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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)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The Board presents herewith the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 and selected explanatory notes, together with the comparative figures for the six months ended 30 June 2023, as follows:

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

For the six months ended 30 September 2024

	Notes	(Unaudited) Six months ended	
		30 September 2024 HK\$'000	30 June 2023 HK\$'000
<b>Revenue</b>	4	<b>336,582</b>	82,106
Cost of sales		<b>(327,202)</b>	(66,441)
<b>Gross profit</b>		<b>9,380</b>	15,665
Other income		<b>1,018</b>	113
Other losses		<b>(4,986)</b>	(4,225)
Administrative expenses		<b>(28,850)</b>	(22,383)
<b>Loss from operations</b>		<b>(23,438)</b>	(10,830)
Finance costs	5	<b>(18,299)</b>	(25,662)
<b>Loss before tax</b>		<b>(41,737)</b>	(36,492)
Income tax credit	6	<b>865</b>	-
<b>Loss for the period</b>	7	<b>(40,872)</b>	(36,492)
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>1,915</b>	17,226
<b>Other comprehensive income for the period</b>		<b>1,915</b>	17,226

<b>Total comprehensive loss for the period</b>		<u>(38,957)</u>	<u>(19,266)</u>
<b>Loss for the period attributable to:</b>			
Owners of the Company		(24,195)	(24,451)
Non-controlling interests		<u>(16,677)</u>	<u>(12,041)</u>
<b>Loss for the period</b>		<u>(40,872)</u>	<u>(36,492)</u>
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
Owners of the Company		(28,039)	(35,937)
Non-controlling interests		<u>(10,918)</u>	<u>16,671</u>
<b>Total comprehensive loss for the period</b>		<u>(38,957)</u>	<u>(19,266)</u>
			(Restated)
<b>Loss per share (HK cents)</b>			
– Basic	8	<u>(4.27)</u>	<u>(7.78)</u>
– Diluted	8	<u>(4.27)</u>	<u>(7.78)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2024

		(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		112,040	111,722
Right-of-use assets		1,049	-
Mining right	9	76,669	73,993
Equity investments at fair value through other comprehensive income	10	-	5,475
		<u>189,758</u>	<u>191,190</u>
<b>Current assets</b>			
Trade and other receivables	11	105,903	200,548
Bank and cash balances		6,756	10,135
		<u>112,659</u>	<u>210,683</u>
<b>Current liabilities</b>			
Trade and other payables	12	57,973	105,591
Contract liabilities		13,493	58,197
Borrowings	13	106,911	186,889
Lease liabilities		1,052	814
		<u>179,429</u>	<u>351,491</u>
<b>Net current liabilities</b>		<u>(66,770)</u>	<u>(140,808)</u>
<b>Total assets less current liabilities</b>		<u>122,988</u>	<u>50,382</u>
<b>Non-current liabilities</b>			
Convertible bond		2,507	2,390
Lease liabilities		-	284
Deferred tax liabilities		6,323	7,189
		<u>8,830</u>	<u>9,863</u>
<b>NET ASSETS</b>		<u>114,158</u>	<u>40,519</u>
<b>Capital and reserves</b>			
Share capital	14	29,126	21,126
Reserves		423,576	324,192
Equity attributable to owners of the Company		452,702	345,318
Non-controlling interests		(338,544)	(304,799)
<b>TOTAL EQUITY</b>		<u>114,158</u>	<u>40,519</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 September 2024

## 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 2010, 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 non-ferrous metal and wholesale and trading of frozen meat and soya bean oil in the PRC.

## 2. BASIS OF PREPARATION

These condensed consolidated 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 consolidated financial statements should be read in conjunction with the 2024 Annual Report. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the 2024 Annual Report.

In preparing the condensed consolidated financial statements, significant judgements made by the directors of the Company in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied in the 2024 Annual Report.

The Group incurred a loss attributable to owners of the Company of approximately HK\$24,195,000 for the period and the Group had net current liabilities of approximately HK\$66,770,000 as at 30 September 2024.

These condensed consolidated 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 also take into accounts that availability of the available general mandate, the future cash flows contributed by the newly acquired subsidisry, Huadian Xinya Mining Co., Ltd, which own mining right in Jilin, anticipated to be in production by April 2025. The Directors are therefore of the opinion that it is appropriate to prepare the condensed consolidated 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 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The adoption of the above new and revised HKFRSs has no material impact on these condensed consolidated 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>
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards	Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date to be determined

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'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 two reportable segments as follows:

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 soya bean oil.

