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GREEN INTERNATIONAL

Holdings Limited

格林國際控股有限公司

GREEN INTERNATIONAL HOLDINGS LIMITED

格林國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Green International Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2022, together with comparative figures for the corresponding period in 2021.

The unaudited condensed consolidated financial information for the six months ended 30 June 2022 has been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	25,037	36,506
Direct costs and operating expenses		<u>(12,802)</u>	<u>(16,684)</u>
Gross profit		12,235	19,822
Other income and gains, net	4	1,097	197
Selling expenses		(8,571)	(11,643)
Administrative expenses		(15,259)	(18,971)
Gain on disposal of subsidiaries		–	1,900
Finance costs, net	5	<u>(1,548)</u>	<u>(2,352)</u>
Loss before income tax	6	(12,046)	(11,047)
Income tax credit/(expense)	7	<u>69</u>	<u>(1,329)</u>
Loss for the period		<u>(11,977)</u>	<u>(12,376)</u>
Loss for the period attributable to:			
— Equity holders of the Company		(9,844)	(10,636)
— Non-controlling interests		<u>(2,133)</u>	<u>(1,740)</u>
		<u>(11,977)</u>	<u>(12,376)</u>
Loss per share for loss for the period attributable to the equity holders of the Company			
— Basic and diluted (HK\$ cents)	8	<u>(1.49)</u>	<u>(1.61)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2022

	For the six months ended	
	30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period	(11,977)	(12,376)
Other comprehensive income, net of tax		
— Exchange differences arising during the period	<u>(375)</u>	<u>297</u>
Total comprehensive expenses for the period	<u>(12,352)</u>	<u>(12,079)</u>
Total comprehensive expenses for the period		
attributable to:		
— Equity holders of the Company	<u>(10,292)</u>	(10,407)
— Non-controlling interests	<u>(2,060)</u>	<u>(1,672)</u>
	<u>(12,352)</u>	<u>(12,079)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		30 June 2022	31 December 2021
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		9,876	13,461
Right-of-use assets		44,034	51,947
Trademark user right and technical know-how		11,514	11,514
		65,424	76,922
Current assets			
Inventories		7,748	9,319
Trade receivables	10	5,891	11,137
Prepayments, deposits and other receivables		9,370	6,692
Bank balances and cash		104,096	110,743
		127,105	137,891
Total assets		192,529	214,813
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	14	131,979	131,979
Reserves		(76,020)	(65,728)
		55,959	66,251
Non-controlling interests		1,004	3,064
Total equity		56,963	69,315

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		30 June 2022	31 December 2021
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
LIABILITIES			
Non-current liabilities			
Bonds payables	12	5,126	4,897
Lease liabilities		53,963	62,912
Deferred tax liabilities		1,151	1,151
		60,240	68,960
Current liabilities			
Trade payables	11	4,561	4,255
Contract liabilities		2,442	3,599
Accruals and other payables	13	55,404	56,113
Lease liabilities		12,904	12,552
Tax payable		15	19
		75,326	76,538
Total liabilities		135,566	145,498
Total equity and liabilities		192,529	214,813
Net current assets		51,779	61,353
Total assets less current liabilities		117,203	138,275

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 8 March 2006 as an exempted company with limited liability. Its registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2006. Its parent company is Jumbo Faith International Limited (“**Jumbo Faith**”), which is wholly owned by Ms. Zhou Cuiqiong, mother of Mr. Yu Zhoujie (a non-executive Director and Chairman of the Company).

The Group was principally engaged in provision of (i) health and medical services and (ii) beauty and wellness products and related services.

These condensed consolidated financial statements are prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) and Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

These condensed consolidated financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2021.

These condensed consolidated financial statements have been prepared on a historical cost convention, except as disclosed in the accounting policies and the explanatory notes.

These condensed consolidated financial statements are presented in Group’s functional currency, Hong Kong dollars (“**HK\$**”), and all values are rounded to the nearest thousand (“**HK\$’000**”), except when otherwise indicated.

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

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2022. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior year except as stated below:

Application of new and amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous contract — Cost of fulfilling a contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group primarily operates in the People's Republic of China (the "PRC"). The Group's operating businesses are structured and managed separately according to the nature of their operations and the products or services they provide. Each of the Group's business units represents a strategic business unit that offers products or services which are subject to risks and returns that are different from those of the other business units. The Group's business units are as follows:

- (a) the health and medical segment, which is engaged in the operation of health and medical related businesses of its clubhouse, hemodialysis centre and hospital; and
- (b) the beauty and wellness segment, which is engaged in selling of beauty and wellness products and related services.

