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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 AND CONNECTED TRANSACTIONS THE DEBT WAIVER AGREEMENTS AND THE LRT AGREEMENTS

THE DEBT WAIVER AGREEMENTS

On 6 December 2023 (after trading hours), the Borrower entered into (i) Debt Waiver Agreement I; (ii) Debt Waiver Agreement II; and (iii) Debt Waiver Agreement III with the Vendors, pursuant to which the Borrower and the Vendors agreed to eliminate the amount in total of RMB101,022,322 from the Loan Receivables of RMB153,422,322. The remaining amount of the Loan Receivables will be RMB52,400,000 which comprise (i) Loan Receivables I of RMB45,147,060; (ii) Loan Receivables II of RMB6,440,954; and (iii) Loan Receivables III of RMB811,986.

THE LRT AGREEMENTS

On 6 December 2023 (after trading hours), the Vendors entered into (i) LRT Agreement I; (ii) LRT Agreement II; and (iii) LRT Agreement III with the Company, pursuant to which the Vendors agreed to sell, and the Company agreed to acquire, part of the remaining amount of the Loan Receivables due from the Borrower, in the aggregate amount of RMB26,400,000 which shall be settled by the Company in 12 months.

IMPLICATIONS UNDER THE LISTING RULES

Discloseable transaction

As the highest applicable percentage ratio as set out in the Listing Rules in respect of the LRT Agreement I exceeds 5% but all of them are less than 25%, the LRT Agreement I constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Connected Transactions

As at the date of this announcement, the Borrower is owned as to (i) 41.0% by the Westralian Resources, a wholly-owned subsidiary of the Company; (ii) 19.6% by Vendor I; and (iii) 16.1% by Vendor III. The Borrower is an indirect non-wholly owned subsidiary of the Company, and is therefore a substantial shareholder of the Borrower and the Borrower is a connected person of the Company. Vendor I and Vendor III are the substantial shareholder of the Borrower and accordingly, a connected person of the Company at the subsidiary level.

Given Vendor I is one of the parties in relation to the Debt Waiver Agreement I and the LRT Agreement I, respectively. Accordingly, the Debt Waiver Agreement I and the LRT Agreement I constitute a connected transaction of the Company. The highest applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Debt Waiver Agreement I and the LRT Agreement I exceed 5% respectively. Since (i) the connected transactions are transactions between (a) connected person of the Company at the subsidiary level and indirect non-wholly owned subsidiary of the Company; and (b) Company and connected person of the Company at the subsidiary level, respectively; and (ii) the Board of the Company (including the independent non-executive Directors) has approved the Debt Waiver Agreement I and the LRT Agreement I and the transactions contemplated thereunder, and the Directors (including the independent non-executive Directors) have confirmed that the Debt Waiver Agreement I and the LRT Agreement I have been made on normal commercial terms, the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Pursuant to Rule 14A.101 of the Listing Rules, the Debt Waiver Agreement I and the LRT Agreement I will constitute connected transactions only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios are less than 5% and the total consideration is less than HK\$3,000,000, the LRT Agreement III constitutes a de minimis connected transaction on the part of the Company and is fully exempted from shareholders' approval, annual review and all disclosure requirements under Rule 14A.74 of the Listing Rules.

THE DEBT WAIVER AGREEMENTS

On 6 December 2023 (after trading hours), the Borrower entered into (i) Debt Waiver Agreement I; (ii) Debt Waiver Agreement II; and (iii) Debt Waiver Agreement III with the Vendors, pursuant to which the Borrower and the Vendors agreed to eliminate the amount in total of RMB101,022,322 from the Loan Receivables of RMB153,422,322. The remaining amount of the Loan Receivables will be RMB52,400,000 which comprise (i) Loan Receivables I of RMB45,147,060; (ii) Loan Receivables II of RMB6,440,954; and (iii) Loan Receivables III of RMB811,986.

The principal terms of the Debt Waiver Agreements are set out as follows:

Debt Waiver Agreement I

Date : 6 December 2023

Parties : (i) the Borrower; and
(ii) Vendor I

Subject Matter : Pursuant to the Debt Waiver Agreement I, the Borrower and Vendor I agreed to reduce the amount of Loan Receivables I from RMB132,186,390 to RMB45,147,060. Upon the Debt Waiver Agreement I becomes effective, (a) other than the Loan Receivables I, no other outstanding loan receivables and/or accrued interest which required to be calculated and repaid by the Borrower during a period from 1 October 2023 to the date of this announcement; and (b) relevant borrowing costs are not converted into principal, thus, not calculating and settling such relevant costs.