**Information about reportable segment losses, assets and liabilities:**

	<b>Mining products</b>	<b>Trading and wholesale</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Six months ended 30 September 2024 (Unaudited)</b>			
Revenue from external customers	56,581	280,001	336,582
Segment loss	(28,216)	(186)	(28,402)
Depreciation of property, plant and equipment	8,511	7	8,518
Depreciation of right-of-use assets	95	-	95
Amortisation of mining right	2,393	-	2,393
Additions to segment non-current assets	2,947	10	2,957
	<b>186,200</b>	<b>114,103</b>	<b>300,303</b>
<b>As at 30 September 2024 (Unaudited)</b>			
Segment assets	186,200	114,103	300,303
Segment liabilities	69,569	97,348	166,917
	<b>55,815</b>	<b>26,291</b>	<b>82,106</b>
<b>Six months ended 30 June 2023 (Unaudited)</b>			
Revenue from external customers	55,815	26,291	82,106
Segment loss	(24,587)	(13,279)	(37,866)
Depreciation of property, plant and equipment	8,729	-	8,729
Depreciation of right-of-use assets	378	-	378
Amortisation of mining right	715	-	715
Additions to segment non-current assets	6,491	-	6,491
	<b>218,463</b>	<b>132,869</b>	<b>351,332</b>
<b>As at 31 March 2024 (Audited)</b>			
Segment assets	218,463	132,869	351,332
Segment liabilities	163,817	98,557	262,374

**Reconciliations of reportable segment revenue, profit or loss:**

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	30 June
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue		
Total revenue of reportable segments and consolidated revenue	<b>336,582</b>	82,106
Profit or loss		
Total loss of reportable segments	<b>(28,402)</b>	(37,866)
Finance costs	<b>(18,299)</b>	(25,662)
Other profit or loss	<b>4,964</b>	27,036
Income tax credit	<b>865</b>	-
Consolidated loss for the period	<b>(40,872)</b>	(36,492)

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>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	30 June
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
Mining products	<b>56,581</b>	55,815
Trading of coal and wholesale and trading of frozen meat and soya bean oil	<b>280,001</b>	26,291
Total revenue and revenue from contract with customers	<b>336,582</b>	82,106

**Disaggregation of revenue from contracts with customers:**

All revenue from contracts with customers was derived from the PRC for the six months ended 30 September 2024 and 30 June 2023. The timing of revenue recognition of all revenue from contracts with customers was at a point in time for the six months ended 30 September 2024 and 30 June 2023.

## 5. FINANCE COSTS

	(Unaudited) Six months ended	
	30 September 2024 <i>HK\$'000</i>	30 June 2023 <i>HK\$'000</i>
Interest on convertible bond	155	-
Interest on borrowings	18,135	26,754
Interest on lease liabilities	9	7
	<hr/>	<hr/>
Total borrowing costs	18,299	26,761
Amount capitalised	-	(1,099)
	<hr/>	<hr/>
	<b>18,299</b>	<b>25,662</b>

## 6. INCOME TAX CREDIT

	(Unaudited) Six months ended	
	30 September 2024 <i>HK\$'000</i>	30 June 2023 <i>HK\$'000</i>
Deferred tax	(865)	-
	<hr/>	<hr/>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the period (six months ended 30 June 2023: nil).

The applicable income tax rate for the subsidiaries of the Group in the PRC in the Reporting Period is 5% – 25% (six months ended 30 June 2023: 5% – 25%).

## 7. LOSS FOR THE PERIOD

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

	(Unaudited) Six months ended	
	30 September 2024 <i>HK\$'000</i>	30 June 2023 <i>HK\$'000</i>
Directors' remuneration	705	930
Depreciation of property, plant and equipment	8,518	8,729
Depreciation of right-of-use assets	95	378
Amortisation of mining right	2,393	715
Cost of inventories	328,273	66,441
Loss on disposal of equity investment at fair value through other comprehensive income (included in "other loss")	3,461	4,225
Impairment loss on trade receivables (included in "other loss")	1,525	-
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## 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\$24,195,000 (six months ended 30 June 2023: approximately HK\$24,451,000) and the weighted average number of ordinary shares of approximately 566,787,000 shares (six months ended 30 June 2023: approximately 314,193,000 shares (Restated)) in issue during the Reporting Period.

