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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)

SECOND INTERIM RESULTS ANNOUNCEMENT FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2023

The Board presents herewith the unaudited condensed consolidated financial statements of the Group for the twelve months ended 31 December 2023 and selected explanatory notes, together with the audited comparative figures for the twelve months ended 31 December 2022, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the twelve months ended 31 December 2023

		(Unaudited) For the twelve months ended 31 December 2023 HK\$'000	(Audited) Year ended 31 December 2022 HK\$'000
	<i>Notes</i>		
Continuing operations			
Revenue		347,267	207,435
Cost of sales	4	<u>(323,682)</u>	<u>(137,343)</u>
Gross profit		23,585	70,092
Other income		18,017	296
Other losses		(4,225)	(31,171)
Administrative expenses		<u>(54,779)</u>	<u>(48,538)</u>
Loss from operations		(17,402)	(9,321)
Finance costs	5	<u>(37,068)</u>	<u>(51,221)</u>
Loss before taxation		(54,470)	(60,542)
Income tax expense	6	<u>-</u>	<u>(1,609)</u>

		(Unaudited) For the twelve months ended 31 December 2023 <i>HK\$'000</i>	(Audited) Year ended 31 December 2022 <i>HK\$'000</i>
Loss for the period/year from continuing operations		(54,470)	(62,151)
Discontinued operation			
Profit for the period/year from discontinued operation		—	259
Loss for the period/year	7	(54,470)	(61,892)
Other comprehensive loss:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investments at fair value through other comprehensive income, net		—	(12,691)
Deferred tax effect arising on fair value change of equity investments at fair value through other comprehensive income		—	(831)
<i>Item that may be reclassify to profit or loss:</i>			
Exchange differences on translating foreign operations		(45,008)	(9,882)
Other comprehensive loss for the period/year		(45,008)	(23,404)
Total comprehensive loss for the period/year		(99,478)	(85,296)
(Loss) profit for the period/year attributable to:			
Owners of the Company			
– Continuing operations		(33,929)	(38,831)
– Discontinued operation		—	259
		(33,929)	(38,572)
Non-controlling interests			
– Continuing operations		(20,541)	(23,320)
Loss for the period/year		(54,470)	(61,892)

		(Unaudited)	(Audited)
		For the twelve	Year ended
		months ended	31 December
		31 December	2022
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
Total comprehensive loss for the period/year attributable to:			
Owners of the Company		(58,966)	(58,999)
Non-controlling interests		(40,512)	(26,297)
		<u>(99,478)</u>	<u>(85,296)</u>
Total comprehensive loss for the period/year			
		<u>(99,478)</u>	<u>(85,296)</u>
(Loss) earnings per share (HK cents)			
	<i>8</i>		
From continuing and discontinued operations			
– Basic		<u>(1.89)</u>	<u>(2.55)</u>
– Diluted		<u>N/A</u>	<u>N/A</u>
From continuing operations			
– Basic		<u>(1.89)</u>	<u>(2.57)</u>
– Diluted		<u>N/A</u>	<u>N/A</u>
From discontinued operations			
– Basic		<u>–</u>	<u>0.02</u>
– Diluted		<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2023

		(Unaudited) At 31 December 2023 <i>HK\$'000</i>	(Audited) At 31 December 2022 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		133,236	137,728
Right-of-use assets		–	378
Mining right	9	75,852	32,125
Equity investments at fair value through other comprehensive income	10	5,320	51,507
		<u>214,408</u>	<u>221,738</u>
Current assets			
Trade and other receivables	11	120,681	24,564
Bank balances and cash		13,624	52,388
		<u>134,305</u>	<u>76,952</u>
Current liabilities			
Trade and other payables	12	133,700	94,065
Contract liability		4,516	4,516
Borrowings	13	154,464	301,434
Lease liabilities		66	456
		<u>292,746</u>	<u>400,471</u>
Net current liabilities		<u>(158,441)</u>	<u>(323,519)</u>
Total assets less current liabilities		<u>55,967</u>	<u>(101,781)</u>
Non-current liabilities			
Borrowings	13	8,097	14,329
Convertible bond		2,271	–
Deferred tax liabilities		9,029	9,029
		<u>19,397</u>	<u>23,358</u>
NET ASSETS (LIABILITIES)		<u><u>36,570</u></u>	<u><u>(125,139)</u></u>

		(Unaudited) At 31 December 2023 <i>HK\$'000</i>	(Audited) At 31 December 2022 <i>HK\$'000</i>
	<i>Notes</i>		
Capital and reserves			
Share capital	<i>14</i>	21,126	15,153
Reserves		341,285	179,680
		<hr/>	<hr/>
Equity attributable to owners of the Company		362,411	194,833
Non-controlling interests		(325,841)	(319,972)
		<hr/>	<hr/>
TOTAL EQUITY (DEFICIENCY)		36,570	(125,139)
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the twelve months ended 31 December 2023

1. GENERAL INFORMATION

Renaissance Asia Silk Road Group Limited was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 1208, 12/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The Company's shares are listed on the main board of the Stock Exchange.

The Company is an investment holding company. The principal activities of its subsidiaries are (i) gold mining, exploration and trading of gold products in the PRC; and (ii) trading of coal and non-ferrous metal; and wholesale and trading of frozen meat and agriculture products in the PRC.

2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosures required by the Listing Rules.

These condensed financial statements should be read in conjunction with the 2022 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year.

The Group incurred a loss attributable to owners of the Company of approximately HK\$33,929,000 for the period and the Group had net current liabilities of approximately HK\$158,441,000 as at 31 December 2023.

These condensed financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the Shareholders, at a level sufficient to finance the working capital requirements of the Group. The Shareholders has agreed to provide adequate funds for the Group to meet its liabilities as they fall due. The Directors are therefore of the opinion that it is appropriate to prepare the condensed financial statements on a going concern basis.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued the following new and revised HKFRS, HKAS and Interpretations which are effective for accounting periods beginning on or after 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International tax reform – Pillar two model rules

The adoption of the above new and revised HKFRSs has no material impact on these financial statements.

