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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)**

## **PROPOSED ISSUE OF NEW SHARES AND CONVERTIBLE BONDS UNDER THE GENERAL MANDATE**

### **PROPOSED ISSUE OF NEW SHARES AND CONVERTIBLE BONDS UNDER THE GENERAL MANDATE**

On 18 July 2023, the Company entered into the Share Subscription Agreement and the CB Subscription Agreement in relation to the issue and subscription of new Shares and Convertible Bonds. Subject to the fulfilment of condition precedent of the Share Subscription Agreement and the CB Subscription Agreement, the issue and allotment of 294,318,174 Subscription Shares to Subscribers at the Subscription Price of HK\$0.109 and the Convertible Bonds in an aggregate principal amount of HK\$3,025,000.

The Subscription Shares represent approximately 16.19% of the total number of Shares in issue as at the date of this announcement and approximately 13.93% of the total number of Shares as enlarged by the issue of the Subscription 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 of the issue of the Subscription Shares).

Based on the initial Conversion Price of HK\$0.1375 per Conversion Share, a total of 22,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full, representing (i) approximately 1.21% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 1.03% of the total number of Shares in issue as enlarged by the issue of both the Subscription Shares and the Conversion Shares (assuming there will be no change in the total number of Shares from the date of this announcement until the completion of the conversion of the Convertible Bonds in full at the initial Conversion Price other than the issue of the Subscription Shares).

## **USE OF PROCEEDS**

The gross proceeds from the issue of Subscription Shares and the issue of Convertible Bonds are expected to be approximately HK\$35.1 million and the net proceeds from the issue of Subscription Shares and the issue of Convertible Bonds (after deducting of expenses) will be approximately HK\$34.9 million. The Company intends to apply the proceeds as general working capital of the Group.

## **GENERAL MANDATE**

The issue of the Subscription Shares and Conversion Shares will be pursuant to the General Mandate and is not subject to Shareholders' approval. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Applications will be made by the Company to the Stock Exchange for the listing of and the permission to deal in the Subscription Shares and the Conversion Shares.

**Completion of the issue of the Subscription Shares are subject to the condition precedent under the Share Subscription Agreement may or may not take place and completion of the CB Subscription is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions for the CB Subscription" in this announcement. Accordingly, the CB Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing the Shares.**

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

On 18 July 2023 (after trading hours), the Company entered into the Share Subscription Agreement in relation to the issue and subscription of the new Shares at the Subscription Price and the principal terms of the Share Subscription Agreement are described below.

### **The Share Subscription Agreement**

Subscriber A : Everbright Fortune Company Limited

Number of Subscription Shares to be issued : 294,318,174 (representing approximately 16.19% of the total number of Shares in issue as at the date of this announcement and 13.93% of the total number of Shares as enlarged by the issue of Subscription Shares)

According to the information provided by Subscriber A:

Subscriber A is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, as at the date of this announcement, Subscriber A and its ultimate beneficial owner, namely Ms. Wang Yajun, are Independent Third Parties. As disclosed in the announcement of the Company dated 1 June 2023, Ms. Wang Yajun entered into subscription agreement with the Company for 90,000,000 subscription shares.

## **Subscription Price**

The Subscription Price is HK\$0.109 per Subscription Share.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscribers. 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 Share Subscription Agreement.

The Subscription Price represents:

- (1) a discount of approximately 19.9% to the closing price of HK\$0.136 per Share as quoted on the Stock Exchange on the date of the Share Subscription Agreement; and
- (2) a discount of approximately 16.9% to the average closing price of HK\$0.1312 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Share Subscription Agreement.

Based on the closing price of the Shares of HK\$0.136 per Share on the date of the Share Subscription Agreement, the Subscription Shares have an aggregate market value of HK\$32,080,680.97. The aggregate nominal value of the Subscription Shares is HK\$2,943,181.74.

## **Ranking of the Subscription Shares**

The Subscription 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 Subscription Shares save in respect of any rights the record date for which falls on or before Completion.