The weighted average number of ordinary shares for the six months ended 30 June 2023 have been restated to reflect the share consolidation with effective on 3 June 2024.

### *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 2023 (Audited)	1,418,444
Addition through acquisition of a subsidiary	62,516
Exchanges differences	(54,224)
	<hr/>
At 31 March 2024 and 1 April 2024 (Audited)	<b>1,426,736</b>
Exchange differences	48,770
	<hr/>
<b>At 30 September 2024 (Unaudited)</b>	<b>1,475,506</b>
	<hr/> <hr/>
<b>Accumulated amortisation and implement</b>	
At 1 January 2023 (Audited)	1,386,319
Amortisation for the period	7,232
Impairment loss for the period	5,069
Exchange differences	(45,877)
	<hr/>
At 31 March 2024 and 1 April 2024 (Audited)	<b>1,352,743</b>
Amortisation for the period	2,393
Exchange differences	43,701
	<hr/>
<b>At 30 September 2024 (Unaudited)</b>	<b>1,398,837</b>
	<hr/> <hr/>
<b>Carrying amount</b>	
<b>At 30 September 2024 (Unaudited)</b>	<b>76,669</b>
	<hr/> <hr/>
At 31 March 2024 (Audited)	<b>73,993</b>
	<hr/> <hr/>

Mining rights include 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 right permit in Jilin will expire on 20 September 2031. Mining rights are 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.

Based on past experience, the management of the Company considered that the chance to renewal of mining permit is highly probable and does not foresee any difficulty in renewing the mining permit.

## 10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity investments at fair value through other comprehensive income were unlisted equity securities and stated at fair value. During the six months ended 30 September 2024, the Group had disposed all the unlisted equity securities.

## 11. TRADE AND OTHER RECEIVABLES

	<b>(Unaudited)</b> <b>As at</b> <b>30 September</b> <b>2024</b> <b>HK\$'000</b>	<b>(Audited)</b> <b>As at</b> <b>31 March</b> <b>2024</b> <b>HK\$'000</b>
Trade receivables, net of allowance	3,167	13,223
Prepayments, deposits and other receivables ( <i>Note</i> )	102,736	186,484
Prepayment for property, plant, and equipment	-	841
	<u>105,903</u>	<u>200,548</u>

*Note:*

Included in the other receivables, amounts of HK\$42,000,000 and HK\$19,000,000 represented consideration receivables from the purchasers in relation to disposal of equity investments at FVTOCI (the “Disposal Equity Interest”) which were completed in June 2023 and July 2024, respectively. However, such amounts have yet been received by the Group as of the date of this announcement.

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

	<b>(Unaudited)</b> <b>As at</b> <b>30 September</b> <b>2024</b> <b>HK\$'000</b>	<b>(Audited)</b> <b>As at</b> <b>31 March</b> <b>2024</b> <b>HK\$'000</b>
61 – 90 days	-	12,751
Over 90 days	3,167	472
	<u>3,167</u>	<u>13,223</u>

## 12. TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 September 2024 <i>HK\$'000</i>	(Audited) As at 31 March 2024 <i>HK\$'000</i>
Trade payables	843	8,913
Bill payables	-	5,415
Accrued liabilities and other payables	<u>57,130</u>	<u>91,263</u>
	<u><b>57,973</b></u>	<u><b>105,591</b></u>

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

	(Unaudited) As at 30 September 2024 <i>HK\$'000</i>	(Audited) As at 31 March 2024 <i>HK\$'000</i>
Over 90 days	<u><b>843</b></u>	<u><b>8,913</b></u>

## 13. BORROWINGS

	(Unaudited) As at 30 September 2024 <i>HK\$'000</i>	(Audited) As at 31 March 2024 <i>HK\$'000</i>
<b>Short-term borrowings</b>		
– secured, interest of 10% per annum and due within one year	<i>(i)</i> 36,695	35,588
– secured, interest of 36% per annum and repayable on demand	<i>(ii)</i> -	52,997
–unsecured, interest of 24% - 36% per annum and repayable on demand	<i>(ii)</i> -	23,390
– unsecured, interest of 12% per annum and due within one year	<i>(iii)</i> 31,124	29,688
– unsecured, interest free and no fixed repayment terms	<i>(iv)</i> 19,805	19,342
– unsecured, interest of 8% - 24% per annum and due within one year	<i>(v)</i> 14,179	25,884
– unsecured, interest of 4% per annum and due within one year	<i>(vi)</i> <u>5,108</u>	<u>-</u>
	<u><b>106,911</b></u>	<u><b>186,889</b></u>

