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# 復興亞洲絲路集團有限公司 RENAISSANCE ASIA SILK ROAD GROUP LIMITED

(formerly known as China Billion Resources Limited 中富資源有限公司)

(incorporated in the Cayman Islands with limited liability)

(Stock code: 274)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Board presents herewith the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022 and selected explanatory notes, together with the comparative figures for the six months ended 30 June 2021, as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2022

		Six months ended 30 June	
		2022	2021
	Notes	HK\$'000	HK\$'000
<b>Revenue</b>	4	<b>51,671</b>	47,070
Cost of sales		<u>(40,221)</u>	<u>(38,480)</u>
<b>Gross profit</b>		<b>11,450</b>	8,590
Other income		<b>166</b>	21,594
Administrative expenses		<u>(24,736)</u>	<u>(15,786)</u>
<b>(Loss)/profit from operations</b>		<b>(13,120)</b>	14,398
Finance costs	5	<u>(23,109)</u>	<u>(35,157)</u>
<b>Loss before tax</b>		<b>(36,229)</b>	(20,759)
Income tax (expense)/credit	6	<u>(5,523)</u>	708

		<b>Six months ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss for the period</b>	7	<b>(41,752)</b>	(20,051)
<b>Other comprehensive income/(loss):</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>1,077</u>	<u>(18,779)</u>
<b>Other comprehensive income/(loss) for the period</b>		<u>1,077</u>	<u>(18,779)</u>
<b>Total comprehensive loss for the period</b>		<u><b>(40,675)</b></u>	<u>(38,830)</u>
<b>Loss for the period attributable to:</b>			
Owners of the Company		<u>(24,741)</u>	(4,238)
Non-controlling interests		<u>(17,011)</u>	<u>(15,813)</u>
Loss for the period		<u><b>(41,752)</b></u>	<u>(20,051)</u>
<b>Total comprehensive loss for the period attributable to:</b>			
Owners of the Company		<u>(16,757)</u>	(1,159)
Non-controlling interests		<u>(23,918)</u>	<u>(37,671)</u>
Total comprehensive loss for the period		<u><b>(40,675)</b></u>	<u>(38,830)</u>
<b>Loss per share (HK cents)</b>			
Basic	8	<u><b>(1.80)</b></u>	<u>(0.34)</u>
Diluted	8	<u><b>N/A</b></u>	<u>N/A</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

*As at 30 June 2022*

	<i>Notes</i>	<b>As at 30 June 2022 HK\$'000</b>	<b>As at 31 December 2021 HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		135,495	137,935
Right-of-use assets		975	1,254
Mining right	9	56,462	59,639
Equity investments at fair value through other comprehensive income	10	64,282	64,382
		<b>257,214</b>	263,210
<b>Current assets</b>			
Inventories		1,017	–
Trade and other receivables	11	22,946	19,689
Loan receivables	12	411	411
Bank and cash balances		4,683	7,274
		<b>29,057</b>	27,374
<b>Current liabilities</b>			
Trade and other payables	13	63,059	50,337
Contract liabilities		9,287	9,553
Borrowings	14	278,876	223,808
Lease liabilities		892	875
		<b>352,114</b>	284,573
<b>Net current liabilities</b>		<b>(323,057)</b>	(257,199)
<b>Total assets less current liabilities</b>		<b>(65,843)</b>	6,011
<b>Non-current liabilities</b>			
Borrowings	14	2,152	38,118
Lease liabilities		165	456
Deferred tax liabilities		12,358	7,280
		<b>14,675</b>	45,854
<b>NET LIABILITIES</b>		<b>(80,518)</b>	(39,843)
<b>Capital and reserves</b>			
Share capital	15	15,153	15,153
Reserves		221,922	238,679
Equity attributable to owners of the Company		<b>237,075</b>	253,832
Non-controlling interests		<b>(317,593)</b>	(293,675)
<b>TOTAL EQUITY</b>		<b>(80,518)</b>	(39,843)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2022

## 1. GENERAL INFORMATION

Renaissance Asia Silk Road Group Limited (formerly known as China Billion Resources 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 Unit 1802, 18/F., The L Plaza, 367-375 Queen's Road Central, Hong Kong (changed to Room 1208, 12/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 15 July 2022). 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; (ii) provision of money lending services in Hong Kong; and (iii) trading of coal and wholesale and trading of frozen meat 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 2021 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 ended 31 December 2021.

The Group incurred a loss attributable to owners of the Company of approximately HK\$24,741,000 for the period and the Group had net current liabilities and net liabilities of approximately HK\$323,057,000 and HK\$80,518,000 respectively as at 30 June 2022.