## **PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER THE GENERAL MANDATE**

On 18 July 2023 (after trading hours), the Company entered into the CB Subscription Agreement with Subscriber B, pursuant to which Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to issue to Subscriber B the Convertible Bonds in an aggregate principal amount of HK\$3,025,000. Details of the principal terms of the CB Subscription Agreement are set out below:

### **Date**

18 July 2023 (after trading hours)

### **Parties**

- (1) The Company, as the issuer
- (2) Subscriber B, as the subscriber

## **Subject matter**

Pursuant to the CB Subscription Agreement, Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to issue to Subscriber B the Convertible Bonds in an aggregate principal amount of HK\$3,025,000.

## **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

- Issuer** : The Company
- Principal Amount** : HK\$3,025,000 in aggregate
- Issue Price** : 100% of the principal amount
- Interest** : The Convertible Bonds shall bear interest at the rate of 2.5% per annum from the date of issue (inclusive of such date), payable on a half-year basis, until the Maturity Date or the date on which the Convertible Bonds are converted into Shares, payable on such date
- Maturity Date** : The date of the third anniversary of the date of issue of the Convertible Bonds
- Conversion Period** : The Conversion Rights may be exercised at any time from the date falling on the first monthiversary of the Issue Date and ending on the 30th monthiversary (both days inclusive) as agreed by the Parties, after 30th monthiversary, the Bondholder shall provide prior notice of 7 working days before exercising the Conversion Rights
- Conversion Right** : The Bondholder shall have the right to convert all or any part of the Convertible Bonds in the lots of HK\$500,000 of the principal amount at any time during the Conversion Period (subject to the schedule of conversion throughout the Conversion Period contemplated above).

If the issue of Conversion Shares following the exercise by a Bondholder relating to any of the Convertible Bonds held by such Bondholder would result in the Company not meeting the requirement under the Listing Rules that not less than 25% (or such other percentage as may from time to time be specified in the Listing Rules) of the Shares shall be held by the public immediately after the conversion, the Bondholder shall not be allowed to convert the Convertible Bonds.

**Conversion Price** : Initially HK\$0.1375 per Conversion Share, subject to adjustments

The Conversion Price of HK\$0.1375 per Conversion Share was arrived at after arm's length negotiations between the Company and Subscriber B with reference to the recent trading prices of the Shares and represents:

- (i) a premium of approximately 1.10% over the closing price of HK\$0.136 per Share as quoted on the Stock Exchange on the date of the CB Subscription Agreement; and
- (ii) a premium of approximately 4.80% over the average closing price of HK\$0.1312 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the CB Subscription Agreement.

**Adjustment to the Conversion Price** : The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events, such as (i) consolidation or sub-division of Shares; (ii) capitalisation of profits or reserves; (iii) capital distribution; (iv) rights issues or grant of options or warrants to Shareholders to subscribe for Shares at a price which is less than 90% of the then market price of the Shares; (v) issue of convertible or exchangeable securities with the total effective consideration per Share at less than 90% of the then market price of the Shares or any rights of conversion, exchange or subscription attached to such securities are modified so that the said total effective consideration per Share is less than 90% of the then market price of the Shares; or (vi) issue of any Shares wholly for cash at a price per Share which is less than 90% of the then market price; and (vii) issue of new Shares for the acquisition of asset at a total effective consideration per Share less than 90% of the then market price of the Shares, in accordance with the provisions of the instrument of the Convertible Bonds.

**Conversion Shares** : Based on the initial Conversion Price of HK\$0.1375 per Conversion Share, a total of 22,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full, representing (i) approximately 1.21% of the total number of Shares in issue as at the date of this announcement, and (ii) approximately 1.03% of the total number of Shares in issue as enlarged by the issue of both the Subscription Shares and the Conversion Shares (assuming there will be no change in the total number of Shares from the date of this announcement until the completion of the conversion of the Convertible Bonds in full at the initial Conversion Price other than the issue of the Subscription Shares).

The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of conversion.

**Redemption on Maturity** : Unless previously converted, the Convertible Bonds will be redeemed by the Company on the Maturity Date at its principal amount outstanding.

**Early Redemption** : Unless by mutual agreement from the Company and the Bondholder, the Convertible Bonds can be redeemed in whole or in part in an amount equal to the sum of the outstanding principal amount of the Convertible Bonds to be redeemed, with all accrued and outstanding interest calculated from the Issue Date to the date of Early Redemption.

