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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)

**LOAN CAPITALISATION THROUGH ISSUE OF
NEW SHARES UNDER GENERAL MANDATE**

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GENERAL MANDATE**

On 7 February 2025 (after the trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber has conditionally agreed to subscribe for the 89,118,654 Subscription Shares at the Subscription Price of HK\$0.05 per Subscription Share. The Subscription amount payable by the Subscriber of approximately HK\$4.456 million under the Subscription Agreement shall be satisfied by way of capitalisation of the entire Indebted Amount already due from the Company to the Subscriber.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and Completion, the 89,118,654 Subscription Shares represent approximately 15.30% of the existing issued share capital of the Company as at the date of this announcement and approximately 13.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Completion of the Subscription is subject to the fulfillment of the condition under the Subscription Agreement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

LOAN CAPITALISATION THROUGH ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Subscriber has been providing financial assistance to the Company for the Group's working capital purposes since November 2024, bearing a monthly interest of 1.5%. As at the date of this announcement, the Company was indebted to the Subscriber an aggregate amount of approximately HK\$4.456 million including principal amount of approximately HK\$4.37 million and accrued interest of approximately HK\$86,700. The Indebted Amount was already due on 31 January 2025.

On 7 February 2025 (after the trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber has conditionally agreed to subscribe for the 89,118,654 Subscription Shares at the Subscription Price of HK\$0.05 per Subscription Share. The Subscription amount payable by the Subscriber of approximately HK\$4.456 million under the Subscription Agreement shall be satisfied by way of capitalisation of the entire Indebted Amount already due from the Company to the Subscriber.

THE SUBSCRIPTION AGREEMENT

Details of the terms of the Subscription Agreement are summarised below:

Date

7 February 2025 (after trading hours of the Stock Exchange)

Parties

- (1) The Company (as issuer); and
- (2) The Subscriber (as subscriber)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber is an Independent Third Party.

Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber and the Subscriber has conditionally agreed to subscribe for 89,118,654 Subscription Shares at the Subscription Price of HK\$0.05 per Subscription Share. The Subscription amount payable by the Subscriber of approximately HK\$4.456 million under the Subscription Agreement shall be satisfied by way of capitalisation of the entire Indebted Amount already due from the Company to the Subscriber.

As at the date of this announcement, the Company has 582,525,088 Shares in issue. Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion, the 89,118,654 Subscription Shares represent approximately 15.30% of the existing issued share capital of the Company as at the date of this announcement and approximately 13.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the 89,118,654 Subscription Shares is HK\$4,455,932.7.

Subscription Price

The Subscription Price of HK\$0.05 represents:

- (i) a premium of approximately 66.67% over the closing price of HK\$0.03 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a premium of approximately 58.23% over the average closing price per Share of approximately HK\$0.0316 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market prices and the par value of the Shares. The Directors consider that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The net issue price, after deduction of relevant expenses, is estimated to be approximately HK\$0.0497 per Subscription Share.

Ranking of the Subscription Shares

The Subscription Shares shall rank *pari passu* in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions precedent

Completion of the Subscription is conditional upon the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked.

In the event the above condition is not fulfilled by the Long Stop Date, all rights, obligations and liabilities of the parties to the Subscription Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Subscription Agreement prior to such termination.

Completion

The Subscription shall complete within five (5) Business Days immediately following the day on which the conditions set out above are satisfied (or such later date as may be agreed between the parties to the Subscription Agreement in writing).

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be issued under the General Mandate granted by the Shareholders to the Directors pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 23 August 2024.

Pursuant to the General Mandate, the Company was authorised to allot and issue up to 116,505,017 Shares, representing 20% of the number of Shares in issue on the date of passing such resolution. As at the date of this announcement, approximately 23.51% of the General Mandate has been utilised for a maximum of 27,386,363 new Shares to be allotted and issued upon exercise in full of the conversion right attached to the convertible bonds issued by the Company (for details please refer to the announcements of the Company dated 2 October 2024 and 10 October 2024). Therefore, the General Mandate is sufficient for the allotment and issue of all the Subscription Shares. Accordingly, the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval.

FUND RAISING DURING THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company has conducted the following equity fund raising activity.

Date of announcement	Event	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
2 October 2024 (completed on 10 October 2024)	Issue of convertible bonds under general mandate	Approximately HK\$2.9 million	Payment of professional fees and daily operating expenses including salary, rental and office expenses of the Group.	Used as intended
30 January 2024 (completed on 19 April 2024)	Subscription of new shares under specific mandate	Approximately HK\$22.2 million	Settlement of professional fees, repaying outstanding loans, working capital for the operation of gold mine (reference is made to the announcement of the Company dated 30 January 2024).	Used as intended

Save as disclosed above, the Company has not conducted any other fund-raising activities involving the issue of equity securities during the 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE LOAN CAPITALISATION

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 and agriculture products in the PRC.