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 2022:

HKAS 16 (Amendments)	Property, Plant and Equipment – Proceeds before Intended Use
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018-2020
HKFRS 3 (Amendments)	Reference to the Conceptual Framework
HKFRS 16 (Amendment)	Covid-19-Related Rent Concessions beyond 30 June 2021
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

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:

		<b>Effective for the financial periods beginning on or after</b>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020)	1 January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 17	Insurance Contracts and the Related Amendments	1 January 2023

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 SEGMENT INFORMATION**

The Group has three reportable segments as follows:

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

Money lending segment – provision of money lending services; and

Trading and wholesale segment – engaged in trading of coal and wholesale and trading of frozen meat.

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.

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

	<b>Mining products HK\$'000</b>	<b>Money lending HK\$'000</b>	<b>Trading and wholesale HK\$'000</b>	<b>Total HK\$'000</b>
<b><u>For the six months ended 30 June 2022</u></b>				
Revenue from external customers	48,776	–	2,895	51,671
Segment (loss)/profit	(34,731)	(66)	533	(34,264)
Depreciation of property, plant and equipment	712	–	1	713
Depreciation of right-of-use assets	–	56	–	56
Amortisation of mining right	565	–	–	565
Income tax expense	(5,523)	–	–	(5,523)
Additions to segment non-current assets	6,355	–	–	6,355
<b><u>As at 30 June 2022</u></b>				
Segment assets	205,314	826	77,900	284,040
Segment liabilities	310,279	381	13,070	323,730
<b><u>For the six months ended 30 June 2021</u></b>				
Revenue from external customers	36,465	2,257	8,348	47,070
Segment (loss)/profit	(32,280)	3,829	(498)	(28,949)
Depreciation of property, plant and equipment	5,572	–	1	5,573
Depreciation of right-of-use assets	–	57	–	57
Amortisation of mining right	651	–	–	651
Income tax credit	708	–	–	708
Additions to segment non-current assets	1,978	–	–	1,978
<b><u>As at 31 December 2021</u></b>				
Segment assets	212,278	670	76,035	288,983
Segment liabilities	259,137	223	10,535	269,895

Reconciliations of reportable segment revenue, profit or loss:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
<u>Revenue</u>		
Total revenue of reportable segments and consolidated revenue	<b>51,671</b>	47,070
<u>Profit or loss</u>		
Total loss of reportable segments	<b>(34,264)</b>	(28,949)
Finance costs	<b>(1,899)</b>	(4,438)
Other profit or loss	<b>(5,589)</b>	13,336
Consolidated loss for the period	<b>(41,752)</b>	(20,051)

Apart from the above, the totals of other material items disclosed in the segment information is the same as the consolidated totals.

**Breakdown of revenue:**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Mining products	<b>48,776</b>	36,465
Trading of coal and wholesale and trading of frozen meat	<b>2,895</b>	8,348
Revenue from contract with customers	<b>51,671</b>	44,813
Interest income of money lending	–	2,257
Total revenue	<b>51,671</b>	47,070

Disaggregation of revenue from contracts with customers:

All revenue from contracts with customers was derived from the PRC for the six months ended 30 June 2022 and 2021. The timing of revenue recognition of all revenue from contracts with customers was at a point in time for the six months ended 30 June 2022 and 2021.

## 5. FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Loan interests	24,396	35,498
Leases interests	29	7
	<u>24,425</u>	<u>35,505</u>
Total borrowing costs	24,425	35,505
Amount capitalised	(1,316)	(348)
	<u>23,109</u>	<u>35,157</u>

## 6. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Deferred tax	(5,523)	708

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the period (2021: nil).

The applicable income tax rate for the subsidiaries of the Group in the PRC in the Reporting Period is 2.5% – 25% (2021: 2.5% – 25%).

## 7. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging the followings:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Directors' remuneration	942	660
Depreciation of property, plant and equipment	713	5,573
Depreciation of right-of-use assets	489	57
Amortisation of mining right	565	651
Cost of sales	40,221	38,480

## 8. LOSS 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\$24,741,000 (2021: approximately HK\$4,238,000) and the weighted average number of ordinary shares of approximately 1,377,568,000 (2021: approximately 1,262,713,000) 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.