During the six months ended 30 June 2021, the Group discontinued the operation of the financial segment, which was engaged in securities brokerage, advising on securities and asset management businesses, upon the disposal of Green Securities Limited and Green Asset Management Limited.

Operating segments are identified for financial reporting purposes in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board has been identified as the Group's chief operating decision-maker.

Inter-segment revenue is eliminated on consolidation. Inter-segment sales and transfers are transacted according to the relevant prevailing market prices.

Segment results are presented as operating profit or loss.

3.1 Revenue of the Group, together with analysis of the revenue by segments and geographical regions are as follows:

	Health and medical business <i>HK\$'000</i> (Unaudited)	Beauty and wellness business <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
For the six months ended 30 June 2022				
Hong Kong				
— At a point in time	–	–	–	–
The PRC				
— At a point in time	<u>16,185</u>	<u>8,852</u>	<u>–</u>	<u>25,037</u>
	<u><u>16,185</u></u>	<u><u>8,852</u></u>	<u><u>–</u></u>	<u><u>25,037</u></u>
For the six months ended 30 June 2021				
Hong Kong				
— At a point in time	–	–	4	4
The PRC				
— At a point in time	<u>20,591</u>	<u>15,911</u>	<u>–</u>	<u>36,502</u>
	<u><u>20,591</u></u>	<u><u>15,911</u></u>	<u><u>4</u></u>	<u><u>36,506</u></u>

The geographic location analysis of revenue is allocated based on the geographical location of customers and the operating geographic location of the health and medical business and beauty and wellness business. For the six months ended 30 June 2022 and 2021, no single customer's revenue accounted for more than 10% of the Group's total revenue.

3.2 Results by operating segments are as follows:

	For the six months ended	
	30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Health and medical business	(2,870)	(2,310)
Beauty and wellness business	(3,553)	(1,605)
Others	–	(751)
	<hr/>	<hr/>
Total operating loss by operating segments	(6,423)	(4,666)
Unallocated corporate expenses, net	(4,075)	(5,929)
Gain on disposal of subsidiaries	–	1,900
Finance costs, net	(1,548)	(2,352)
	<hr/>	<hr/>
Loss before income tax	(12,046)	(11,047)
Income tax credit/(expense)	69	(1,329)
	<hr/>	<hr/>
Loss for the period	(11,977)	(12,376)
	<hr/> <hr/>	<hr/> <hr/>

3.3 Non-current assets of the Group, excluding financial instruments, by operating segments and geographical regions are as follows:

	Health and medical business HK\$'000 (Unaudited)	Beauty and Wellness Business HK\$'000 (Unaudited)	Unallocated corporate assets HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
As at 30 June 2022				
Hong Kong	–	–	674	674
The PRC	39,303	25,447	–	64,750
	<hr/>	<hr/>	<hr/>	<hr/>
Segment total non-current assets	39,303	25,447	674	65,424
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Health and medical business <i>HK\$'000</i> (Audited)	Beauty and Wellness Business <i>HK\$'000</i> (Audited)	Unallocated corporate assets <i>HK\$'000</i> (Audited)	Consolidated <i>HK\$'000</i> (Audited)
As at 31 December 2021				
Hong Kong	–	–	9	9
The PRC	45,408	31,505	–	76,913
Segment total non-current assets	<u>45,408</u>	<u>31,505</u>	<u>9</u>	<u>76,922</u>

4. OTHER INCOME AND GAINS, NET

	For the six months ended 30 June	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Government subsidy	48	–
Sundry income	1,049	197
	<u>1,097</u>	<u>197</u>

5. FINANCE COSTS, NET

	For the six months ended 30 June	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Interest income:		
— Bank deposit	(158)	(66)
Interest expenses:		
— Bonds payable	229	933
— Other borrowing	144	103
— Lease liabilities	1,333	1,382
	<u>1,548</u>	<u>2,352</u>

6. LOSS BEFORE INCOME TAX

	For the six months ended	
	30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	4,383	4,502
Depreciation of right-of-use assets	4,963	4,657
Employee benefit expenses	13,001	17,045

7. INCOME TAX CREDIT/(EXPENSE)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The amounts of income tax credit/(expense) to the consolidated statement of profit or loss are as follows:

	For the six months ended	
	30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current taxation		
PRC enterprise income tax		
— Current period	69	(1,329)
	<u>69</u>	<u>(1,329)</u>

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the six months ended	
	30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(9,844)</u>	<u>(10,636)</u>
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue	<u>659,895</u>	<u>659,895</u>
Loss per share		
Basic and diluted (<i>HK\$ cents</i>)	<u>(1.49)</u>	<u>(1.61)</u>

Note: The weighted average numbers of ordinary shares for the periods ended 30 June 2022 and 2021 had been adjusted for the five-to-one share consolidation of the Company which became effective on 22 January 2021.