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective:

		Effective for the financial periods beginning on or after 1 January 2023
HKAS 1	Amendments in relation to Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1	Amendments in relation to Non-current Liabilities with Covenants	1 January 2024
HKFRS 16	Amendments in relation to Lease Liability in a Sale and Leaseback	1 January 2024
HK – int 5	Amendments in relation to Amendments to HKAS 1	1 January 2024
HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKAS 21	Lack of Exchangeability	1 January 2024

The Group has already commenced an assessment of the impact of new and revised HKFRSs, certain of which may be relevant to the Group's operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the financial statements. The Group is not yet in a position to ascertain their impact on its results of operations and financial position.

4. REVENUE AND SEGMENTAL INFORMATION

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group has three reportable segments as follows:

Continuing operations

Mining products segment – engaged in gold mining, exploration and trading of gold products; and

Trading and wholesale segment – engaged in trading of non-ferrous metal and wholesale and trading of frozen meat and agriculture products.

Discontinued operation

Money lending segment – provision of money lending services.

Information about reportable segment profit or losses, assets and liabilities:

	<u>Continued operation</u>		<u>Discontinued operation</u>	Total <i>HK\$'000</i>
	Mining products <i>HK\$'000</i>	Trading and wholesale <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	
<i>For the twelve months ended</i>				
<i>31 December 2023 (Unaudited)</i>				
Revenue from external customers	123,110	224,157	–	347,267
Segment loss	(36,990)	(5,832)	–	(42,822)
Depreciation of property, plant and equipment	22,744	–	–	22,744
Depreciation of right-of-used assets	378	–	–	378
Amortisation of mining right	4,225	–	–	4,225
Interest revenue	–	1,156	–	1,156
Interest expense	35,383	161	–	35,544
Additions to segment non-current Assets	12,794	–	–	12,794
<i>As at 31 December 2023 (Unaudited)</i>				
Segment assets	221,538	117,374	–	338,912
Segment liabilities	176,254	35,735	–	211,989
<i>For the year ended 31 December 2022 (Audited)</i>				
Revenue from external customers	119,474	87,961	–	207,435
Segment (loss)/profit	(47,607)	(2,464)	259	(49,812)
Depreciation of property, plant and equipment	18,596	–	–	18,596
Depreciation of right of use assets	828	–	109	937
Amortisation of mining right	2,018	–	–	2,018
Income tax expense	1,609	–	–	1,609
Interest revenue	–	–	13	13
Interest expense	47,229	802	–	48,031
Additions to segment non-current Assets	55,503	210	–	55,713
Impairment loss	31,171	–	–	31,171
<i>As at 31 December 2022 (Audited)</i>				
Segment assets	184,419	107,469	–	291,888
Segment liabilities	285,689	57,294	–	342,983

Reconciliation of reportable segment revenue, profit or loss:

	(Unaudited) For the twelve months ended 31 December 2023 <i>HK\$'000</i>	(Audited) Year ended 31 December 2022 <i>HK\$'000</i>
Revenue		
Total revenue of reportable segments and consolidated revenue from continuing operations	<u>347,267</u>	<u>207,435</u>
Profit or loss		
Total loss of reportable segment	(42,822)	(49,812)
Finance costs	(1,524)	–
Other profit or loss	(10,124)	(12,080)
Elimination discontinued operation	<u>–</u>	<u>(259)</u>
Consolidated loss for the period from continuing operations	<u>(54,470)</u>	<u>(62,151)</u>

Breakdown of revenue:

	(Unaudited) For the twelve months ended 31 December 2023 <i>HK\$'000</i>	(Audited) Year ended 31 December 2022 <i>HK\$'000</i>
Mining products	123,110	119,474
Trading of coal and non-ferrous metal; and wholesale and trading of frozen meat and agriculture products	<u>224,157</u>	<u>87,961</u>
Total revenue and revenue from contract with customer	<u>347,267</u>	<u>207,435</u>

Disaggregation of revenue from contracts with customers:

All revenue from contracts with customers was derived from the PRC for the twelve months ended 31 December 2023 and year ended 31 December 2022. The timing of revenue recognition of all revenue from contracts with customers was at a point in time for the twelve months ended 31 December 2023 and year ended 31 December 2022.

5. FINANCE COSTS

	(Unaudited) For the twelve months ended 31 December 2023 <i>HK\$'000</i>	(Audited) Year ended 31 December 2022 <i>HK\$'000</i>
Interest on convertible bond	25	–
Loan interests	38,102	55,277
Lease interests	7	50
	<hr/>	<hr/>
Total borrowing costs	38,134	55,327
Amount capitalised	(1,066)	(4,101)
	<hr/>	<hr/>
	37,068	51,226
	<hr/> <hr/>	<hr/> <hr/>
Representing:		
Continuing operations	37,068	51,221
Discontinued operations	–	5
	<hr/>	<hr/>
	37,068	51,226
	<hr/> <hr/>	<hr/> <hr/>

6. INCOME TAX EXPENSE

	(Unaudited) For the twelve months ended 31 December 2023 <i>HK\$'000</i>	(Audited) Year ended 31 December 2022 <i>HK\$'000</i>
Deferred tax	–	(1,609)
	<hr/> <hr/>	<hr/> <hr/>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the period (2022: nil).

The applicable income tax rate for the subsidiaries of the Group in the PRC in the Reporting Period is 5% – 25% (2022: 5% – 25%).

7. LOSS FOR THE PERIOD/YEAR

Loss for the period from continuing operations is stated after charging (crediting) the following:

	(Unaudited) For the twelve months ended 31 December 2023 HK\$'000	(Audited) Year ended 31 December 2022 HK\$'000
Depreciation of property, plant and equipment	22,744	18,596
Depreciation of right-of-use assets	378	937
Amortisation of mining right	4,225	2,018
Cost of sales	323,682	137,343
Other income – waiver of interest payables	(13,829)	–
Other losses:		
– Loss on disposal of equity investment at fair value through other comprehensive income	4,225	–
– Impairment loss on property, plant and equipment	–	24,392
– Impairment loss on prepayments for property, plant and equipment and construction	–	1,086
– Impairment loss on mining right	–	5,693
	<u><u> </u></u>	<u><u> </u></u>

8. (LOSS) EARNINGS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company for the Reporting Period is based on the loss for the period attributable to owners of the Company of approximately HK\$33,929,000 (2022: approximately HK\$38,572,000) and the weighted average number of ordinary shares of approximately 1,791,590,000 (2022: approximately 1,515,256,000) in issue during the Reporting Period.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the Reporting Period and Corresponding Period.

The computation of diluted loss per share for the twelve months ended 31 December 2023 did not assume the conversion of convertible bonds since its assumed conversion would result in a decrease in loss per share.