Debt Waiver Agreement II

Date : 6 December 2023

Parties : (i) the Borrower; and
(ii) Vendor II

Subject Matter : Pursuant to the Debt Waiver Agreement II, the Borrower and Vendor II agreed to reduce the amount of Loan Receivables II from RMB18,858,513 to RMB6,440,954. Upon the Debt Waiver Agreement II becomes effective, (a) other than the Loan Receivables II, no other outstanding loan receivables and/or accrued interest which required to be calculated and repaid by the Borrower during a period from 1 October 2023 to the date of this announcement; and (b) relevant borrowing costs are not converted into principal, thus, not calculating and settling such relevant costs.

Debt Waiver Agreement III

Date : 6 December 2023

Parties : (i) the Borrower; and
(ii) Vendor III

Subject Matter : Pursuant to the Debt Waiver Agreement III, the Borrower and Vendor III agreed to reduce the amount of Loan Receivables III from RMB2,377,419 to RMB811,986. Upon the Debt Waiver Agreement III becomes effective, (a) other than the Loan Receivables III, no other outstanding loan receivables and/or accrued interest which required to be calculated and repaid by the Borrower during a period from 1 October 2023 to the date of this announcement; and (b) relevant borrowing costs are not converted into principal, thus, not calculating and settling such relevant costs.

THE LRT AGREEMENTS

On 6 December 2023 (after trading hours), the Vendors entered into (i) LRT Agreement I; (ii) LRT Agreement II; and (iii) LRT Agreement III with the Company, pursuant to which the Vendors agreed to sell, and the Company agreed to acquire, part of the remaining amount of the Loan Receivables due from the Borrower, in the aggregate amount of RMB26,400,000 which shall be settled by the Company in 12 months.

The principal terms of the LRT Agreements are set out as follows:

LRT Agreement I

Date : 6 December 2023

Parties : (i) Vendor I; and
(ii) the Company

Guarantor : Reconstruction Capital Group Limited

Subject Matter : Pursuant to the LRT Agreement I, Vendor I agreed to sell and the Company agreed to acquire the Loan Receivables I subject to the terms and conditions of the LRT Agreement I.

The Loan Receivables I comprise loan receivables outstanding and due to Vendor I in the aggregate amount of RMB22,745,847 as of 30 September 2023, representing the aggregate accrued interest (as of 30 September 2023) payable by the Borrower.

Interest rate : 12% per annum

Maturity date : 12 months from the date of the LRT Agreement I

Repayment : The Company shall repay in full the consideration, together with interest accrued and unpaid thereof on the maturity date of the LRT Agreement I.

Early repayment : The Company may prior to the repayment date, conduct early repayment of the consideration, together with interest accrued thereof.

Consideration : The consideration for the Loan Receivables I shall be RMB22,745,847, which shall be settled by the Company in the following manner:

- (i) RMB4,850,000 have been settled by the Company to the Vendor I in cash during August 2022 to March 2023; and
- (ii) the remaining of approximately RMB17,895,847 shall be payable by the Company to the Vendor I on or before twelve months from the date of the LRT Agreement I, a total of 262,500,000 Ordinary Shares as collateral would be given by the Guarantor in favour of Vendor I in respect of the principal creditor's rights, liquidated damages and compensation of the Vendor I and costs incurred by Vendor I to realise its creditor's rights (including but not limited to legal fees, arbitration fees, enforcement fees, etc.) under the LRT Agreement I. The Guarantor acknowledged and agreed that the number of Ordinary Shares given as collateral to be not less than 12.46% of the total number of issued shares of the Company in any event that new shares may be issued by the Company (total number of Ordinary Shares as of the date of this announcement is 2,112,625,443). If the Company conducts early repayment, 262,500,000 Ordinary Shares given as collateral shall be discharged and returned to the Guarantor based on the condition that the 262,500,000 Ordinary Shares given as collateral or the number of Ordinary Shares given as collateral to be not less than 12.46% of the total number of issued shares of the Company at the relevant time.

If the Company fails to pay the consideration in accordance with the payment schedule mentioned above, Vendor I shall be entitled to terminate the LRT Agreement I and all amounts paid by the Company shall be forfeited by Vendor I as liquidated damages.

The consideration was determined after arm's length negotiations between Vendor I and the Company with reference to the book value of the Loan Receivables I as at the date of the LRT Agreement I and the aging and possibility of the recovery of the Loan Receivables I.

