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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)

HOLDING ANNOUNCEMENT

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 (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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; (vi) the Company’s announcement dated 21 June 2024 in relation to the Fourth HK Demand Letter; (vii) the Company’s announcement dated 19 July 2024 in relation to the Fifth HK Demand Letter; (viii) the Company’s announcement dated 8 November 2024 in relation to the Sixth HK Demand Letter and the 30 October 2024 PRC Demand Letter; (ix) the Company’s announcement dated 27 January 2025 in relation to formation of a special investigation committee; and (x) the Company’s announcement dated 18 February 2025 in relation to the change in composition of the special investigation committee (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

Reference is also made to the Company’s announcement dated 20 January 2025, whereby trading in the Shares has been halted with effect from 9:00 a.m. on 20 January 2025 pending the release of an announcement which contains inside information of the Company.

The Board wishes to provide an update to the Shareholders and potential investors that, 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, the Fourth HK Demand Letter, the Fifth HK Demand Letter, the Sixth HK Demand Letter and the 30 October 2024 PRC Demand Letter, on 17 January 2025, the Board was informed of a letter dated 6 January 2025 (the “**Seventh HK Demand Letter**”) issued by the legal adviser of the Lender and served on the Company, which stated that:

- (i) on 16 December 2024, the Lender has purportedly exercised its rights under the share charge entered into between TPC PC1 LTD (“**PC1**”), an indirect wholly owned subsidiary of the Company, and the Lender in relation to the entire issued share capital of TPC PC2 LTD (“**PC2**”), a wholly owned subsidiary of PC1, which was one of the securities created in respect of the Loan as disclosed in the announcement of the Company dated 19 July 2024, and had disposed of the charged shares constituting the entire issued share capital of PC2 to an independent third party at the consideration of HK\$28,000,000, and had applied the said sum to set off against part of the unpaid interest payable by the Borrower to the Lender in the amount of RMB26,216,000 (the “**Purported Disposal**”); and
- (ii) after such set-off, the Borrower was still indebted to the Lender for the aggregate amount of RMB258,307,333 (the “**Purported Outstanding Sum**”), comprising the principal amount of the Loan in the amount of RMB170,000,000 and the unpaid interest payments in the amount of RMB88,307,333 (up to and inclusive of 31 December 2024).

Impact on the Company

The Company does not have any information about the Purported Disposal save as stated in the Seventh HK Demand Letter. As a result of the Purported Disposal, the Company cannot access the books and records and has potentially lost its major operating subsidiaries which are all held through PC2, which will have material adverse impact on the financial performance of the Company. As such, the Company has engaged legal adviser to (a) advice on the matter concerning the Loan and Guarantee, and in particular, the effectiveness of the Purported Disposal and the details mentioned in the Seventh HK Demand Letter; and (b) liaise the relevant parties and their legal representatives for more information on the Purported Disposal to understand the actual situation, to clarify and dispute on the amount of the Purported Outstanding Sum where necessary, and to take any necessary action to dispute the Purported Disposal as and when advisable.

Further, as announced by the Company on 27 January 2025, the Company has formed the Special Investigation Committee with effect from 24 January 2025 to carry out the Investigation on the Loan and the circumstances under which the Borrower was authorised to enter and in fact entered into the Loan Agreement and give the collaterals and guarantees hereunder in favour of the Lender. The scope of the Investigation to be conducted by the Special Investigation Committee includes (a) the background and authenticity of the Loan facility of RMB170,000,000 advanced by Shenzhen Huarongde Trading Co., Ltd.* (深圳市華榕德貿易有限公司) as the Lender to Shaoguan HKBridge Enterprise Management Consulting Service Co., Ltd.* (韶關港橋企業管理諮詢服務有限公司) as the Borrower pursuant to the Loan Agreement and its collaterals and guarantees; (b) the responsibility and role of the Directors who approved the Loan; and (c) the authenticity and legality of the Purported Disposal.

As at the date of this announcement, the Special Investigation Committee has instructed the legal adviser of the Company to request for the relevant information and documents in respect of the Loan Agreement and its collaterals and guarantees and the Purported Disposal from the Lender and will set down its investigation itinerary and determine the next step to be taken based on a review of the documents received.

The Company and the management of the Company are consulting with the auditor in relation to the impact of the Purported Disposal on the annual results of the Company for the year ended 31 December 2024.

Further announcement(s) will be made by the Company to provide update on the matters to the Shareholders and potential investors of the Company as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 20 January 2025 and will remain suspended pending the release of an announcement which contains inside information of the Company.

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

By Order of the Board
Renco Holdings Group Limited
Leung Yiu Cho
Company Secretary

Hong Kong, 25 February 2025

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

* *For identification purpose only*