9. MINING RIGHT

	<i>HK\$'000</i>
Cost	
At 1 January 2022	1,543,342
Exchange differences	<u>(124,898)</u>
At 31 December 2022 (Audited)	1,418,444
Addition through acquisition of a subsidiary	46,727
Exchange differences	<u>(30,252)</u>
At 31 December 2023 (Unaudited)	<u>1,434,919</u>
Accumulated amortisation and impairment	
At 1 January 2022	1,483,703
Amortisation for the year	2,018
Impairment loss for the year	5,693
Exchange differences	<u>(105,095)</u>
At 31 December 2022 (Audited)	1,386,319
Amortisation for the period	4,225
Exchange differences	<u>(31,477)</u>
At 31 December 2023 (Unaudited)	<u>1,359,067</u>
Carrying amount	
At 31 December 2023 (Unaudited)	<u><u>75,852</u></u>
At 31 December 2022 (Audited)	<u><u>32,125</u></u>

Mining right includes the cost of acquiring mining licenses, costs transferred from exploration right and exploration and evaluation assets upon determination that an exploration property is capable of commercial production and land compensation costs. Land compensation costs represent the compensation paid to inhabitants for relocating them from the areas nearby the mining sites so that the Group can use the land as leaching piles and dumping areas for waste ores. The mining permit in Hunan will expire on 31 December 2025, and the mining permit in Jilin will expire on 20 September 2031.

10. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity investments at fair value through other comprehensive income are unlisted equity securities and stated at fair value.

On 12 June 2023, a wholly-owned subsidiary of the Company and Shanghai Jubo Investment Management Co., Ltd. (“the Purchaser”) entered into a sales and purchases agreement in relation to the disposal of 10.8915% equity interest in a limited liability company established in the PRC by the wholly-owned subsidiary of the Company to the Purchaser. The disposal of the 10.8915% equity interest was equivalent to approximately HK\$46,225,000 as at 31 December 2022 with the disposal consideration of HK\$42,000,000, resulting a loss on disposal of equity investment at fair value through other comprehensive income of HK\$4,225,000 recognised in the current period. Please refer to the announcement dated 12 June 2023 for details.

11. TRADE AND OTHER RECEIVABLES

	(Unaudited) At 31 December 2023 HK\$'000	(Audited) At 31 December 2022 HK\$'000
Trade receivables, net of allowance	13,685	8,465
Prepayments, deposits and other receivables (<i>Notes</i>)	106,996	14,837
Prepayment for property, plant, and equipment	–	1,262
	<u>120,681</u>	<u>24,564</u>

Notes:

- (i) Included in the other receivables of HK\$42,000,000 represents a consideration receivable from the purchaser in relation to disposal of 10.8915% equity interest in a limited liability company established in the PRC, pursuant to the sale and purchase agreement, the disposal was completed on 12 June 2023.
- (ii) Included in deposit of approximately HK\$7,567,000 (equivalent to RMB7,000,000) as at 31 December 2022 was deposit paid to the vendor for the settlement of acquisition consideration in relation to 51% of the total issued share capital in New Asia Mining Co., Ltd. (the “Target Company”). The acquisition was completed during the period.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	(Unaudited) At 31 December 2023 HK\$'000	(Audited) At 31 December 2022 HK\$'000
0 – 30 days	–	–
31 – 60 days	–	2,353
61 – 90 days	–	–
Over 90 days	13,685	6,112
	<u>13,685</u>	<u>8,465</u>

12. TRADE AND OTHER PAYABLES

	(Unaudited) At 31 December 2023 <i>HK\$'000</i>	(Audited) At 31 December 2022 <i>HK\$'000</i>
Trade payables	49,948	9,269
Bill payables	5,506	46,167
Accrued liabilities and other payables (<i>Note</i>)	78,246	38,629
	<u>133,700</u>	<u>94,065</u>

Note:

As at 31 December 2023, included in accrued liabilities and other payables was an amount of RMB23,800,000 (equivalent to approximately HK\$26,211,000) for a consideration payable for acquisition of a subsidiary.

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	(Unaudited) At 31 December 2023 <i>HK\$'000</i>	(Audited) At 31 December 2022 <i>HK\$'000</i>
0 – 30 days	–	–
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	49,948	9,269
	<u>49,948</u>	<u>9,269</u>

13. BORROWINGS

	(Unaudited) At 31 December 2023 HK\$'000	(Audited) At 31 December 2022 HK\$'000
Short term borrowings		
– Secured, 10%-24% interest per annum and due within one year (note (i))	34,305	32,809
– Unsecured, 24% interest per annum and due within one year (note (ii))	2,045	1,933
– Secured, 36% interest per annum and due within one year (note (iii))	78,434	203,425
– Unsecured, non-interest bearings and no fixed repayment terms (note (iv))	18,612	19,030
– Unsecured, non-interest bearings and no fixed repayment terms (note (v))	500	500
– Unsecured, 36% interest per annum and due within one year (note ((vi)))	20,309	28,363
– Unsecured, non-interest bearings and no fixed repayment terms (note (vii))	–	15,374
– Unsecured, 18% interest per annum and due within one year (note (ix))	259	–
	<u>154,464</u>	<u>301,434</u>
Long term borrowings		
– Secured, 36% interest per annum and due within three year (note (iii))	–	3,760
– Unsecured, 36% interest per annum and due within three year	–	1,621
– Unsecured, 24% interest per annum and due within three year (note (viii))	8,097	8,948
	<u>8,097</u>	<u>14,329</u>
	<u>162,561</u>	<u>315,763</u>

Notes:

- (i) On 1 April 2023, the Company and Westralian Resources, entered into a further supplementary agreement with Mr. Cai agreed to extend the maturity date from 31 March 2023 to 31 March 2024 and reduced the interest rate from 24% to 10%. The borrowing is secured by the 51% shares of Hunan Westralian.
- (ii) The borrowing is guaranteed by a general manager (“General Manager”) of Hunan Westralian.

- (iii) The borrowing is secured by 35% of mining right owned by Hunan Westralian and guaranteed by 10.4% of shares of Xinhuaaxian Choumu Mining Co., Limited owned by a General Manager.

