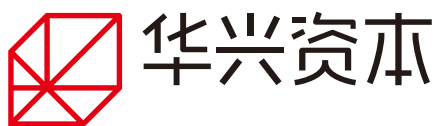


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CHINA RENAISSANCE HOLDINGS LIMITED

華興資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1911)

DISCLOSEABLE TRANSACTION DISPOSAL OF CONVERTIBLE NOTES

THE DISPOSAL

On September 30, 2024, the Seller (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Notes the unaudited fair value of which as recorded in the Company's unaudited consolidated financial statements for the six months ended June 30, 2024 was approximately US\$5.54 million (equivalent to approximately RMB39.37 million) at the consideration of US\$9.50 million (equivalent to approximately RMB67.48 million). Upon Completion of the Disposal, the Group currently expects that it may recognize a disposal gain of approximately RMB28.11 million.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal (when aggregated with the Earlier Disposal) is more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction to the Company. Accordingly, the entering into of the Agreement and the transactions contemplated thereunder are subject to the announcement requirements but exempt from the shareholders' approval requirements under the Listing Rules.

THE DISPOSAL

On September 30, 2024, the Seller (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Notes at the consideration of US\$9.50 million (equivalent to approximately RMB67.48 million).

The principal terms of the Agreement are set out below.

Date: September 30, 2024

Parties: (1) Fairy Growth Limited (as seller of the Sale Notes); and
(2) Delta Forum Limited (as buyer of the Sale Notes)

Subject matter and Consideration: Under the Agreement:

- (i) the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Notes at the consideration of US\$9.50 million (equivalent to approximately RMB67.48 million); and
- (ii) as part of the transaction under the Agreement, the Seller agreed to transfer, and the Purchaser agreed to assume, with effect from the date of Completion, all the rights, interests and obligations under the Convertible Note Agreement and the Standstill Agreements in and to the Sale Notes, including, among others, accrued interest and the interests in the ordinary shares in Wallaby Medical to be issued to the Seller pursuant to the Standstill Agreements.

Payment of Consideration and Completion: The Purchaser is required to pay the Consideration in full on the date of Completion, which is expected to take place on or before October 11, 2024 (or such other date as the parties to the Agreement may agree).

Termination rights: The Agreement may be terminated (i) by mutual written consent of both parties; (ii) by the Purchaser in the event of any breach by the Seller of any representations, warranties or covenants in the Agreement; and (iii) by the Seller if Completion fails to occur on or before October 11, 2024.

The Group agreed pursuant to the earlier disposal to the sale of Convertible Notes of principal amount of US\$9 million at a consideration of US\$5.5 million (the “**Earlier Disposal**”). The Disposal and the Earlier Disposal are separate transactions and are not conditional on each other taking place. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the purchaser under the Earlier Disposal and its ultimate beneficial owners are third parties independent of the Company and its connected persons and is also independent of the Purchaser. Following completion of the Disposal and the Earlier Disposal, the Group will cease to hold any Convertible Notes.

BASIS OF CONSIDERATION AND THE REASONS FOR AND THE BENEFITS OF THE DISPOSAL

Background relating to the Sale Notes and the Disposal

The Group is principally engaged in the provision of investment banking and investment management services. It invests in companies which it considers having growth potential from time to time.

Wallaby Medical was incorporated in the Cayman Islands on 23 September 2020 to be the holding company for a group of companies principally engaging in the development, manufacturing, sales and marketing of medical devices for the treatment of neurovascular diseases.

The Seller committed in January 2022 to subscribe for Convertible Notes in the principal amount of US\$25 million and to advance Senior Loans in the principal amount of US\$25 million. Together with other original syndicated lenders, Senior Loans in the aggregate principal amount of US\$60 million were advanced to Wallaby Medical and Convertible Notes in the aggregate principal amount of US\$82.5 million were subscribed. None of Wallaby Medical or the other syndicated lenders were then nor are they now connected persons of the Company under the Listing Rules.

The Convertible Notes carry interest at the rate of 10% per annum, payable annually and are convertible into shares of Wallaby Medical in accordance with the terms of the Convertible Note Agreement. The Convertible Notes are not listed on any stock exchange. The Convertible Notes have matured on April 11, 2024 and are now subject to a standstill arrangement due to expire on October 11, 2024. The unaudited and audited fair value of the Sale Notes (and all rights to outstanding payments attached thereto) as at June 30, 2024 and December 31, 2023 was approximately RMB39.50 million (approximately US\$5.54 million) and RMB39.26 million (approximately US\$5.54 million), respectively.

The Senior Loans carry interest at the rate of 8% per annum, 8.5% per annum, and 9.5% per annum respectively for the first, second and the third year and a 7% “payment in kind” on maturity, will mature on April 11, 2025.

For the year ended December 31, 2023, Wallaby Medical has an audited net loss before tax and audited net loss after tax of approximately US\$116.13 million and approximately US\$112.76 million, respectively. For the year ended December 31, 2022, its audited net loss before tax and audited net loss after tax were approximately US\$193.23 million and approximately US\$191.83 million, respectively. Its net assets as at June 30, 2024 was approximately minus US\$430.3 million.

