

TARGET

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T U E S D A Y

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RENAISSANCE ASIA SILK ROAD GROUP LTD: ARE THE SHARES OF THIS COMPANY WORTH 3.20 CENTS ?

In the vernacular of the vast majority of the human population of Australia, numbering 25.64 million, men, women and children, Renaissance Asia Silk Road Group Ltd (復興亞洲絲路集團有限公司) (Code: 274, Main Board, The Stock Exchange of Hongkong Ltd) has not earned a cracker, during the past five Financial Years, ended December 31, 2022.

On or about Friday, April 28, 2023, Renaissance Asia Silk Road Group Ltd published and disseminated its 2022 Annual Report in the **Hongkong Special Administrative Region (HKSAR)** of The **People's Republic of China (PRC)**.

At Pages 49 and 50 of this 126-Page 2022 Annual Report of the Company, Zhonghui Anda CPA Ltd (中匯安達會計師事務所有限公司), Certified Public Accountants, in its Independent Auditor's Report, published the following declarations and commentaries:

'DISCLAIMER OF OPINION

'We were engaged to audit the consolidated financial statements of Renaissance Asia Silk Road Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 51 to 121, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

'We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the material uncertainty relating to the going concern basis described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

'BASIS FOR DISCLAIMER OF OPINION

'We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately HK\$61,892,000 for the year ended 31 December 2022 and as at 31 December 2022 the Group had net current liabilities and net liabilities approximately HK\$323,519,000 and approximately HK\$125,139,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon (i) the successful completion of various proposed measures and (ii) the successful outcome that certain measures to improve its financial position to provide liquidity and cash flows. The consolidated financial statements do not include any adjustments that would result from the failure to complete various proposed measures and the failure to improve its financial positions, to provide liquidity and cash flows. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the multiple uncertainties relating to (i) the successful completion of various proposed measures and (ii) the successful outcome that certain measures to improve its financial position, to provide liquidity and cash flows, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

'RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

'The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

'In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

'AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

'Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. However, because of the significance of the material uncertainty relating to the going

concern basis described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements.

‘We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

‘Hong Kong, 31 March 2023.’

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