On 18 July 2023, an indirect non-wholly owned subsidiary of the Company (the “Borrower”) entered into a capitalisation agreement with the lender, Mr. Wu, pursuant to which the Mr. Wu agreed to make a capital contribution of RMB52,031,000 (equivalent to approximately US\$7.2 million) by way of a debt-to-equity swap with RMB52,031,000 of Mr. Wu creditor’s rights over the indirect non-wholly owned subsidiary of the Company. Upon the completion of the capitalisation agreement, Mr. Wu owns 19.6% shareholdings of the Borrower.

On 6 December 2023, the Borrower entered into a debt waiver agreement (the “Debt Waiver Agreement”) I with Mr. Wu, pursuant to the Debt Waiver Agreement I, the Borrower and Mr. Wu agreed to reduce the amount of debt from RMB132,186,390 to RMB45,147,060.

On 6 December 2023, Mr. Wu entered into loan receivables transfer agreement (the “LRT Agreement”) I with the Company, pursuant to which Mr. Wu agreed to sell, and the Company agreed to acquire, part of the remaining amount of the debt due from the Borrower, in the aggregate amount of RMB22,745,847 which shall be settled by the Company in 12 months with interest bearing at an interest rate of 12% per annum.

- (iv) The borrowing is provided by Hunan Westralian’s director with interest fee, non-guaranteed and no fixed repayment terms.
- (v) The borrowing is provided by a Shareholder with interest fee, non-guaranteed and no fixed repayment terms.
- (vi) The borrowing is guaranteed by General Manager of Hunan Westralian.

On 6 December 2023, the Borrower entered into the Debt Waiver Agreement II with an independent third party (the “Vendor”), pursuant to the Debt Waiver Agreement II, the Borrower and the Vendor agreed to reduce the amount of debt from RMB18,858,513 to RMB6,440,954.

On 6 December 2023, the Vendor entered into the LRT Agreement II with the Company, pursuant to which the Vendor agreed to sell, and the Company agreed to acquire, part of the remaining amount of the debt due from the Borrower, in the aggregate amount of RMB3,245,061 which shall be settled by the Company in 12 months with interest bearing at an interest rate of 12% per annum.

- (vii) The borrowing is provided by an independent third party (the “Subscriber”) with interest fee, non-guaranteed and no fixed repayment terms.

On 12 January 2023, the Company entered into a settlement agreement with the Subscriber for the issuance and subscription of new shares. The indebtedness due to Subscriber was settled in full by the Company by issuance and allotment of 66,334,814 settlement shares to the Subscriber at the subscription price of HK\$0.27 per Shares on 30 January 2023.

- (viii) The borrowing is guaranteed by General Manager of Hunan Westralian.

On 6 December 2023, the Borrower entered into the Debt Waiver Agreement III with Mr. Cai, a substantial shareholder of the Borrower, pursuant to the Debt Waiver Agreement III, the Borrower and Mr. Cai agreed to reduce the amount of debt from RMB2,377,419 to RMB811,986.

On 6 December 2023, Mr. Cai entered into the LRT Agreement III with the Company, pursuant to which Mr. Cai agreed to sell, and the Company agreed to acquire, part of the remaining amount of the debt due from the Borrower, in the aggregate amount of RMB409,092 which shall be settled by the Company in 12 months with interest bearing at an interest rate of 12% per annum.

- (ix) The borrowing is guaranteed by a beneficial owner of the Company.

14. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
At 1 January 2022, 31 December 2022 and 31 December 2023 (25,000,000,000 ordinary shares of HK\$0.01 each)	25,000,000	250,000
Issued and fully paid:		
At 1 January 2022 and 31 December 2022 (Audited) (1,515,256,058 ordinary shares of HK\$0.01 each)	1,515,256	15,153
Issue of subscription shares (<i>note (a)</i>)	66,335	663
Issue of subscription shares (<i>note (b)</i>)	236,716	2,367
Issue of subscription shares (<i>note (c)</i>)	294,318	2,943
At 31 December 2023 (Unaudited) (2,112,625,443 ordinary shares of HK\$0.01 each)	2,112,625	21,126

Notes:

- (a) On 12 January 2023, the Company entered into one settlement agreement with the subscriber, pursuant to which the subscriber subscribed for a total of 66,334,814 shares at a price of HK\$0.27 per share. The issue of subscription shares was completed on 30 January 2023 and the premium of the issue of shares, amounting to approximately HK\$14,711,000 was credited to the Company's share premium account.
- (b) On 1 June 2023, the Company proposed to issue an aggregate of 236,716,397 ordinary shares of HK\$0.01 each for cash at the net issue price of approximately HK\$0.105 per new share under the general mandate. The issue of shares was completed on 6 July 2023 and the premium of the issue of shares, amounting to approximately HK\$22,488,000, was credited to the Company's share premium account.
- (c) On 18 July 2023, the Company entered into a share subscription agreement to issue and allotment of 294,318,174 shares to subscriber at the subscription price of HK\$0.109 per share under the general mandate. The issue of subscription shares was completed on 31 August 2023 and the premium of the issue of shares, amounting to approximately HK\$29,138,000, was credited to the Company's share premium account.

15. EVENTS AFTER THE REPORTING PERIOD

a) Acquisition of Subsidiaries

On 5 January 2024, two wholly owned subsidiaries of the Group (the “Purchasers”) and two independent third parties (the “Vendors”) entered into a share transfer agreement, pursuant to which the Vendors conditionally agreed to sell 100% equity interest of Renaissance (Tianjin) Financial Leasing Company Limited (the “Target Company”) and purchasers conditionally agreed to purchase 100% equity interest of the Target Company at the total consideration of US\$1,966,666 (equivalent to approximately HK\$15,339,996) (the “Acquisition”). The Target Company is a company established in the PRC with limited liability and is wholly owned by the vendors and is principally engaged in provision of finance lease services in the PRC. Please refer to the announcement dated on 5 January 2024 for details.

As of the date of issue of these Interim Financial Statements, the Acquisition has not yet been completed.

b) Proposed Issue of Shares

On 30 January 2024, the Company and the subscribers entered into the subscription agreements to issue and allotment of 800,000,000 shares to subscriber at the subscription price of HK\$0.028 per share under the specific mandate. Please refer to the announcement dated on 30 January 2024 for details.