**Event of default** : If any of the events specified below occurs, the sole remedy of the Bondholder shall be to give notice to the Company that the Convertible Bond is immediately due and payable at its principal amount then outstanding:

- (a) any two of the executive Directors of the Board resign as executive Directors (Mr. Qiu Zhenyi, Mr. Pan Feng and Mr. Xie Qiangming are the executive Directors of the Board as of the date of this announcement); or
- (b) if there is a material breach by the Company of its obligations set out in the conditions,

provided that notwithstanding the foregoing, if the Company shall fail to issue any Conversion Shares in accordance with the conditions the Bondholder shall be entitled to bring an action against the Company for either specific performance or damages.

**Application for listing** : No application will be made for a listing 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.

**Voting** : The Bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of it being the Bondholder.

**Transferability** : The Convertible Bonds are freely transferable.

According to the information provided by Subscriber B:

Subscriber B is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, as at the date of this announcement, Subscriber B and its ultimate beneficial owner, namely Mr. Chiu Chun Tak, are Independent Third Parties.

### **Condition precedent**

The obligations of the Company and the Subscriber to effect Completion under the Share Subscription Agreement and the CB Subscription Agreement are conditional upon the listing of, and permission to deal in, the Subscription Shares and the Conversion 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 August 2023 (or such later date as the parties may agree).

In the event that such condition precedent is not satisfied on or before 31 August 2023 (or such later date as the parties may agree), the Share Subscription Agreement and the CB Subscription 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.

The Completion of each of the Share Subscription Agreement and CB Subscription Agreement is not inter-conditional upon the Completion of the other.

### **Completion**

Completion of the Share Subscription Agreement and the CB Subscription Agreement are to take place within fourteen Business Days immediately following the fulfilment of the condition precedent. The Company shall issue the Subscription Shares and the Convertible Bonds to Subscriber A and Subscriber B at 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 Subscription Shares and the Conversion Shares) is:

Substantial Shareholders	As at the date of this announcement		Immediately upon the issue of the Subscription Shares		Immediately upon Completion	
	<i>Number of shares</i>	<i>Approximate shareholding (%)</i>	<i>Number of shares</i>	<i>Approximate shareholding (%)</i>	<i>Number of shares</i>	<i>Approximate shareholding (%)</i>
Reconstruction Capital Group Limited ( <i>Note 1</i> )	368,728,789	20.28	368,728,789	17.46	368,728,789	17.27
Excellent Shine Capital Limited ( <i>Note 2</i> )	243,237,376	13.38	243,237,376	11.51	243,237,376	11.40
Zhongyingsheng International Investment Management Co., Limited ( <i>Note 3</i> )	72,054,476	3.96	72,054,476	3.41	72,054,476	3.38
Subscriber A ( <i>Note 4</i> )	90,000,000	4.95	384,318,174	18.19	384,318,174	18.00
Subscriber B	-	-	-	-	22,000,000	1.03
Other public Shareholders	1,044,286,628	57.43	1,044,286,628	49.43	1,044,286,628	48.92
<b>Total</b>	<b>1,818,307,269</b>	<b>100.00</b>	<b>2,112,625,443</b>	<b>100.00</b>	<b>2,134,625,443</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.
4. Subscriber A subscribed for 294,318,174 Shares and is a company directly and wholly held by Ms. Wang Yajun, who subscribed for 90,000,000 Shares as disclosed in the announcement dated 1 June 2023.



## REASONS FOR AND THE BENEFITS OF THE ISSUE OF THE SUBSCRIPTION 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 Share Subscription Agreement and the CB Subscription Agreement, if completed, would further help strengthen the balance sheet of the Group which recorded as at 31 December 2022, net liabilities of approximately HK\$125.1 million, by providing cash resources to fund its working capital and to enable the Group to further develop and expand its mineral portfolio in relation to the project referred to in the Company's announcements dated 24 May 2023, 16 June 2023 and 21 June 2023.