In view of the tight financial position of the Group, as indicated by the net current liabilities position of the Group as at 30 September 2024, the Directors consider that the Subscription would enable the Company to settle the Indebted Amount without utilising the Group's existing financial resources thereby providing greater flexibility for the Company to allocate funds to support the Group's working capital needs. The Directors also consider that the Subscription will broaden the Company's capital base and shareholders base.

Based on the above, the Directors consider that the terms of the Subscription Agreement are fair and reasonable, on normal commercial terms and that the entering into of the Subscription Agreement is in the interest of the Company and the Shareholders as a whole.

There will be no proceeds from the issue of the Subscription Shares, as the Subscription Shares are to be used to settle the Indebted Amount in full.

Meanwhile, the Board is actively considering a proposal on a capital reorganisation which will include a share consolidation in the view that the Shares had been traded below HK\$0.1 in the past few months (based on the closing price per Share as quoted on the Stock Exchange). Details of a proposal on the capital reorganisation will be announced as and when appropriate.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion are as follows (assuming that there is no change in the number of issued Shares between the date of this announcement and the Completion):

	As at the date of this announcement		Immediately after Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate % (Note 5)
Zhongyingsheng International Investment Management Co., Limited (Note 1)	12,000,000	2.06	12,000,000	1.79
Reconstruction Capital Group Limited (Note 2)	63,442,757	10.89	63,442,757	9.45
Everbright Fortune Company Limited (Note 3)	59,878,834	10.28	59,878,834	8.92
Wang Yajun (Note 3)	18,000,000	3.09	18,000,000	2.68
Zhang Jiaxin	80,009,279	13.74	80,009,279	11.91
China Zhongsheng Investment Limited (Note 4)	77,484,275	13.30	77,484,275	11.54
Subscriber	–	–	89,118,654	13.27
Public Shareholders	271,709,943	46.64	271,709,943	40.45
Total	<u>582,525,088</u>	<u>100.00</u>	<u>671,643,742</u>	<u>100.00</u>

Note(s):

- Zhongyingsheng International Investment Management Co., Limited, is a company directly and wholly held by Mr. Xu Huiqiang, the non-executive Director, therefore, he is deemed to be interested in the Shares in which Zhongyingsheng International Investment Management Co., Limited is interested.
- Reconstruction Capital Group Limited is a company directly held 50% by Ms. Sun Guiling and 50% by Mr. Wang Song, therefore, they are deemed to be interested in the Shares in which Reconstruction Capital Group Limited is interested.
- Everbright Fortune Company Limited is beneficially owned by Ms. Wang Yajun, therefore, she is deemed to be interested in the Shares in which Everbright Fortune Company Limited is interested. Ms. Wang Yajun holds 18,000,000 shares by herself additionally.
- China Zhongsheng Investment Limited is a company wholly-owned by Ms. Du Huiyan, therefore, she is deemed to be interested in the Shares in which China Zhongsheng Investment Limited is interested.
- The percentages are subject to rounding difference, if any. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Completion of the Subscription is subject to the fulfillment of the condition under the Subscription Agreement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“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 (stock code: 274)
“Completion”	the completion of the Subscription in accordance with the terms and condition set out in the Subscription Agreement
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted by the Shareholder to the Directors at the annual general meeting of the Company held on 23 August 2024 to allot, issue and deal with up to 116,505,017 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Indebted Amount”	the amount owing by the Company to the Subscriber of approximately HK\$4.456 million as at the date of this announcement
“Independent Third Party(ies)”	any person or company and their respective beneficial owners (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
“Last Trading Day”	6 February 2025, being the last trading day for the Shares prior to the date of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	18 February 2025 or such later date as the Company and the Subscriber may agree in writing
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Yuan Weiran (苑威然先生)
“Subscription”	The subscription of the Subscription Shares by the Subscriber on and subject to the terms and condition set out in the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 7 February 2025 entered into between the Company and the Subscriber
“Subscription Price”	HK\$0.05 per Subscription Share
“Subscription Share(s)”	89,118,654 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“%”	per cent.

By Order of the Board
Renaissance Asia Silk Road Group Limited
Wang Yajuan
Executive Director

Hong Kong, 7 February 2025

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

Executive Director:
Ms. Wang Yajuan

Non-executive Directors:
Mr. Xu Huiqiang
Dr. Feng Xiaogang

Independent non-executive Directors:
Mr. Yang Jingang
Mr. Zhang Zhen
Mr. Ng Tat Fung