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## **Renco Holdings Group Limited**

**融科控股集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2323)**

# **INSIDE INFORMATION DISPOSAL OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY**

This announcement is made by Renco Holdings Group Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) announced that on 12 June 2024 (after trading hours), the Company and Fullenter Limited (the “**Purchaser**”) entered into the share purchase agreement, pursuant to which the Company agreed to sell, and the Purchaser agreed to purchase the sale share, which shall represent the entire equity interest in Delightful Time Limited (the “**Target Company**”) at a consideration of HK\$2.0 million subject to the terms thereunder. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons under the Listing Rules.

The principal assets held by the Target Company and its subsidiaries are all rights in relation to Huarong International Fortune Innovation LP (the “**Huarong Fund**”), Hong Kong Bridge One Belt One Road M&A Fund LP (the “**M&A Fund**”), Hong Kong Bridge High-Tech Investment Fund LP (the “**High-Tech Investment Fund**”) and Hong Kong Bridge Landmark Investment Fund LP (the “**Landmark Fund**”) (together the “**Distressed Assets**”) and the rights to enforce the collaterals in connection with certain non-performing debts, including the right to the proceeds from the disposal of the collaterals.

### **Consideration**

The consideration for the disposal was determined after arm’s length negotiations between the Company and the Purchaser taking into account that the appraised market value of the Target Company at nil as at 31 December 2023 and the unaudited net deficit value of HK\$237.2 million of the Target Company as at 31 May 2024.

Upon completion of the disposal, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Target Company is an investment holding company and is wholly owned by the Company. Details of the Distressed Assets can also refer to the interim report of the Company dated 26 September 2023 (the “**Interim Report**”) and the annual report of the Company dated 30 April 2024.

The Directors consider that the disposal offers a good opportunity for the Company to realise the Distressed Assets and restore the financial position of the Company in a timely and appropriate manner and minimise the associated maintenance cost such as annual registration and audit fees for the subsidiaries under the Target Company. In addition, considering the recoverability of the Distressed Assets is remote and in view of the professional cost to be incurred under the litigations may well exceed the recoverable amount, the Board considers the disposal can allow the Company to divest part of the non performing investment for cash while the management can devote more time and resources on the daily operation.

The estimated unaudited book gain of approximately HK\$239.2 million is expected to arise from the disposal. The actual gain as a result of the disposal to be recorded by the Company is subject to final audit to be performed by the Company’s auditors.

Taking into account the factors above, the Directors consider that the disposal is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the disposal are less than 5%, the disposal does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

By Order of the Board  
**Renco Holdings Group Limited**  
**Su Zhiyang**  
*Company Secretary*

Hong Kong, 12 June 2024

*As at the date of this announcement, the Board comprises Mr. Li Yongjun (chairman of the Board), Mr. Cheok Ho Fung and Ms. Xing Mengwei being executive Directors; and Mr. Lau Fai Lawrence, Mr. Mak Kwok Kei and Mr. Xu Xinwei being independent non-executive Directors.*