As of the date of issue of these Interim Financial Statements, the share subscription agreement was not yet completed.

c) Deemed Disposal of Subsidiary

On 8 February 2024, a non-wholly owned subsidiary of the Company (the “Target Company”) entered into a capitalisation agreement with an investor, pursuant to which the investor agreed to make a capital contribution of RMB81.9 million (equivalent to approximately US\$11.4 million) by way of a debt-to-equity swap with RMB81.9 million of the investor’s creditor’s rights over the Target Company (the “Capitalisation”). Upon the completion of the Capitalisation, the registered capital of the Target Company will increase from US\$36.9 million to approximately US\$48.3 million. The Group’s equity interest in the Target Company will be diluted from 41.0% to approximately 31.3% as a result of this Capitalisation (the “Deemed Disposal”). The Target Company is a foreign owned enterprise established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company principally engaged in gold mining, exploration and trading of gold products in the PRC. The Target Company will continue to be a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated in the Group’s accounts taking into account, among others, the corporate governance procedures implemented and the entrustment of voting rights. Please refer to the announcement dated on 8 February 2024 for details.

As of the date of issue of these Interim Financial Statements, the Deemed Disposal was not yet completed.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The Group is principally engaged in two business segments: (i) gold mining, exploration and trading of gold products in the PRC; and (ii) trading of coal and non-ferrous metal; and wholesale and trading of frozen meat and agriculture products in the PRC.

BUSINESS REVIEW

Mining Products

During the Reporting Period, Hunan Westralian is committed to improving its business compliance. At present, the mining environmental impact assessment procedures are still in the application process. Hunan Westralian will continue to improve the projects that need to be constructed and improved according to the requirements of the environmental impact assessment and will reapply for approval after the completion of the acceptance. In addition, the construction of related green mines is also in progress.

Due to the limited and insufficient efforts and investments in exploration projects over the past years, resulting in low known mineral reserves, insufficient proven mineral for mining, and the reduction of the area of exploration right by the Department of Natural Resources of Hunan Province. Therefore, during the Reporting Period, Hunan Westralian began to increase its exploration efforts within the scope of mining rights, with a view to increasing the mineral reserves available for mining.

Due to the aforementioned reasons, the mining is mostly carried out at the same time as exploration with small-scale manual operations, resulting in high mining costs. Hunan Westralian's revenue in 2023 was approximately HK\$123.1 million, with a loss of approximately HK\$37.0 million. Hunan Westralian expects this can be improved after the exploration project has made achievements in the future.

During the Reporting Period, Hunan Westralian has generated and sold gold products to customers that are engaged in metal trading operations on site, based on the weighted average trading price for gold published by the Shanghai Gold Exchange and on immediate payment against delivery basis.

Based on (i) the aggregate of the probable reserves and 50% of the inferred resources of the Gold Mine as of 31 March 2015 (stated in the independent technical review updated report prepared by SRK in May 2015) less (ii) the aggregate of 50% of gold from sub-mining ores produced from the mine enhancement projects and other works and 100% of the gold output on a planned production basis in 2020, Hunan Westralian estimates that the remaining reserves and resources will support just over 14 years of operating at full capacity by the existing processing plant and (from November 2022) the new process plant. The Company will look to commission an update technical report at an appropriate time to "upgrade" the reserves and/or resources of the gold mine.

Stated as 2022 Annual Report, the Company has identified a potential suitable gold mine project located in Jilin, China (“Project”), which is in line with the Group’s principal business activities and development direction in 2022 and the Group announced that the acquisition of 51% equity interest of New Asia Mining Co., Ltd. (新亞礦業有限公司) (“New Asia Mining”) (which owns the Project, i.e. a gold mine with an area of approximately 0.6581 square kilometers and with the Mining Licence valid until 2031 in Jilin Province, China) from Huafeng Mining Co., Ltd. (華豐礦業有限責任公司) (“Vendor”) on 24 May 2023 and the completion took place on 1 July 2023. The results and assets and liabilities of New Asia Mining were consolidated with, and accounted for as a subsidiary, in the Company’s consolidated financial statements. As such, the Acquisition may facilitate the Group to expand its mineral portfolio to enhance the development of the Group. The Directors are of the view that the Acquisition is fair and reasonable and in the ordinary and usual course of business of the Group, and are in the interest of the Company and its shareholders as a whole.

Money Lending Business (discontinued operation)

The Management has taken into various factors and decided to temporarily suspend this money lending business in order to reallocate resources to other potential development projects.

Trading of Coal and non-ferrous metal

The Management has taken into various factors and decided to temporarily suspend trading coal business. During the Reporting Period, the Group has started trading of non-ferrous metal.

Wholesale and Trading of Frozen Meat and Agriculture Products

The Group has cooperated with frozen meat factories in Spain and Thailand respectively and has also established a relatively complete network with downstream customers, and the business continues to develop well since 2021. The Group has actively expanded the supply channels of frozen products in other countries, including direct supply channels from factory in Belarus. At present, the trial order with Belarusian factory has been completed, and a long-term supply agreement will be signed to ensure monthly supply quantity.

From the earlier of 2023, China has gradually relaxed the import policy for imported frozen products. At present, the import qualifications of nine Thai poultry production enterprises have been gradually resumed. The two factories cooperating with the Group resumed exports during the Reporting Period. Hence, the business will generate stable revenue after resumption of imports. In addition, the Group has started in trading of agriculture products business in the PRC since the first quarter in 2023 and it is expected that the business will generate continuous and increase revenue.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a total revenue of approximately HK\$347.3 million, representing an approximately 67.5% increase as compared with approximately HK\$207.4 million for the Corresponding Period. The Group's revenue was mainly boost up by the trading of coal and non-ferrous metal; and wholesale and trading of frozen meat and agriculture products segments.

The revenue contributed by the mining products business segment during the Reporting Period was approximately HK\$123.1 million, representing an increase of approximately 3.0% as compared with approximately HK\$119.5 million for the Corresponding Period. The increase in revenue was mainly due to the technological upgrade of the existing ore processing plant, coupled with the impact of the geopolitical situation and the monetary policy of the Federal Reserve Board, which has stabilised the gold price at a relatively high level, therefore, the revenue has increased to a certain extent.

The money lending business segment did not have any revenue during the Reporting Period, which was mainly due to the fact that it had been disposed of during 2022.

During the Reporting Period, the revenue contributed by the trading of coal and non-ferrous metal; and wholesale and trading of frozen meat and agriculture products business segment was approximately HK\$224.2 million, representing a significant increase of approximately 154.8% as compared with approximately HK\$88.0 million for the Corresponding Period. The significant increase in revenue was mainly due to the reasons mentioned in the "Wholesale and Trading of Frozen Meat and Agriculture Products" section above, which resulted in significant portion of revenue contributed this segment.