LRT Agreement II

- Date** : 6 December 2023
- Parties** : (i) Vendor II; and
(ii) the Company
- Subject Matter** : Pursuant to the LRT Agreement II, Vendor II agreed to sell and the Company agreed to acquire the Loan Receivables II subject to the terms and conditions of the LRT Agreement II.
- The Loan Receivables II comprise loan receivables outstanding and due to Vendor II in the aggregate amount of RMB3,245,061 as of 30 September 2023, representing the aggregate accrued interest (as of 30 September 2023) payable by the Borrower.
- Interest rate** : 12% per annum
- Maturity date** : 12 months from the date of the LRT Agreement II
- Repayment** : The Company shall repay in full the consideration, together with interest accrued and unpaid thereof on the maturity date of the LRT Agreement II.
- Early repayment** : The Company may prior to the repayment date, conduct early repayment of the consideration, together with interest accrued thereof.

Consideration

: The consideration for the Loan Receivables II shall be RMB3,245,061, which shall be settled by the Company to Vendor II on or before twelve months from the date of the LRT Agreement II. A total of 47,500,000 Ordinary Shares as collateral would be given by the Guarantor in favour of Vendor II in respect of the principal creditor's rights, liquidated damages and compensation of the Vendor II and costs incurred by Vendor II to realise its creditor's rights (including but not limited to legal fees, arbitration fees, enforcement fees, etc.) under the LRT Agreement II. The Guarantor acknowledged and agreed that the number of Ordinary Shares given as collateral to be not less than 2.25% of the total number of issued shares of the Company in any event that new shares may be issued by the Company (total number of Ordinary Shares as of the date of this announcement is 2,112,625,443). If the Company conducts early repayment, 47,500,000 Ordinary Shares given as collateral shall be discharged and returned to the Guarantor based on the condition that the 47,500,000 Ordinary Shares given as collateral or the number of Ordinary Shares given as collateral to be not less than 2.25% of the total number of issued shares of the Company at the relevant time.

If the Company fails to pay the consideration in accordance with the payment schedule mentioned above, Vendor II shall be entitled to terminate the LRT Agreement II and all amounts paid by the Company shall be forfeited by Vendor II as liquidated damages.

The consideration was determined after arm's length negotiations between Vendor II and the Company with reference to the book value of the Loan Receivables II as at the date of the LRT Agreement II and the aging and possibility of the recovery of the Loan Receivables II.

LRT Agreement III

Date : 6 December 2023

Parties : (i) Vendor III; and
(ii) the Company

Subject Matter : Pursuant to the LRT Agreement III, Vendor III agreed to sell and the Company agreed to acquire the Loan Receivables III subject to the terms and conditions of the LRT Agreement III.

The Loan Receivables III comprise loan receivables outstanding and due to Vendor III in the aggregate amount of RMB409,092 as of 30 September 2023, representing the aggregate accrued interest (as of 30 September 2023) payable by the Borrower.

- Interest rate** : 12% per annum
- Maturity date** : 12 months from the date of the LRT Agreement III
- Repayment** : The Company shall repay in full the consideration, together with interest accrued and unpaid thereof on the maturity date of the LRT Agreement III.
- Early repayment** : The Company may prior to the repayment date, conduct early repayment of the consideration, together with interest accrued thereof.
- Consideration** : The consideration for the Loan Receivables III shall be RMB409,092, which shall be settled by the Company to Vendor III on or before twelve months from the date of the LRT Agreement III. A total of 6,000,000 Ordinary Shares as collateral would be given by the Guarantor in favour of Vendor III in respect of the principal creditor's rights, liquidated damages and compensation of the Vendor III and costs incurred by Vendor III to realise its creditor's rights (including but not limited to legal fees, arbitration fees, enforcement fees, etc.) under the LRT Agreement III. The Guarantor acknowledged and agreed that the number of Ordinary Shares given as collateral to be not less than 0.28% of the total number of issued shares of the Company in any event that new shares may be issued by the Company (total number of Ordinary Shares as of the date of this announcement is 2,112,625,443). If the Company conducts early repayment, 6,000,000 Ordinary Shares given as collateral shall be discharged and returned to the Guarantor based on the condition that the 6,000,000 Ordinary Shares given as collateral or the number of Ordinary Shares given as collateral to be not less than 0.28% of the total number of issued shares of the Company at the relevant time.

If the Company fails to pay the consideration in accordance with the payment schedule mentioned above, Vendor III shall be entitled to terminate the LRT Agreement III and all amounts paid by the Company shall be forfeited by Vendor III as liquidated damages.

The consideration was determined after arm's length negotiations between Vendor III and the Company with reference to the book value of the Loan Receivables III as at the date of the LRT Agreement III and the aging and possibility of the recovery of the Loan Receivables III.