## 9. MINING RIGHT

	<i>HK\$'000</i>
<b>Cost</b>	
At 1 January 2021	1,493,761
Exchange differences	<u>49,581</u>
At 31 December 2021	1,543,342
Exchange differences	<u>(67,910)</u>
<b>At 30 June 2022</b>	<b><u>1,475,432</u></b>
<b>Accumulated amortisation and impairment</b>	
At 1 January 2021	1,418,015
Amortisation for the year	1,536
Impairment loss for the year	22,215
Exchange differences	<u>41,937</u>
At 31 December 2021	1,483,703
Amortisation for the period	565
Exchange differences	<u>(65,298)</u>
<b>At 30 June 2022</b>	<b><u>1,418,970</u></b>
<b>Carrying amount</b>	
<b>At 30 June 2022</b>	<b><u><u>56,462</u></u></b>
At 31 December 2021	<u><u>59,639</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 will expire on 31 December 2025. Mining right is amortised over the estimated useful lives of the mines in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the units of production method.

## 10. EQUITY INVESTMENTS 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.

## 11. TRADE AND OTHER RECEIVABLES

	As at 30 June 2022 <i>HK\$'000</i>	As at 31 December 2021 <i>HK\$'000</i>
Trade receivables	12,292	10,420
Prepayments, deposits and other receivables	<u>10,654</u>	<u>9,269</u>
	<u><u>22,946</u></u>	<u><u>19,689</u></u>

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

	As at 30 June 2022 <i>HK\$'000</i>	As at 31 December 2021 <i>HK\$'000</i>
0 – 30 days	3,952	3,350
31 – 60 days	1,160	983
61 – 90 days	–	–
Over 90 days	<u>7,180</u>	<u>6,087</u>
	<u><u>12,292</u></u>	<u><u>10,420</u></u>

## 12. LOAN RECEIVABLES

	As at 30 June 2022 <i>HK\$'000</i>	As at 31 December 2021 <i>HK\$'000</i>
Loan receivables	8,362	8,362
Provision for loss allowance	<u>(7,951)</u>	<u>(7,951)</u>
Carrying amount	<u><u>411</u></u>	<u><u>411</u></u>

The directors of the Group monitored the collectability of the loan receivables closely with reference to their respective current creditworthiness.

The loan receivable, net of allowance will maturity within one year.

Reconciliation of loss allowance for loan receivables:

	<b>As at 30 June 2022 HK\$'000</b>	<b>As at 31 December 2021 HK\$'000</b>
At 1 January	7,951	11,489
Decrease in loss allowance for the period/year	<u>–</u>	<u>(3,538)</u>
	<b><u>7,951</u></b>	<b><u>7,951</u></b>

### 13. TRADE AND OTHER PAYABLES

	<b>As at 30 June 2022 HK\$'000</b>	<b>As at 31 December 2021 HK\$'000</b>
Trade payables	12,002	9,424
Accrued liabilities and other payables	<u>51,057</u>	<u>40,913</u>
	<b><u>63,059</u></b>	<b><u>50,337</u></b>

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

	<b>As at 30 June 2022 HK\$'000</b>	<b>As at 31 December 2021 HK\$'000</b>
0 – 30 days	10,816	8,493
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	<u>1,186</u>	<u>931</u>
	<b><u>12,002</u></b>	<b><u>9,424</u></b>

## 14. BORROWINGS

	As at 30 June 2022 HK\$'000	As at 31 December 2021 HK\$'000
<b>Short-term borrowings</b>		
– secured, 24% interest per annum and due within one year (note(i))	31,688	29,817
– unsecured, 24% interest per annum and due within one year (note (ii))	1,869	1,809
– secured, 36% interest per annum and due within one year (note (iii))	190,739	156,123
– unsecured, non-interest bearings and no fixed repayment terms (iv)	19,794	20,706
– unsecured, non-interest bearings and no fixed repayment terms (v)	7,834	2,508
– unsecured, 36% interest per annum and due within one year	<u>26,952</u>	<u>12,845</u>
	<u>278,876</u>	<u>223,808</u>
<b>Long-term borrowings</b>		
– secured, 36% interest per annum and due within three years (note (iii))	2,152	25,396
– unsecured, 36% interest per annum and due within three years	<u>–</u>	<u>12,722</u>
	<u>2,152</u>	<u>38,118</u>
	<u><u>281,028</u></u>	<u><u>261,926</u></u>