The gross profit for the Reporting Period was approximately HK\$23.6 million, representing a decrease of approximately 66.3% as compared with approximately HK\$70.1 million for the Corresponding Period. The significant decrease in gross profit was mainly due to the significant increase in the cost of sales.

The loss for the Reporting Period from continuing operations and discontinuing operation of the Group was approximately HK\$54.5 million, representing a decrease of approximately 12.0% as compared with approximately HK\$61.9 million for the Corresponding Period. The decrease in loss was mainly due to the other income increased and other losses decreased compared to the Corresponding Period of approximately HK\$18.0 million as the debt waiver agreement had been signed during the period and the other losses decreased of approximately HK\$4.2 million, representing an increase of other income approximately 100% and decrease of other losses approximately 86.5% as compared with approximately HK\$0.3 million in other income and HK\$31.2 million in other losses for the Corresponding Period.

PROSPECTS

Save as the trading of coal business has temporarily ceased operation due to the reasons stated in 2022 Annual Report, and the money lending business had been disposed of and terminated due to the aforementioned reasons, as at the date of this announcement, the prospects of the Group and the core direction of the Company have not changed materially from the information disclosed in 2022 Annual Report.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Group had unpledged cash and bank balances of approximately HK\$13.6 million (31 December 2022: approximately HK\$52.4 million). The gearing ratio was not applicable to the Group (31 December 2022: n/a) and the borrowings of the Group was approximately HK\$162.6 million (31 December 2022: approximately HK\$315.8 million). The Group recorded a net current liabilities of approximately HK\$158.4 million as at 31 December 2023 (31 December 2022: net current liabilities and net liabilities of approximately HK\$323.5 million and approximately HK\$125.1 million respectively).

Details of the maturity profile and interest rate structure of the borrowings of the Group are set out in note 13 to the Second Interim Financial Statements of this announcement.

COMMITMENTS

As at 31 December 2023, the Group did not have any significant commitments (31 December 2022: nil).

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any significant contingent liabilities (31 December 2022: nil).

BANK BORROWINGS

As at 31 December 2023, the Group did not have any outstanding bank loan (31 December 2022: nil).

EMPLOYEES AND REMUNERATION

The remuneration policy of the Group is designed to ensure that remuneration offered to the Directors and/or employees is appropriate for their respective duties performed, sufficiently compensates them for the effort and time dedicated to the affairs of the Group, and is competitive and effective in attracting, retaining and motivating employees. The key components of the Company's remuneration package include basic salary, and when appropriate, other allowances, incentive bonuses, mandatory provident funds and share options granted (if any) under the Share Option Scheme.

The emoluments payable to the Directors are determined by the responsibilities, qualifications, experience, duties, performance of the Directors, the prevailing market conditions and remuneration benchmarks of listed companies of similar size and industry nature. They include incentive bonuses primarily based on the results of the Group and share options granted (if any) under the Share Option Scheme. The remuneration committee of the Company performs review on the emoluments of the Directors from time to time. No Director, or any of his associates or executives, is involved in deciding his own emoluments.

Employees' remuneration packages are determined by the responsibilities, qualifications and experience, duties and performance of individuals as well as prevailing compensation packages in the market. The packages are reviewed annually and anytime as required.

The Group will allocate resources in training, retention and recruitment programs, and encouraging staff to upgrade their skillsets. The Group monitors and evaluates the performances of managerial staff regularly to ensure the Group is led by the finest.

As at 31 December 2023, the Group employed 558 staff (2022: 498). The remuneration of employees was commensurate with the market trend, the level of pay in the industry and with the performance of individual employees that are regularly reviewed every year.

FOREIGN EXCHANGE EXPOSURE

During the Reporting Period, the Group had generated revenues and incurred costs mainly in Hong Kong dollar and Renminbi. After considering the fluctuation in Renminbi, the Directors believed that the Group's exposure to fluctuation in foreign exchange rates was minimal, and therefore, the Group had not employed any financial instruments for hedging purpose.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Reporting Period (2022: nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company acknowledges the need for and the importance of corporate governance as one of the key elements in enhancing Shareholders' value. The Company is committed to improving its corporate governance practices in compliance with regulatory requirements and in accordance with recommended practices. As at the date of this announcement, the Company has adopted the CG Code to regulate the corporate governance issues of the Group. The Board has reviewed the Company's corporate governance practices and has formed the opinion that the Company, throughout the Reporting Period and up to the date of this announcement, has complied with the Code Provisions as set out in the CG code except for the following deviations:

Pursuant to the Code Provision D.1.2 (pre-amendment Code Provision C.1.2), the Management should provide monthly updates to the Board to enable the Board and each Director to discharge their duties. Although the Management has provided the Board with monthly updates, there has been a delay, which the Company considers acceptable. In addition, the Company considers that providing such updates to the Board from time to time rather than on a regular monthly basis is sufficient for the Board and each Director to discharge their responsibilities. In the event there are any significant updates to be provided, the Company will update the Board as early as practicable for discussion and resolution.

Pursuant to the Code Provision D.1.3 (pre-amendment Code Provision C.1.3), as set out in the 2022 Annual Report, the Auditor has issued a Disclaimer of Opinion regarding the Company’s ability to continue as a going concern. The Group has taken and will continue to take certain measures (“Proposed Measures”) to improve the Group’s working capital and cash flow position and mitigate its liquidity pressure. Save for the following Proposed Measures summary updates, as at the date of second interim report (“2023 Second Interim Report”), there have been no material changes in respect of this matter since the publication of the 2022 Annual Report and 2023 Second Interim Report:

Proposed Measures

Current status

The Group is actively negotiate with the financial institution(s) for obtaining additional financing/new borrowings

The Group is actively liaising with financial institutions/individuals/bankers to seek new loan facilities with lower interest rate and longer maturities to improve the current financial position of the Group. Up to date of 2023 Second Interim Report, Hunan Westralian (as defined in the 2023 Second Interim Report) has obtained several financing from individuals. This measure will be under monitoring and may be adjusted based on actual funding need and the results of other possible fundraising activities of the Group as mentioned below.