Conditions

Completion of the Debt Waiver Agreements and the LRT Agreements are inter-conditional and is conditional upon fulfillment of the condition that the Debt Waiver Agreements and the LRT Agreements required to be entered into and become effective on the same date.

INFORMATION OF THE VENDORS

Vendor I is a merchant and the Borrower is owned as to 19.6% by Vendor I.

Vendor II is a merchant and to the best of the Directors' knowledge, information and belief (having made all reasonable enquiries) and based on the information provided, Vendor II is an Independent Third Party.

Vendor III is a merchant and the Borrower is owned as to 16.1% by Vendor III.

INFORMATION OF THE COMPANY

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.

REASONS AND BENEFITS FOR THE LRT AGREEMENTS AND THE DEBT WAIVER AGREEMENTS

The shareholding structure of the Borrower as at the date of this announcement is set out below:

	As at the date of this announcement	
	Registered capital <i>US\$'000</i>	As a percentage of registered capital <i>%</i>
Westralian Resources	15,147	41.0
Mr. Cai Shuo	8,613	23.3
Mr. Wu Qingchao (Vendor I)	7,234	19.6
Mr. Cai Pu (Vendor III)	5,940	16.1
Total	36,934	100.0

As at the date of this announcement, the Borrower is owned as to 41.0% by Westralian Resources, a wholly-owned subsidiary of the Company, its financial results were consolidated into the consolidated financial statements of the Group.

As disclosed in the 2022 Annual Report, the auditor has issued a disclaimer of opinion on the Company's consolidated financial statements for the year ended 31 December 2022, which arising solely from going concern issue of the Group.

As disclosed in the 2023 Interim Report and the 2022 Annual Report, the total amount of borrowings of the Company was approximately HK\$321.4 million as at 30 June 2023 and approximately HK\$315.8 million as at 31 December 2022.

Considering the Borrower is a non-wholly-owned subsidiary of the Company, assuming the Company need to account for the loan on a pro rata basis with reference to the percentage of registered capital, the assumptions are listed as below on illustrative basis:

In relation to Loan Receivables I	RMB54,196,420
In relation to Loan Receivables II	RMB7,731,990
In relation to Loan Receivables III	RMB974,742
Total	RMB62,903,152

The Debt Waiver Agreements and the LRT Agreements were entered into and become effective on the same date.

As disclosed in the 2022 Annual Report, the Borrower started a mine enhancement project in 2017 to improve the output quality of its gold mine. The relevant rectification or construction have been completed and have obtained relevant environmental impact assessment approvals and are in trial operations. During the year ended 31 December 2022, the Borrower has generated and sold gold products to customers that are engaged in metal trading operations on site, therefore the Directors believe that since the relevant rectification or construction have been completed with the necessary approvals obtained, the performance of mining products segment may gradually improve.

Given that (i) the net liabilities position of the Group as illustrated in the 2023 Interim Report and the 2022 Annual Report; and (ii) the loan amount to the Vendors can be reduced to RMB26,400,000 pursuant to the Debt Waiver Agreements and the LRT Agreements, the Directors are of the view that the entering into of the Debt Waiver Agreements and the LRT Agreements, can improve the gearing ratio, the financial position of the Company and also the net liabilities position.

The Directors are of the view that the terms of the Debt Waiver Agreements and the LRT Agreements are fair and reasonable and are entered into on normal commercial terms. Taking into account the Debt Waiver Agreements and the LRT Agreements can improve the gearing ratio of the Company, strengthen its financial position and capital structure, therefore the Directors consider that the entering into of the Debt Waiver Agreements and the LRT Agreements are in the interests of the Company and the shareholders of the Company as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Discloseable transaction

As the highest applicable percentage ratio as set out in the Listing Rules in respect of the LRT Agreement I exceeds 5% but all of them are less than 25%, the LRT Agreement I constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Connected Transactions

As at the date of this announcement, the Borrower is owned as to (i) 41.0% by the Westralian Resources, a wholly-owned subsidiary of the Company; (ii) 19.6% by Vendor I; and (iii) 16.1% by Vendor III. The Borrower is an indirect non-wholly owned subsidiary of the Company, and is therefore a substantial shareholder of the Borrower and the Borrower is a connected person of the Company. Vendor I and Vendor III are the substantial shareholder of the Borrower and accordingly, a connected person of the Company at the subsidiary level.