### Notes:

- (i) On 10 August 2020, the Company and Westralian Resources, entered into the settlement agreement with one of former directors of Hunan Westralian, Mr. Cai. In connection with the settlement arrangements, the Company and Westralian Resources have agreed to sell the 29% equity interest in Hunan Westralian, a company owned as to 80% by Westralian Resources, to Mr. Cai for approximately HK\$42,842,000 (equivalent to RMB38,485,000) to partially settle the outstanding amount owed to Mr. Cai. Mr. Cai has agreed to extend the maturity date to 31 August 2021. On 31 August 2021, the Company and Westralian Resources and Mr. Cai, entered into an supplementary agreement, agreed to extend the maturity date to 31 March 2022. The parties entered into a further supplemental agreement (effective from 1 April 2022) to further extend the maturity date to 31 March 2023, and to reduct the interest rate to 10% per annum. The borrowing is secured by the 51% shares of Hunan Westralian as at 30 June 2022 and 31 December 2021.
- (ii) The borrowings are guaranteed by a general manager (“General Manager”) of Hunan Westralian Mining Co., Limited.
- (iii) The borrowing is secured by 35% of mining right owned by Hunan Westralian Mining Co., Limited and guaranteed by 10.4% of shares of Xinhuaixian Choumu Mining Co., Limited owned by a General Manager.
- (iv) The borrowings are provided by Hunan Westralian’s director with interest fee, non-guaranteed and no fixed repayment terms.
- (v) The borrowings are provided by shareholders with interest fee, non-guaranteed and no fixed repayment terms.

## 15. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised: At 1 January 2021, 31 December 2021 and 30 June 2022(25,000,000,000 ordinary shares of HK\$0.01 each)	<u>25,000,000</u>	<u>250,000</u>
Issued and fully paid: At 1 January 2021 (1,262,713,382 ordinary shares of HK\$0.01 each)	1,262,713	12,627
Issue of subscription shares (i)	<u>252,543</u>	<u>2,526</u>
At 31 December 2021 and 30 June 2022 (1,515,256,058 ordinary shares of HK\$0.01 each)	<u>1,515,256</u>	<u>15,153</u>

- (i) On 2 July 2021, the Company entered into one subscription agreement with each of the four subscribers, pursuant to which the subscribers subscribed for a total of 252,542,676 Shares at a price of HK\$0.234 per Share. The issue of subscription shares was completed on 19 July 2021 and the premium of the issue of shares, amounting to approximately HK\$56,569,000, was credited to the Company's share premium account.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS AND FINANCIAL REVIEW**

The Group is principally engaged in three business segments: (i) gold mining, exploration and trading of gold products in the PRC; (ii) provision of money lending services in Hong Kong; and (iii) trading of coal and wholesale and trading of frozen meat 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 the first half of 2022 was approximately HK\$48.8 million, with a loss of approximately HK\$34.7 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.

## **Money Lending Business**

As mentioned in the 2021 Annual Report, due to changes and uncertainties in the overall environment, for prudence, the Group did not grant any new loan to customers during the Reporting Period. Considering, inter alia, the current global economy, politics, epidemic, risk and cost control management and the Group's future development strategy, the Management decided to dispose the business to an independent third party at a consideration of HK\$0.8 million and will officially terminate the operation of this business segment in the third quarter of 2022. The disposal is in progress and is expected to complete in the third quarter of 2022. The Directors (including the independent non-executive Directors) considered that the disposal has no material negative impact on the Group's financial position, and the consideration of the disposal was arrived at arm's length negotiations between the two parties on normal commercial terms, and was fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors also take into account a number of factors in making their decision, in particular the current financial situation of the subsidiary and its business prospects.

Based on the management accounts of the subsidiary of the Company as at 30 June 2022, the current account balance owned by the subsidiary to the Company amounted to approximately HK\$12.0 million, therefore, the disposal of this business may result in a loss of approximately HK\$11.2 million.

## **Trading of Coal**

As mentioned in the 2021 Annual Report, taking into various factors, the Management has decided to temporarily suspend this trading business in order to reallocate resources to other potential development projects.

## **Wholesale and Trading of Frozen Meat**

In 2021, 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. However, affected by the epidemic control in mainland China, the two Thai chicken factories that supplied the most to the Group at the end of 2021 were suspended from importing by the Chinese customs and have not yet resumed. As other meat factories in European and American countries are also affected to varying degrees, the supply of chicken by-products in the entire market has decreased and the prices have remained high. In order to alleviate the problem of business obstruction, 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 June 2022, 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 are expected to resume exports around September this year. Recently, the Group has made clear communication with the factories on the follow-up production, and it is expected that the business will generate continuous and stable revenue after resumption of imports.

## **FINANCIAL REVIEW**

During the Reporting Period, the Group recorded a total revenue of approximately HK\$51.7 million, representing an approximately 9.8% increase as compared with approximately HK\$47.1 million for the Corresponding Period. The Group's revenue continued to grow steadily.