9. DIVIDENDS

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2022 (for six months ended 30 June 2021: Nil).

10. TRADE RECEIVABLES

	30 June	31 December
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables arising from businesses of health and medical services and beauty and wellness products and related services	<u>5,891</u>	<u>11,137</u>

The Group's trade receivables generally have a credit period of 90 days. The maximum credit risk exposure at the end of the reporting period is the carrying amount of the trade receivables. The Group does not have any collateral as security. The Group formulates policies and procedures to ensure the sale of products or services to customers with appropriate credit history to minimise the credit risk.

Ageing analysis

The ageing analysis of trade receivables from business of health and medical services and beauty and wellness products and related services, based on invoice dates, as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Within 30 days	3,211	5,156
31 – 60 days	1,952	1,080
61 – 90 days	194	1,202
91 – 180 days	259	3,496
Over 180 days	275	203
	<u>5,891</u>	<u>11,137</u>

Management assessed the credit quality of the trade receivables in the amount of approximately HK\$2,787,000 (31 December 2021: HK\$7,438,000) that are neither past due nor impaired by reference to the repayment history and financial position of those customers.

11. TRADE PAYABLES

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Trade payables arising from businesses of health and medical services and beauty and wellness products and related services	<u>4,561</u>	<u>4,255</u>

Ageing analysis

The ageing analysis of trade payables from business of health and medical services and beauty and wellness products and related services, based on invoice dates, as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Within 30 days	1,204	1,934
31 – 60 days	798	1,496
61 – 90 days	1,766	279
91 – 180 days	694	439
Over 180 days	99	107
	<hr/> 4,561 <hr/>	<hr/> 4,255 <hr/>

12. BONDS PAYABLE

Details of the movements of the bonds payables for the Period and the year ended 31 December 2021 are set out as follows:

	<i>HK\$'000</i>
As at 1 January 2021	12,313
Interest paid	(500)
Interest expense	1,162
Loss on early release of bonds payable	1,673
Redemption of bond	<hr/> (9,751)
As at 31 December 2021	4,897
Interest expense	<hr/> 229 <hr/>
As at 30 June 2022	<hr/> 5,126 <hr/>

13. ACCRUALS AND OTHER PAYABLES

	30 June 2022	31 December 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Bond payable (<i>Note (i)</i>)	14,835	14,835
Accruals	4,829	7,792
Other borrowings (<i>Note (ii)</i>)	4,820	2,746
Other payables (<i>Note (iii)</i>)	30,920	30,740
	<u>55,404</u>	<u>56,113</u>

Note:

- (i) On 15 April 2016, the Company issued 8% per annum convertible bonds to Hong Kong Qian Hai Financial Group Limited (“**HK Qianhai Financial**”) in an aggregate principal amount of HK\$12,000,000 (the “**2016 CB**”) carrying conversion right to convert into 40,000,000 shares at the conversion price of HK\$0.30 per share (after adjustment) maturing on 15 April 2019. As disclosed in the Company’s announcement dated 20 December 2019, the Company was capable and willing to honour its contractual obligations under the 2016 CB but due to conflicting instructions given by Mr. Zhang Xuejun (“**Mr. Zhang**”) and Shenzhen Qianhai Shengzun Hualong Holdings Co., Ltd. (“**Shengzun Hualong**”) as to the recipient of cash payment, the redemption process was delayed without any fault on the part of the Company, pending the resolution of litigation and dispute amongst the various parties. After the date of maturity of the 2016 CB on 15 April 2019, the bond is no longer convertible into shares of the Company. Therefore, the 2016 CB in an aggregate principal amount of HK\$12,000,000 and accrued interest of approximately HK\$2,835,000 was reclassified to accruals and other payables as bond payable in the consolidated statement of financial position.
- (ii) As at 30 June 2022, other borrowings were unsecured loans from independent third parties, unsecured, carrying interest the rate of 8% (2021: 8%) and repayable on demand.
- (iii) As at 30 June 2022, payable to the lessor in respect of leased machineries in the amount of approximately HK\$15,531,000 (2021: HK\$13,537,000) was included in the other payables.