Given Vendor I is one of the parties in relation to the Debt Waiver Agreement I and the LRT Agreement I, respectively. Accordingly, the Debt Waiver Agreement I and the LRT Agreement I constitutes a connected transaction of the Company. The highest applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Debt Waiver Agreement I and the LRT Agreement I exceed 5% respectively. Since (i) the connected transactions are transactions between (a) connected person of the Company at the subsidiary level and indirect non-wholly owned subsidiary of the Company; and (b) Company and connected person of the Company at the subsidiary level, respectively; and (ii) the Board of the Company (including the independent non-executive Directors) has approved the Debt Waiver Agreement I and the LRT Agreement I and the transactions contemplated thereunder, and the Directors (including the independent non-executive Directors) have confirmed that the Debt Waiver Agreement I and the LRT Agreement I have been made on normal commercial terms, the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Pursuant to Rule 14A.101 of the Listing Rules, the Debt Waiver Agreement I and the LRT Agreement I will constitute connected transactions only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios are less than 5% and the total consideration is less than HK\$3,000,000, the LRT Agreement III constitutes a de minimis connected transaction on the part of the Company and is fully exempted from shareholders' approval, annual review and all disclosure requirements under Rule 14A.74 of the Listing Rules.

DEFINITIONS

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

“2022 Annual Report”	annual report of the Company for the year ended 31 December 2022;
“2023 Interim Report”	interim report of the Company for the six months ended 30 June 2023;
“Board”	the board of directors of the Company;
“Borrower”	Hunan Westralian Mining Co., Limited, a foreign owned enterprise established in the PRC and is a non-wholly-owned subsidiary of the Company;
“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 transfer of Loan Receivables pursuant to the terms set out in the LRT Agreements;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Debt Waiver Agreement I”	the debt waiver agreement dated 6 December 2023 entered into between the Borrower and Vendor I in relation to the elimination of Loan Receivables I from RMB132,186,390 to RMB45,147,060;
“Debt Waiver Agreement II”	the debt waiver agreement dated 6 December 2023 entered into between the Borrower and Vendor II in relation to the elimination of Loan Receivables II from RMB18,858,513 to RMB6,440,954;
“Debt Waiver Agreement III”	the debt waiver agreement dated 6 December 2023 entered into between the Borrower and Vendor III in relation to the elimination of Loan Receivables III from RMB2,377,419 to RMB811,986;
“Debt Waiver Agreements”	the Debt Waiver Agreement I, the Debt Waiver Agreement II and the Debt Waiver Agreement III;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;

“Guarantor”	Reconstruction Capital Group Limited, a substantial holder of the Company holding approximately 24.33% of the Company issued Ordinary Shares;
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange;
“LRT Agreement I”	the loan receivables transfer agreement dated 6 December 2023 entered into between Vendor I and the Company in respect of the transfer of Loan Receivables I;
“LRT Agreement II”	the loan receivables transfer agreement dated 6 December 2023 entered into between Vendor II and the Company in respect of the transfer of Loan Receivables II;
“LRT Agreement III”	the loan receivables transfer agreement dated 6 December 2023 entered into between Vendor III and the Company in respect of the transfer of Loan Receivables III;
“LRT Agreements”	the LRT Agreement I, the LRT Agreement II and the LRT Agreement III;
“Loan Receivables I”	loan receivables due from the Borrower to Vendor I in the aggregate amount of RMB45,147,060 as of 30 September 2023;
“Loan Receivables II”	loan receivables due from the Borrower to Vendor II in the aggregate amount of RMB6,440,954 as of 30 September 2023;
“Loan Receivables III”	loan receivables due from the Borrower to Vendor III in the aggregate amount of RMB811,986 as of 30 September 2023;
“Loan Receivables”	the Loan Receivables I, the Loan Receivables II and the Loan Receivables III;
“Ordinary Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“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;
“Shareholder(s)”	holder(s) of the issued shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor I”	Mr. Wu Qingchao;
“Vendor II”	Mr. Long Yongbin;

“Vendor III”	Mr. Cai Pu;
“Vendors”	Vendor I, Vendor II and Vendor III;
“Westralian Resources”	Westralian Resources Pty Ltd, a wholly-owned subsidiary of the Company incorporated in Australia; and
“RMB”	Renminbi, the lawful currency of the PRC.

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

Hong Kong, 6 December 2023

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

<i>Executive Directors:</i>	<i>Non-executive Directors:</i>	<i>Independent non-executive Directors:</i>
Mr. Qiu Zhenyi (<i>Chairman of the Board</i>)	Ms. Ng Ching	Dr. Liu Ka Ying Rebecca
Mr. Pan Feng	Mr. Xu Huiqiang	Mr. Chen Jian
Mr. Xie Qiangming		Mr. Tse Sze Pan