023 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal of the Sale Shares by the Vendor to the Purchaser. The salient terms of the Sale and Purchase Agreement are as follows:

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to dispose of, and the Purchaser agreed to purchase, the Sale Shares (representing 10.8915% of the equity interest in the Target Company) for an aggregate Consideration of HK\$42,000,000.

Completion

Pursuant to the Sale and Purchase Agreement, Completion of the Disposal of the Sale Shares shall take place on the date of execution of the Sale and Purchase Agreement (or on another date as agreed between the Purchaser and Vendor). The Purchaser and the Vendor shall procure completion of the Registration of the Disposal with the relevant Industry and Commerce Bureau in the PRC within ten days (or a later date as agreed between the Purchaser and the Vendor) after Completion. Upon Completion, the Company will no longer have any equity interest in the Target Company.

Completion of the Disposal of the Sale Shares took place on 12 June 2023 (after trading hours).

Consideration

The Consideration is HK\$42,000,000, which shall be paid by the Purchaser to the Vendor by way of cash in full within ten days after completion of the Registration, which shall take place within ten days (or a later date as agreed between the Purchaser and the Vendor) after Completion. The Purchaser shall bear all stamp duty and government charges (if any) incurred in relation to the Disposal.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor after taking into consideration, among others, (i) the fair value of the Sale Shares as at 31 December 2022 of approximately RMB41,100,000 as set out in the Valuation Report prepared by an independent valuer engaged by the Group, which is equivalent to approximately HK\$46,225,000 as set out in the published annual report of the Company for the year ended 31 December 2022; (ii) the management accounts of the Target Company for the two years ended 31 December 2022; and (iii) the factors as set out in the section headed "Reasons and Benefits for the Disposal" in this announcement.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC and is held as to 10.8915% by the Vendor as at the date of this announcement. The Target Company is principally engaged in (i) comprehensive utilisation of waste resources; (ii) procurement, processing, production and sales of metal scrap and metal-containing waste; (iii) trading in mineral products; and (iv) sales of metal materials in Jiangxi Province, the PRC.

The following sets out the unaudited financial information of the Target Company for the years ended 31 December 2021 and 31 December 2022.

	Year ended 31 December	
	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit before tax	4,332	15,956
Profit after tax	4,328	15,956

REASONS AND BENEFITS FOR THE DISPOSAL

The Sale Shares were subscribed for by the Vendor by way of a capital contribution of HK\$55 million to the Target Company pursuant to a capital increase agreement dated 2 September 2019. For further details, please refer to the Company's announcement dated 2 September 2019.

The Group has been reconsidering the benefits of maintaining its investment in the Target Company, taking into account the following factors: (i) the Vendor held 10.8915% of the equity interest in the Target Company prior to the Completion. With a non-controlling stake in the Target Company, the Group lacked control over the dividend policy of the Target Company; (ii) the Group has little exit opportunities due to private nature of the Target Company; and (iii) the Target Company recorded unaudited net current liabilities position and accumulated losses as at 31 December 2022.

The Directors further consider that the proceeds from the Disposal can provide immediately available funds to satisfy the Group's capital needs and to improve the Group's liquidity and financial position. The Group recorded net loss of approximately HK\$61.9 million for the year ended 31 December 2022 and the Group's net current liabilities and total borrowings amounted to approximately HK\$323.5 million and HK\$315.8 million respectively as at 31 December 2022.

In light of the foregoing, the Disposal represents an opportunity for the Group to focus on its main business and to improve its financial position for other business needs of the Group.

The terms of the Disposal were arrived at after arm's length negotiations between the Vendor and the Purchaser. The Board is of the view that the terms of the Sale and Purchase Agreement and the transaction contemplated thereunder were negotiated on an arm's length basis between the parties to the Sale and Purchase Agreement and are on normal commercial terms. The Directors believe that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The Group's interest in the Target Company is classified as financial assets measured at fair value through profit or loss in the Group's consolidated financial statement. As the Consideration of the Disposal of HK\$42,000,000 is lower than the fair value of the Sale Shares of HK\$46,225,000 as at 31 December 2022, it is expected that a loss on Disposal of HK\$4,225,000 will be recorded in 2023. The actual gain or loss on the Disposal may be different from the above and is subject to the final audit by the Company's auditor.

Upon Completion, the Group no longer has any equity interest in the Target Company. The proceeds from the Disposal are currently intended to be used by the Group for (i) repayment of borrowings; and (ii) general working capital purposes.

IMPLICATION UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The Company and the Group

The Company is an investment holding company. The Group is principally engaged in (i) gold mining, exploration and trading of gold products in the PRC; and (ii) trading of non-ferrous metal and wholesale and trading of frozen meat in the PRC.

The Vendor

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. It is a wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is a limited liability company established in the PRC and is principally engaged in investment holding. The Purchaser is owned as to 60% by Ms. Yu Xiaofeng and 40% by Mr. Yu Xiaolei. Ms. Yu Xiaofeng also owns approximately 79.09% of the equity interest of Hangzhou Huawo which in turn owns approximately 60.51% of the equity interest of the Target Company as at the date of this announcement.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Renaissance Asia Silk Road Group Limited (formerly known as “China Billion Resources Limited”), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 274)
“Completion”	completion of the Disposal pursuant to the terms set out in the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Consideration”	HK\$42,000,000, being the purchase price of the Sale Shares pursuant to the terms set out in the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms set out in the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries from time to time
“Hangzhou Huawo”	Hangzhou Huawo Yiluo Investment Partnership (Limited Partnership)* (杭州鐸沃益伴投資合夥企業(有限合夥)), a limited partnership established in the PRC which is principally engaged in investment holding
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Shanghai Jubo Investment Management Co., Ltd.* (上海巨擘文化藝術發展有限公司), a limited liability company established in the PRC
“Registration”	registration of the Disposal of the Sale Shares with the relevant Industry and Commerce Bureau in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 12 June 2023 between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares
“Sale Shares”	10.8915% of the equity interest in the Target Company
“Shareholder(s)”	holder(s) of the issued shares of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Dexing Yifeng Regeneration Non-Ferrous Metal Co., Ltd.* (德興市益豐再生有色金屬有限責任公司), a limited liability company established in the PRC
“Valuation Report”	a valuation report prepared by an independent valuer engaged by the Group on the valuation of the 10.8915% of the equity interest in the Target Company
“Vendor”	China Billion International Environmental Resources Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 12 June 2023

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

* *for identification purposes only*