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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 AND
DISCLOSURE PURSUANT TO RULES 13.09 AND
13.19 OF THE LISTING RULES**

This announcement is made by Renco Holdings Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rules 13.09 and 13.19 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the Company’s announcement dated 28 June 2022 in relation to the HK Demand Letter and the PRC Demand Letter; (ii) the Company’s announcement dated 8 July 2022 in relation to the Second HK Demand Letter and the Second PRC Demand Letter; (iii) the Company’s announcement dated 20 July 2022 in relation to the progress of negotiation with the Lender in connection with the repayment of the Outstanding Sum; (iv) the Company’s announcement dated 29 July 2022 in relation to the engagement of legal advisers to negotiate with the Lender and/or to prepare or review documentation on any settlement in connection with the repayment of the Outstanding Sum; (v) the Company’s announcement dated 12 August 2022 in relation to the Third HK Demand Letter; and (vi) the Company’s announcement dated 21 June 2024 in relation to the Fourth HK Demand Letter (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

Further to the HK Demand Letter, the PRC Demand Letter, the Second HK Demand Letter, the Second PRC Demand Letter, the Third HK Demand Letter and the Fourth HK Demand Letter, a letter (the “**Fifth HK Demand Letter**”) dated 17 July 2024 (and issued by the Hong Kong legal advisers of the Lender) was received by the Company, which was addressed to the Company and the Guarantor Subsidiaries in relation to the Loan and the Guarantee.

It is stated in the Fifth HK Demand Letter that (among other matters):

- The Lender will not prepare to wait any further and will proceed with commencing legal proceedings, including but not limited to winding-up proceedings against all or any of the Borrower and the Guarantor Subsidiaries as well as proceed with enforcing the collaterals held by the Guarantors to secure the repayment of the Loan and unpaid interest accrued thereon, without further notice in order to protect its rights and interest.
- The Lender is not prepare to further negotiate with the Borrower on any settlement and the Borrower is hereby demanded to perform its obligations under the Guarantee forthwith or face enforcement actions by the Lender.

Further, the Fifth HK Demand Letter sets out the calculation of the interests (being, RMB98,896,803) accrued on the Loan from 28 October 2016 up to and inclusive of 14 June 2024.

In addition, the Company would like to provide additional information in relation to the details of the Loan and the Guarantee.

COLLATERALS AND GUARANTEE IN RELATION TO THE LOAN

As at the date of this announcement, the collaterals and guarantee in relation to the Loan comprised of the following:

- (1) The Company as the first guarantor and together with the wholly-owned subsidiaries of the Company, being, TPC Limited (formerly known as Topsearch Industries (BVI) Limited) as the second guarantor (the “**Second Guarantor**”), Topsearch International (Holdings) Limited (formerly known as Topsearch Industries (Holdings) Limited) as the third guarantor (the “**Third Guarantor**”) and Topsearch Printed Circuits (HK) Limited as the fourth guarantor (the “**Fourth Guarantor**”) (the “**Guarantors**”) irrevocably, unconditionally, jointly and severally guarantee as primary obligor and not merely as surety the due and punctual repayment and settlement of all outstanding principal, interest and other payments payable to the Borrower under the Loan and the due performance by the obligor under the transaction documents of their respective obligations under the following documents. As a result of the internal restructuring, as at the date of this announcement, (i) the Second Guarantor no longer hold any shareholding in the Third Guarantor, (ii) the Second Guarantor holds the entire shareholding in TPC PC1 LTD (“**PC1**”), a company incorporated under the laws of British Virgin Island (“**BVI**”); (iii) PC1 holds the entire shareholding in TPC PC2 LTD (“**PC2**”), a company incorporated under the laws of BVI; and (iv) PC2 holds the entire shareholding of the Fourth Guarantor;
- (2) A share charge entered into between the Company and the Lender in relation to the entire issued share capital of the Second Guarantor, and the debenture entered into between the Second Guarantor and the Lender under the Loan;
- (3) A share charge entered into between the PC1 and the Lender in relation to the entire issued share capital of PC2;
- (4) A share charge entered into between the Second Guarantor and the Lender in relation to the entire issued share capital of the Third Guarantor, and the debenture entered into between the Third Guarantor and the Lender under the Loan;

- (5) A share charge entered into between the PC2 and the Lender in relation to the entire issued share capital of the Fourth Guarantor, and the debenture entered into between the Fourth Guarantor and the Lender under the Loan; and
- (6) A share pledge previously entered into between the Fourth Guarantor and the Lender in relation to the entire equity interests of 至卓飛高線路板(曲江)有限公司 (the “**PRC OPCO**”), being the wholly-owned subsidiary of the Fourth Guarantor, was released and charged to an independent commercial bank to secure repayment of the then outstanding loan between the PRC OPCO and the bank. As the bank loan was recently repaid and such share pledge was released, the Fourth Guarantor is in the process of re-creating the share pledge in the PRC OPCO in favour of the Lender.

POTENTIAL IMPACTS TO THE GROUP

As at 31 December 2023 and in relation to the Loan, the Company recognized approximately HK\$221.39 million (approximately equivalent to RMB201.21 million) as the current liabilities in its consolidated statement of financial position of the annual report for the financial year ended 31 December 2023 (the “**Existing Liabilities**”).

If the Outstanding Sum as requested in the Fourth HK Demand Letter were repaid, the consolidated statement of financial position of the Company would record a borrowing from a shareholder in the amount of approximately RMB268.92 million as the non-current liabilities. If the Company were to repay the Outstanding Sum, it intends to incur additional borrowings from the substantial shareholder of the Company, which provide the financial support on 28 March 2024 for supporting the going concern basis.

LATEST DEVELOPMENT

As at the date of this announcement, the Company is (i) in the process of engaging a legal adviser and to recalculate the amount of the accrued interest arising from the Loan and (ii) endeavor to reach out with representatives of the Lender to extend the repayment schedule. In the meantime, the Company is reaching out with its substantial shareholder to obtain financial assistance in the event that the Company decided to repay the Outstanding Sum in full or in part.

Further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate or required.

Shareholders of the Company and potential investors should exercise caution when dealing in shares of the Company.

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

Hong Kong, 19 July 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.