The Group has obtained letters of undertakings from substantial shareholders of the Company confirming that they will provide continued financial support to the Group to meet its present and future financial obligations as they fall due

Obtained

Proposed Measures

The Group will actively negotiate and obtain additional funds through fundraising and debt restructuring activities

Current status

On 30 January 2023, the Group has completed a debt restructuring by issuance of the new shares under the general mandate to the creditors for settlement of the Indebtedness in full, following the completion of the debt restructuring, the debt position of the Group has improved. On 1 June 2023, the Company entered into three Subscription Agreements in relation to the issue and subscription of new Shares under the General Mandate. The net proceeds from the issue of Subscription Shares (after deducting of expenses) will be approximately HK\$24.7 million and will be used for the project in relation to the announcement of the Company dated 24 May 2023 and the Company's general working capital needs and completion took place on 6 July 2023. On 18 July 2023, the Company entered into a share subscription agreement and a convertible bonds subscription agreement in relation to the issue and subscription of new shares ("Subscription Shares") and convertible bonds ("Convertible Bonds"), the gross proceeds from the issuance of Subscription Shares and Convertible Bonds are expected to be approximately HK\$35.1 million and will be used as general working capital of the Group and Completion took place on 31 August 2023. On 30 January 2024, the Company and the Subscribers entered into the Subscription Agreements, the Subscription Shares represent approximately (i) 37.9% of the issued share capital of the Company as at the date of the reporting period; and (ii) 27.5% of the issued share capital of the Company as enlarged by the Subscription Shares which is subject to the Shareholders' approval at the EGM.

Proposed Measures

The Group will continue to negotiate with the Group's creditors with a view to extend the repayment terms of the Group's current liabilities as they fall due or by other methods to repay the debts and debt restructuring activities

Current status

A loan extension agreement has been successfully entered into with the major creditor to extend the repayment date to 31 March 2023 and reduce the relevant interest rate to 10% per annum. In addition, referring to the discloseable and connected transaction dated 6 December 2023 in respect of the Debt Waiver Agreements and the LRT Agreements, the Borrower entered into (i) Debt Waiver Agreement I; (ii) Debt Waiver Agreement II; and (iii) Debt Waiver Agreement III with the Vendors, pursuant to which the Borrower and the Vendors agreed to eliminate the amount in total of RMB101,022,322 from the Loan Receivables of RMB153,422,322. The remaining amount of the Loan Receivables will be RMB52,400,000 which comprise (i) Loan Receivables I of RMB45,147,060; (ii) Loan Receivables II of RMB6,440,954; and (iii) Loan Receivables III of RMB811,986.

In addition, the Group have further agreed with the major creditors of Hunan Westralian to make additional capital contribution by way of debt-to-equity swap with RMB81.9 million of the Investor's creditor's rights over Hunan Westralian. Upon the Completion, the registered capital of Hunan Westralian will increase from approximately US\$36.9 million to approximately US\$48.3 million. Immediately after the Completion, Hunan Westralian will be owned as to approximately 31.3% by Westralian Resources (a wholly-owned subsidiary of the Company), approximately 23.6% by the Investor, approximately 17.8% by Mr. Cai Shuo, approximately 15.0% by Mr. Wu and approximately 12.3% by Mr. Cai. Accordingly, the Group's equity interest in Hunan Westralian will be diluted from approximately 41.0% to approximately 31.3% as a result of the Capitalisation. Please refer to the announcement on 8 February 2024.

Proposed Measures

The Management will continue to save or reduce costs aiming at improving the working capital and cash flow of the Group, including close monitoring of administrative expense and operating cost

Current status

During the Reporting Period, Hunan Westralian's production increased proportionally, while management and administration costs did not increase significantly. The Management believed that through continuous cost control, it will further increase the output of Gold Mine and eventually achieve profitability. The Management will continue monitor its cost and expenses to control and/or reduce those unnecessary administrative costs, expenses and/or other operating costs, while the Group can still able to maintain its existing operations and explore further business development smoothly.

EVENTS AFTER THE REPORTING PERIOD

On 5 January 2024, Renaissance Silk Road (Tianjin) Business Management Co., Ltd. and Renaissance Silk Road International Limited (the Purchasers) entered into the Share Transfer Agreement, pursuant to which Shanggu Investment Holding Group Co., Ltd. and Reconstruction International Industrial Group Limited (the Vendors) conditionally agreed to sell 100% equity interest of Renaissance (Tianjin) Financial Leasing Company Limited (the Target Company) and the Purchasers conditionally agreed to purchase 100% equity interest of the Target Company at the total Consideration of US\$1,966,666 (equivalent to approximately HK\$15,339,996) and that are not completed up to the date of this announcement.

On 30 January 2024, the Company and the Subscribers entered into the Subscription agreement represent approximately (i) 37.9% of the issued share capital of the Company as at the date of this announcement; and (ii) 27.5% of the issued share capital of the Company as enlarged by the Subscription Shares. The Subscription Shares will be allotted and issued under the Specific Mandate, which is subject to the Shareholders' approval at the EGM.

The Subscription Price of HK\$0.028 per Subscription Share represents: (a) a discount of approximately 39.1% to the closing price of HK\$0.046 per Share as quoted on the Stock Exchange on 30 January 2024, being the date of the Subscription Agreements; (b) a discount of approximately 31.7% to the average closing price of approximately HK\$0.041 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements; (c) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 10.65%, represented by the theoretical diluted price of approximately HK\$0.0509 per Share to the benchmarked price of approximately HK\$0.046 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the date of this announcement of HK\$0.046 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement of HK\$0.041 per Share).

The gross proceeds from the Subscription are expected to be approximately HK\$22.4 million and the net proceeds from the Subscription, after deduction of the relevant expenses, will amount to approximately HK\$22.2 million. As set out in the interim report of the Company for the six months ended 30 June 2023, the consolidated net liability position of the Company as of 30 June 2023 was approximately HK\$129.0 million, the Subscription will enable the Company to strengthen the financial position of the Company. The intended use of the proceeds will be settlement of professional fees, repaying outstanding loans, working capital for the operation of Gold Mine (reference is made to the announcements of the Company dated 24 May 2023, 16 June 2023 and 21 June 2023).