The revenue contributed by the mining products business segment during the Reporting Period was approximately HK\$48.8 million, representing an increase of approximately 33.8% as compared with approximately HK\$36.5 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 no new loans were granted during the Reporting Period.

During the Reporting Period, the revenue contributed by the trading of coal and wholesale and trading of frozen meat business segment was approximately HK\$2.9 million, representing a decrease of approximately 65.3% as compared with approximately HK\$8.3 million for the Corresponding Period. The decrease in revenue was mainly due to the reasons mentioned in the "Trading of Coal" section above, which resulted in no revenue contributed by the trading of coal.

The gross profit for the Reporting Period was approximately HK\$11.5 million, representing an increase of approximately 33.3% as compared with approximately HK\$8.6 million for the Corresponding Period.

The loss of the Group for the Reporting Period was approximately HK\$41.8 million, representing an approximately 108.2% increase as compared to approximately HK\$20.0 million for the Corresponding Period. The increase in loss was mainly due to a decrease of an approximately HK\$21.4 million in other income of approximately HK\$0.2 million during the Reporting Period as compared to approximately HK\$21.6 million for the Correspondence Period.

## **PROSPECTS**

Save as the trading of coal business has temporarily ceased operation due to the reasons stated in 2021 Annual Report, and the money lending business will be 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 2021 Annual Report.



## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2022, the Group had unpledged cash and bank balances of approximately HK\$4.7 million (31 December 2021: approximately HK\$7.3 million). The gearing ratio was not applicable to the Group (31 December 2021: n/a) and the borrowings of the Group was approximately HK\$281.0 million (31 December 2021: approximately HK\$261.9 million). The Group recorded a net current liabilities and net liabilities of approximately HK\$323.1 million and approximately HK\$80.5 million respectively as at 30 June 2022 (31 December 2021: net current liabilities and net liabilities of approximately HK\$257.2 million and HK\$39.8 million respectively).

Details of the maturity profile and interest rate structure of the borrowings of the Group are set out in note 14 to the Interim Financial Statements of this announcement.

## **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 30 June 2022, the Group employed 498 staff (2021: 514). 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.

## **INTERIM DIVIDENDS**

The Board does not recommend the payment of an interim dividend for the Reporting Period (2021: nil).

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **CORPORATE GOVERNANCE**

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 2021 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 this announcement, there have been no material changes in respect of this matter since the publication of the 2021 Annual Report:

## Proposed Measures

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

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

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

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

## Current status

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 this annual report, Hunan Westralian has obtained several financings 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

Obtained

On 2 July 2021, the Company issued 252,542,676 Shares to independent third parties and raised approximately HK\$59 million net proceeds and mainly used for partial repayment of the Group's high yield borrowings which have been taken out to fund the mining operations of the Group in the PRC, and general working capital. The Group will continue to actively liaise with the financial institutions and other potential investors to invest in the Group by way of placement of new shares, issue of convertible bonds or other financial activities etc. to repay the high-interest debt and to fund its working capital. Further announcement(s) will be made as and when appropriate subject to the applicable regulations and rules

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. The Management is actively liaison with the remaining creditors, and the creditors have initially agreed to extend the loans to 2023, details and final terms and conditions are still under negotiation, and the Management will try its best to strive for a longer repayment period and lower interest rate

## **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 Westraian'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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the code of conduct governing Directors' securities transactions. All 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 INTERIM REPORT**

The interim report of the Company for the six months ended 30 June 2022 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:

“2021 Annual Report”	the annual report of the Company for the year ended 31 December 2021
“Articles of Association”	the articles of association of the Company
“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“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 14 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

“Corresponding Period”	the period for the six months ended 30 June 2021
“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
“Interim Financial Statement”	the unaudited condensed consolidated financial statements for the six months ended 30 June 2022
“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 10 of the Listing Rules
“Mr. Cai” or “Lender”	Mr. Cai Shuo, a former director of Hunan Westralian (appointed as director on 15 August 2019 and resigned on 20 August 2020)

“NED(s)”	the non-executive Director(s)
“Reporting Period”	the period for the six months ended 30 June 2022
“RMB”	Renminbi, the lawful currency of the PRC
“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, 26 August 2022

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

Executive Directors:

Mr. Qiu Zhenyi (*Chairman*)  
Mr. Zhu Shengsheng (*CEO*)  
Mr. Pan Feng  
Mr. Xie Qiangming

NEDs:

Dr. Wang Wei Hsin  
Ms. Ng Ching

INEDs:

Dr. Liu Ka Ying Rebecca  
Mr. Chen Jian  
Mr. Tse Sze Pan