*Notes:*

- (i) On 6 December 2023, the Company and Westralian Resources Pty Ltd, the wholly owned subsidiary of the Company, entered into a fourth supplementary agreement with Mr. Cai Shuo which agreed to extend the maturity date from 31 March 2024 to 30 June 2024 and remained the interest rate at 10%. The borrowing is secured by the 31.3% (31 March 2024: 41%) shares of Hunan Westralian Mining Co., Limited (“Hunan Westralian”), the non-wholly owned subsidiary of the Company.

On 30 June 2024, the Group had not settled the secured borrowing and default was taken place. On 12 July 2024, Mr. Cai Shuo had sue against the Company regarding the default and claimed for the outstanding principal and related interest payables. The further details of the litigation is set out in note 15.

- (ii) At 30 September 2024, the borrowings included the borrowings of The secured borrowing as at 31 March 2024 represented the borrowing of approximately RMB48,940,000 (equivalent to approximately HK\$52,997,000) from Mr. Wu Qingchao, which was secured by 35% of mining right owned by Hunan Westralian, guaranteed by 10.4% of shares of Xinhuan Choumu Mining Co., Limited owned by a general manager of Hunan Westralian (“General Manager”), with interest of 36% per annum and repayable on demand.

The unsecured borrowings as at 31 March 2024 included the borrowing of approximately RMB6,403,000 (equivalent to approximately HK\$6,934,000) from Mr. Cai Pu with interest of 24%, guaranteed by General Manager and repayable on demand.

The remaining unsecured borrowings as at 31 March 2024 represented the borrowing of approximately RMB15,196,000 (equivalent to approximately HK\$16,456,000) from Mr. Long Yongbin with interest of 36%, unsecured and repayable on demand.

On 8 February 2024, Mr. Wu Qingchao, Mr. Cai Pu and Mr. Long Yongbin, being the partners of Hunan Juji Win-Win Enterprise Consulting Centre (limited partnership) (the “Investor”), agreed to made a capital contribution of RMB81.9 million by way of debt-to-equity swap through the Investor as settlement of the borrowings and related interest payables. The transaction was completed 16 April 2024.

- (iii) approximately HK\$487,000, HK\$3,865,000 and HK\$26,772,000 (31 March 2024: approximately HK\$460,000, HK\$3,649,000 and HK\$25,579,000) from Mr. Cai Pu, Mr. Long Yongbin and Mr. Wu Qingchao, respectively, with interest of 12% per annum and repayable within one year.
- (iv) At 30 September 2024, the borrowings included the borrowings of approximately HK\$500,000 and HK\$541,000 (31 March 2024: approximately HK\$500,000 and HK\$541,000) from one of the shareholders of the Company and two independent third parties, respectively, with interest free, unguaranteed and no fixed repayment terms. The remaining borrowing represented the borrowing of approximately HK\$18,764,000 (31 March 2024: approximately HK\$18,301,000) from a director of Hunan Westralian, with interest free, guaranteed by General Manager.
- (v) At 30 September 2024, the borrowings were from 7 lenders (31 March 2024: 10 lenders) which were borne with interest of 8% to 24% per annum and repayable on demand or within one year. Included in the borrowings, approximately HK\$7,014,000, HK\$5,029,000 and HK\$2,136,000 (31 March 2024: approximately HK\$19,086,000, HK\$4,585,000 and HK\$2,213,000) were unguaranteed, guaranteed by General Manager and guaranteed by an independent third party, respectively.
- (vi) At 30 September 2024, the borrowing represented the bank borrowing from a bank in the PRC with interest of 4% per annum and repayable within one year.