Basis of consideration, financial effect and reasons for and benefits of the Disposal

The Consideration was determined after arms' length negotiations between the Seller and the Purchaser. The Seller took into account (i) the Consideration exceeding the unaudited fair value of the Sale Notes as at June 30, 2024 (as recorded in the Company's unaudited consolidated financial statements for the six months ended June 30, 2024) which reflects the Group's assessment of the recoverability of the Sale Notes which is subject to standstill arrangement together with the remaining Convertible Notes; (ii) the imminent expiry of the standstill arrangement and the uncertainty thereafter; (iii) the absence of an open market for the sale of the Sale Notes and (iv) the benefit of the Group's ability to realize its investment in the Sale Notes.

Taking into account the Consideration and the unaudited fair value of the Sale Notes as recorded in the Company's unaudited consolidated financial statements for the six months ended June 30, 2024, the Company currently expects that the Group may recognize a disposal gain of approximately RMB28.11 million upon completion of the Disposal. Upon completion of both the Disposal and the Earlier Disposal, the total disposal gain may amount to approximately RMB45 million. The actual financial effect in connection with the Disposal will be assessed after completion of the transactions and is subject to review and final audit by the Company's auditors.

The Disposal allows the Group to reduce its financial exposure in Wallaby Medical, recognize a disposal gain, improve the Group's cash position, and to reallocate its resources for the purpose of enhancing shareholders' return. The Company intends that the proceeds from the Disposal before expenses of approximately RMB67.48 million to be applied towards the Group's general working capital, thereby improving the Group's cash position and providing liquidity such that the Group may deploy for meeting the operational and cashflow needs and/or to enhance shareholders' return as and when appropriate. The Group will continue to monitor the position of Wallaby Medical and seek opportunities also to recover all or part of the Senior Loans as circumstances permit.

Having taken into account (i) the commercial rationale of the Disposal described above; and (ii) the Consideration being at an approximate 71% premium of the unaudited fair value of the Sale Notes as recorded in the Company's unaudited consolidated financial statements for the six months ended June 30, 2024, the Board (including the independent non-executive Directors) consider that the terms of the Agreement, the Disposal contemplated thereunder and the Consideration payable, are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal (when aggregated with the Earlier Disposal) is more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction to the Company. Accordingly, the entering into of the Agreement and the transactions contemplated thereunder are subject to the announcement requirements but exempt from the shareholders' approval requirements under the Listing Rules.

INFORMATION ON THE SELLER AND THE GROUP

The Seller is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

The Company is an investment holding company and the Group is principally engaged in the provision of investment banking and investment management services.

INFORMATION ON THE PURCHASER

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a company incorporated in the British Virgin Islands and is principally engaged in investment management. The sole management shareholder of the Purchaser is Dr. Jack Ye Zhai, who has served as executives of the United States operations of publicly listed and private companies in the pharmaceutical and biopharma industry.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Agreement”	the agreement dated September 30, 2024 and entered into between the Seller and the Purchaser, the details of which are set out in the section headed “The Disposal” in this announcement
“Board”	the board of Directors
“China”	the People's Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
“Company”	China Renaissance Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands
“Completion”	completion of the Disposal
“Consideration”	the consideration for the Disposal, being US\$9.50 million (equivalent to approximately RMB67.48 million)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Convertible Note Agreement”	a facility agreement dated March 30, 2022 entered into between, among others, the Seller and Wallaby Medical as amended and supplemented, the enforcement of which is subject to the Standstill Agreements
“Convertible Notes”	Convertible loan notes issued by Wallaby Medical pursuant to the Convertible Note Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by the Seller of the Sale Notes pursuant to the terms of the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Delta Forum Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“RMB”	Renminbi, the lawful currency of China
“Sale Notes”	Convertible Notes in the principal amount of US\$16 million issued by Wallaby Medical to the Seller, being the subject of the Disposal
“Seller”	Fairy Growth Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Senior Loans”	senior secured term facility provided by syndicated lenders to Wallaby Medical under a facility agreement dated March 30, 2022 as amended and supplemented
“Standstill Agreements”	standstill letters and agreement entered into between, among others, the Seller and Wallaby Medical dated April 11, 2024, April 25, 2024 and May 16, 2024 to the Convertible Note Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US\$”	United States dollars, the lawful currency of the United States of America
“Wallaby Medical”	Wallaby Medical Holding, Inc., a company incorporated in the Cayman Islands
“%”	per cent.

By order of the Board
China Renaissance Holdings Limited
Xie Yi Jing
Chairman of the Board and Executive Director

Hong Kong, September 30, 2024

As at the date of this announcement, the Board comprises Mr. Xie Yi Jing as Chairman and Executive Director, Mr. Lam Ka Cheong Jason, Mr. Du Yongbo and Mr. Wang Lixing as Executive Directors, Ms. Hui Yin Ching and Mr. Lin Ning David as Non-executive Directors, and Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue as Independent Non-executive Directors.