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

Assuming all the Subscription Shares are fully subscribed and subject to the completion of the CB Subscription, the aggregate gross proceeds from the issue of Subscription Shares and the Convertible Bonds will be approximately HK\$35.1 million. After deducting related professional fees and all related expenses of approximately HK\$0.2 million to be borne by the Company under the issue of Subscription Shares and the Convertible Bonds, the net proceeds of will amount to approximately HK\$34.9 million. The Company intends to apply the net proceeds as general working capital of the Group.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below is the fund-raising activities conducted by the Company during the past twelve months immediately prior to the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of announcement</b>
12 January 2023	Issue of new shares under the general mandate	No proceeds	Settle indebtedness	Settle indebtedness
1 June 2023	Issue of new shares under the general mandate	HK\$24.7 million	General working capital	Approximately HK\$22 million remains unutilised and will be used as intended

## GENERAL MANDATE

No Shareholders' approval is required for the issue and subscription of new Shares and Convertible Bonds, and the Subscription Shares and the Conversion Shares will be issued and allotted by the Company pursuant to the General Mandate at the annual general meeting of the Company held on 14 June 2023. At that annual general meeting, the Shareholders have granted to the Directors, among others, the General Mandate to issue up to 316,318,174 Shares, representing 20% of the total number of issued Shares as at the date of the passing of the General Mandate. 294,318,174 Subscription Shares will be issued pursuant to the issue and subscription of new Shares and assuming full conversion of the Convertible Bond at the initial Conversion Price of HK\$0.1375 per Conversion Share, up to 22,000,000 Conversion Shares will be issued. Accordingly, up to 316,318,174 new Shares will be allotted and issued under the General Mandate upon completion of the issue and subscription of new Shares and full conversion of the Convertible Bond. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate.

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

None of the other Directors had any interest in the Share Subscription Agreement, CB Subscription Agreement or the transactions contemplated thereunder.

**Completion of the issue of the Subscription Shares are subject to the condition precedent under the Share Subscription Agreement may or may not take place and completion of the CB Subscription is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions for the CB Subscription" in this announcement. Accordingly, the CB Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing the Shares.**

## DEFINITIONS

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

"Board"	the board of Directors
"Bondholder"	holder of the Convertible Bonds
"Business Day(s)"	a day (excluding Saturday and Sunday) on which banks in Hong Kong are open for business
"CB Subscription"	the subscription by Subscriber B of the Convertible Bonds pursuant to the terms of the CB Subscription Agreement
"CB Subscription Agreement"	the conditional subscription agreement dated 18 July 2023 and entered into between the Company and Subscriber B in respect of the subscription of the Convertible Bonds in the principal amount of HK\$3,025,000

“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 Subscription Shares pursuant to Share Subscription Agreement and the completion of the CB Subscription Agreement
“Conversion Price”	the conversion price of the Convertible Bonds, being HK\$0.1375 per Conversion Share initially (subject to adjustments pursuant to the terms of the instrument of the Convertible Bonds)
“Conversion Shares”	new Share(s) to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$3,025,000 to be issued by the Company to Subscriber B pursuant to the CB Subscription 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 14 June 2023 pursuant to which a maximum of 316,318,174 Shares, being 20% of the total number of Shares in issue as at 14 June 2023, 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”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Issue Date”	the date on which the Convertible Bonds are issued, being the day of Completion unless otherwise agreed between the Company and the Subscribers
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	The date of the third anniversary of the date of issue of the Convertible Bonds
“Share Subscription Agreement”	share subscription agreement dated 18 July 2023 entered into by the Company with the Subscriber A
“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 A”	Everbright Fortune Company Limited, a company incorporated in the British Virgin Islands
“Subscriber B”	Victor Arise Limited, a company incorporated in the British Virgin Islands
“Subscribers”	collectively, Subscriber A and Subscriber B
“Subscription Price”	HK\$0.109 per Subscription Share
“Subscription Shares”	294,318,174 new Shares to be subscribed by Subscriber A pursuant to the Share Subscription Agreement
“substantial shareholder(s)”	has the same meaning ascribed to it in the Listing Rules
“%”	per cent

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

Hong Kong, 18 July 2023

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

*Executive Directors:*

Mr. Qiu Zhenyi  
*(Chairman of the Board)*  
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