## 14. SHARE CAPITAL

	As at 30 September 2024		As at 31 March 2024	
	<i>No. of shares</i> <i>'000</i>	<i>HK\$'000</i>	<i>No. of shares</i> <i>'000</i>	<i>HK\$'000</i>
Authorised:				
Ordinary share of HK\$0.01 each ( <i>Note (ii)</i> )	<b>5,000,000</b>	<b>250,000</b>	25,000,000	250,000
Issued and fully paid:				
At the beginning of the reporting period	<b>2,112,625</b>	<b>21,126</b>	1,515,256	15,153
Issue of shares under settlement agreement in January 2023	-	-	66,335	663
Issue of subscription shares in June 2023	-	-	236,716	2,367
Issue of subscription shares in July 2023	-	-	294,318	2,943
Issue of subscription shares in April 2024 ( <i>Note (i)</i> )	<b>800,000</b>	<b>8,000</b>	-	-
Share consolidation ( <i>Note (ii)</i> )	<b>(2,330,100)</b>	-	-	-
<b>At the end of the reporting period</b>	<b>582,525</b>	<b>29,126</b>	2,112,625	21,126

### Notes:

- (i) On 30 January 2024, the Company entered into two settlement agreements with the subscribers, pursuant to which the subscribers subscribed for a total of 800,000,000 shares at a price of HK\$0.28 per share. The issue of subscription shares was completed on 19 April 2024 and the premium of the issuance of shares, amounting to approximately HK\$14,400,000, was credited to the Company's share premium account.
- (ii) Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting held on 10 May 2024, every five issued and unissued existing shares of par value HK\$0.01 each be consolidated into one consolidated share of par value HK\$0.05 each. The share consolidation, which became effective on 3 June 2024.

## 15. EVENTS AFTER THE REPORTING PERIOD

### (a) Litigation

On 12 July 2024, the Company received a writ of summons issued in the Court of First Instance of High Court of the Hong Kong Special Administrative Region (the "Court of First Instance") by Mr. Cai Shuo in relation to a secured borrowings (note 13(i)) as plaintiff. Mr. Cai Shuo claims against the Company for the outstanding principal and related interest payable, and those amounts have already been recorded in the condensed consolidated financial statements for the period ended 30 September 2024.

On 24 October 2024, the Company received an amended writ of summons issued in the Court of First Instance pursuant to the order made by the justice in the hearing held on 3 October 2024. The hearing of amended claim will be set on 8 December 2024. The Company have engaged legal adviser to seek legal advice and take appropriate actions to vigorously defend the claims under this litigation.

**(b) Issuance of 2024CB and alteration to the terms of 2023CB**

On 2 October 2024, the Company entered into the conditional subscription agreement (“2024CB Subscription Agreement”) to issue the convertible bonds in the aggregate principal amount of HK\$3,000,000 pursuant to the 2024CB Subscription Agreement (“2024CB”). The completion of the 2024CB Subscription Agreement should take place upon the fulfilment of condition precedent on or before 10 October 2024. The 2024CB Subscription Agreement was completed on 10 October 2024.

On 2 October 2024, the Company entered into a agreement (“Bondholder Agreement”) in relation to amendments to the terms and conditions of the the 2.5% coupon convertible bonds due 2026 issued by the Company in August 2023 in the aggregate amount of HK\$3,025,000 (“2023CB”), in which proposed amendments to the following amended terms: (i) interest rate of 6% per annum on quarterly basis; (ii) maturity date of second anniversary of date of Bondholder Agreement; (iii) exercise period from one month after the date of Bondholder Agreement up to the new maturity date; (iv) conversion price of HK\$0.22 per conversion share; and (v) conversion shares of 13,750,000 conversion shares in total. The alteration was completed on 10 October 2024.

## **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 wholesale and trading of frozen meat and soya bean oil in the PRC.

### **BUSINESS REVIEW**

#### **Mining Products**

During the Reporting Period, Hunan Westralian is committed to improving its business compliance. 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.

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 for the six months ended 30 September 2024 were approximately HK\$56,581,000, incurring loss of HK\$28,216,000, where The Huadian Xinya Mining Co., Ltd. gold mine project purchased by the Group on 1 July 2023 is still undergoing more in-depth exploration and has not yet been put into production. Mining business are roughly the same as in the first half of 2023. Hunan Western Australia hopes that this part can be improved after the results of future exploration projects are achieved.

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.

## **Trading of non-ferrous metal**

As stated in the 2024 annual report, the management decided to launch non-ferrous metal trading. During the six months ended 30 September 2024, non-ferrous metals trading operating income was approximately HK\$223,389,000, contributing after-tax profits of approximately HK\$208,000.

## **Trading of Coal**

As mentioned in the 2024 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 and Soya Bean Oil**

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 soya bean oil business in the PRC since the first quarter in 2023 and it is expected that the business will generate continuous and stable revenue.