On 8 February 2024, Hunan Westralian Mining Co., Limited, (“Hunan Westralian Mining”) a foreign owned enterprise established in the PRC (a non-wholly owned subsidiary of the Company) entered into the Capitalisation Agreement with the Investor, pursuant to which the Investor agreed to make a capital contribution of RMB81.9 million (equivalent to approximately US\$11.4 million) by way of a debt-to-equity swap with RMB81.9 million of the Investor’s creditor’s rights over Hunan Westralian Mining. Upon the Completion, the registered capital of Hunan Westralian Mining will increase from approximately US\$36.9 million to approximately US\$48.3 million. Immediately after the Completion, Hunan Westralian Mining will be owned as to approximately 31.3% by Westralian Resources (a wholly-owned subsidiary of the Company), approximately 23.6% by the Investor, approximately 17.8% by Mr. Cai Shuo, approximately 15.0% by Mr. Wu and approximately 12.3% by Mr. Cai. Accordingly, the Group’s equity interest in Hunan Westralian Mining will be diluted from approximately 41.0% to approximately 31.3% as a result of the Capitalisation.

Save as above, subsequent to 31 December 2023 and up to the date of this announcement, the Board is not aware of any significant event affecting the Group and requiring disclosure.

LITIGATION

On 18 August 2023, the Company announced that the Company received a “Writ of Summons”* (傳票) dated 11 August 2023 enclosing a copy of the “Civil Complaint”* (民事起訴狀) dated 19 July 2023 in relation to the claims brought by a third party (who, to the best knowledge of the Board, is a former shareholder of the Company) (the “1st Plaintiff”) and its shareholder (together with the 1st Plaintiff, the “Plaintiffs”), at Shenzhen Qianhai Cooperation Zone People’s Court* (深圳前海合作區人民法院) (“Shenzhen Court”) against five defendants, including the Company, Hunan Westralian Mining Co., Limited (“Hunan Westralian”), Mr. Cai Shuo (“Mr. Cai”) and two other third parties (one of whom, to the best knowledge of the Board, is also a former shareholder of the Company and the other one is its shareholder) (collectively, the “Defendants”) in relation to, among others, the disposal of 29% equity interest in Hunan Westralian as part of the settlement arrangements with Mr. Cai dated 10 August 2020. The Plaintiffs alleged that, among others, (i) the Company wrongfully disposed of the Sale Shares to Mr. Cai in breach of certain alleged prior arrangement between the third party defendant and the 1st Plaintiff; and (ii) the Company, Hunan Westralian and Mr. Cai conspired to assign the Sale Shares under the Disposal at a consideration which was significantly less than the original acquisition cost, thereby prejudicing the interests of the Plaintiffs, the Company and its shareholders.

The board of directors of the Company is continuing to process of assessing the potential impact of the legal proceeding on the Company. Currently, the Company is seeking legal advice on the lawsuit and will vigorously defend the claim. Under any circumstance, the Company is equipped with sufficient resources to fully respond to the lawsuit. Hence, it will not affect the normal operation of the Company. The Company will make further announcement(s) in due course to inform the shareholders and potential investors of the Company of any major progress of the lawsuit.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct governing Directors' securities transactions. All existing Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with the Management the accounting principles and policies as adopted by the Company, the practices of the Group and the unaudited condensed consolidated financial statements for the Reporting Period.

PUBLICATION OF SECOND INTERIM REPORT

The second interim report of the Company for the twelve months ended 31 December 2023 containing the relevant information required by the Listing Rules will be dispatched to the Shareholders and made available for review on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

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

“2022 Annual Report”	the annual report of the Company for the year ended 31 December 2022
“Articles of Association”	the articles of association of the Company
“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Auditor” or “ZHONGHUI ANDA”	ZHONGHUI ANDA CPA Limited, an independent external auditor of the Company

“Board”	the board of Directors
“CG Code”	Corporate Governance Code as set out in Appendix C1 of the Listing Rules
“Chairman”	the chairman of the Board
“CEO”	the chief executive officer of the Company
“China” or “PRC”	the People’s Republic of China, but for the purposes of this announcement and for geographical reference only (unless otherwise indicated), excludes the Macao Special Administrative Region of the PRC, Hong Kong and Taiwan
“Code Provisions”	code provisions as set out in the CG Code
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Renaissance Asia Silk Road Group Limited (formerly known as China Billion Resources Limited), a company incorporated in the Cayman Islands with limited liability, shares of which are listed on the Stock Exchange
“CB Subscription Agreement”	the conditional subscription agreement dated 18 July 2023 and entered into between the Company and Subscriber B in respect of the subscription of the Convertible Bonds in the principal amount of HK\$3,025,000
“Corresponding Period”	the period for the twelve months ended 31 December 2022
“Director(s)”	the director(s) of the Company
“Executive Director(s)”	the executive Director(s)
“Gold Mine”	the Group’s Yuanling gold project in Hunan Province, the PRC
“Group”	the Company and its subsidiaries
“HKAS”	Hong Kong Accounting Standards
“HKFRS”	Hong Kong Financial Reporting Standards
“HKFRSs”	Hong Kong Financial Reporting Standards comprise HKFRS, HKAS and Interpretations

“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunan Westralian”	Hunan Westralian Mining Co., Limited, a foreign owned enterprise established in the PRC and is a subsidiary of the Company
“INED(s)”	the independent non-executive Director(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management”	the management of the Company
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“NED(s)”	the non-executive Director(s)
“Nomination Committee”	the nomination committee of the Company
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the period for the twelve months ended 31 December 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Second Interim Financial Statement”	the second unaudited condensed consolidated financial statements for the twelve months ended 31 December 2023
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Option Scheme”	the share option scheme approved by the Shareholders for adoption at the extraordinary general meeting of the Company held on 22 February 2016
“Shareholder(s)”	holder(s) of the Share(s)
“SRK”	SRK Consulting China Limited, an independent technical adviser

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Westralian Resources”	Westralian Resources Pty Ltd, a wholly-owned subsidiary of the Company incorporated in Australia
“%”	per cent

By order of the Board
Renaissance Asia Silk Road Group Limited
Qiu Zhenyi
Chairman

Hong Kong, 29 February 2024

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

<i>Executive Directors:</i>	<i>Non-executive Directors:</i>	<i>Independent non-executive Directors:</i>
Mr. Qiu Zhenyi (<i>Chairman of the Board</i>)	Ms. Ng Ching Mr. Xu Huiqiang	Dr. Liu Ka Ying Rebecca Mr. Tse Sze Pan Mr. Yang Jingang Mr. Zhang Zhen
Mr. Pan Feng Mr. Xie Qiangming		