## **FINANCIAL REVIEW**

During the Reporting Period, the Group recorded a total revenue of approximately HK\$336.6 million, representing an approximately 310.0% increase as compared with approximately HK\$82.1 million for the Corresponding Period. The Group's revenue was mainly boost up by the trading of coal and wholesale and trading of frozen meat segments.

The revenue contributed by the mining products business segment during the Reporting Period was approximately HK\$56.6 million, representing an increase of approximately 1.4% as compared with approximately HK\$55.8 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.

During the Reporting Period, the revenue contributed by the trading of coal and wholesale and trading of frozen meat and soya bean oil business segment was approximately HK\$280.0 million, representing a significant increase of approximately 964.6% as compared with approximately HK\$26.3 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" section above, which resulted in significant portion of revenue contributed this segment.



The gross profit for the Reporting Period was approximately HK\$9.4 million, representing an decrease of approximately 40.1% as compared with approximately HK\$15.7 million for the Corresponding Period.

The loss for the Reporting Period from continuing operations and discontinuing operation of the Group was approximately HK\$40.9 million, representing a increase of approximately 12.1% as compared with approximately HK\$36.5 million for the Corresponding Period. The increase in loss was mainly due to the gross profit decreased compared to the Corresponding Period of approximately HK\$6.3 million and the administrative expenses of approximately HK\$28.9 million, representing a decrease of approximately 29.0% as compared with approximately HK\$22.4 million for the Corresponding Period.

## **PROSPECTS**

As for the Huadian Xinya Mining Co., Ltd. gold mine project purchased by the Group on 1 July 2023, after increasing efforts last year, it was discovered that the gold reserves were larger than expected. It is expected to significantly improve the Group's operating results after it is put into production in April 2025. In addition, in non-ferrous metal trade can also provide steady positive cash flows to the Group..

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 September 2024, the Group had unpledged cash and bank balances of approximately HK\$48.5 million (31 March 2024: approximately HK\$52.4 million). The gearing ratio was not applicable to the Group (31 March 2024: n/a) and the borrowings of the Group was approximately HK\$321.4 million (31 March 2024: approximately HK\$315.8 million). The Group recorded a net current liabilities and net liabilities of approximately HK\$283.4 million and approximately HK\$129.0 million respectively as at 30 September 2024 (31 March 2024: 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 Interim Financial Statements of this interim announcement.

## **COMMITMENTS**

As at 30 September 2024, the Group did not have any significant commitments (31 March 2024: nil).

## **CONTINGENT LIABILITIES**

As at 30 September 2024, the Group did not have any significant contingent liabilities (31 March 2024: nil).

## **BANK BORROWINGS**

As at 30 September 2024, the Group had unsecured borrowings from a bank in the PRC of approximately HK\$5.1 million. (31 March 2024: 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 30 September 2024, the Group employed 522 staff members (As at 31 March 2024: 522). 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 interim 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 interim 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.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in note 15 to this announcement, subsequent to 30 September 2024 and up to the date of this report, the Board is not aware of any significant event affecting the Group and requiring disclosure.

## **LITIGATION**

On 12 July 2024, the Company received a writ of summons issued in the Court of First Instance of High Court of the Hong Kong Special Administrative Region (the “Court of First Instance”) by Mr. Cai Shuo in relation to a secured borrowings (note 13(i)) as plaintiff. Mr. Cai Shuo claims against the Company for the outstanding principal and related interest payable, and those amounts have already been recorded in the condensed consolidated financial statements for the period ended 30 September 2024.

On 24 October 2024, the Company received an amended writ of summons issued in the Court of First Instance pursuant to the order made by the justice in the hearing held on 3 October 2024. The hearing of amended claim will be set on 8 December 2024. The Company have engaged legal adviser to seek legal advice and take appropriate actions to vigorously defend the claims under this litigation.

## **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 INTERIM REPORT**

The interim report of the Company for the six months ended 30 September 2024 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:

“2024 Annual Report”	the annual report of the Company for the year ended 31 March 2024
“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
“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 interim 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 six months ended 30 June 2023
“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 September 2024
“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
“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 six months ended 30 September 2024
“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**  
**Wang Yajuan**  
*Executive Director*

Hong Kong, 1 December 2024

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

*Executive directors:*  
Ms. Wang Yajuan

*Non-executive directors:*  
Mr. Xu Huiqiang  
Feng Xiaogang

*Independent non-executive directors:*  
Mr. Yang Jingang  
Mr. Zhang Zhen  
Mr. Ng Tat Fung

\* *For identification purpose only*