14. SHARE CAPITAL

Details of the movements of the share capital for the Period and the year ended 31 December 2021 are set out as follows:

	Number of shares		Nominal value	
	For the six months ended 30 June 2022 <i>Number</i> (Unaudited)	For the year ended 31 December 2021 <i>Number</i> (Audited)	For the six months ended 30 June 2022 <i>HK'000</i> (Unaudited)	For the year ended 31 December 2021 <i>HK'000</i> (Audited)
Authorised capital:				
As at 1 January	1,000,000,000	5,000,000,000	200,000	200,000
Share consolidation (<i>Note</i>)	–	(4,000,000,000)	–	–
As at 30 June 2022/31 December 2021	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:				
As at 1 January	659,894,693	3,299,473,466	131,979	131,979
Share consolidation (<i>Note</i>)	–	(2,639,578,773)	–	–
As at 30 June 2022/31 December 2021	<u>659,894,693</u>	<u>659,894,693</u>	<u>131,979</u>	<u>131,979</u>

Note:

The share consolidation became effective on 22 January 2021 on the basis of every five issued and unissued ordinary shares of par value HK\$0.04 each in the share capital of the Company being consolidated into one consolidated share of par value HK\$0.20 each.

MANAGEMENT DISCUSSIONS AND ANALYSIS OVERVIEW

BUSINESS REVIEW

During the six months ended 30 June 2022 (the “**Period**”) under review, the Group continued to be principally engaged in the provision of (i) health and medical services and (ii) beauty and wellness products and related services.

Health and Medical Business

The health and medical business segment (the “**Health and Medical Business**”) of the Group operates its hospital business in Hunnan Province, China through Li County Phoenix Hospital Company Limited (“**Phoenix Opco**”) and Yiyang Zizhong Kidney Disease Hospital Company Limited (“**Zizhong Opco**”) having the medical organisation operating license granted by the local bureau of the National Health Commission to carry out, amongst other permitted medical treatments, hemodialysis treatment.

Since 2021, China has launched the deepening of reform of medicine and healthcare systems, calling for the need of high-quality services under a sound pricing system to guarantee deserved prices for medical services at local hospitals in China. During the Period, the Group’s Health and Medical Business continued to face challenges from market competitors. Furthermore, operating overheads of the Health and Medical Business have increased due to the implementation of additional hygiene measures and patient handling procedures to alleviate the threat of the epidemic.

Beauty and Wellness Business

The beauty and wellness business (the “**Beauty and Wellness Business**”) of the Group operates its beauty parlors under the brand name of 瑪莎 (Marsa) in Shenzhen, China through selling of beauty and wellness products and related services to local customers.

The performance of the Beauty and Wellness Business continued to be sluggish during the Period due to the abrupt downturn of the service industry and weakened consumer market as a result of the change in consumption pattern during the epidemic. In addition, during the Period, certain beauty parlors of the Group in Shenzhen were temporarily suspended for business to comply with hygiene control measures under the guidance of local governmental authorities.

Prospect

The prolonged effect of COVID-19 has caused uncertainties of economy and business environment. Going forward, the Group will closely monitor the development of the epidemic and its impact on the Group's businesses, and will take preventive measures to mitigate the impact of the COVID-19 on its businesses. During the second half of 2022, the Group has plans to open, relocate and/or renovate its operation centers in China to put itself in better position for business development as and when the COVID-19 concerns and measures are relaxed in future.

Events with Impact on the Financial Position and the Business Operations

During the Period, certain beauty parlors of the Group in Shenzhen were temporarily suspended for business to comply with certain hygiene control measures under the guidance of local governmental authorities, having impact on the financial position or the business operations of the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Period was approximately HK\$25,037,000 (2021: HK\$36,506,000), representing a decrease of approximately 31.42% as compared with the corresponding period last year. The decrease in the revenue was mainly due to uncertainties in the economic and business environment and weakened consumer market in China.

Direct Costs and Operating Expenses

The Group's direct costs and operating expenses for the Period was approximately HK\$12,802,000 (2021: HK\$16,684,000), representing a decrease of approximately 23.27% as compared with the corresponding period last year. The decrease in the direct costs and operating expenses was generally in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit for the Period was approximately HK\$12,235,000 (2021: HK\$19,822,000), representing a decrease of approximately 38.28% as compared with the corresponding period last year. The Group's gross profit margin for the Period was 48.87% (2021: 54.30%).

Selling Expenses

The Group's selling expenses for the Period amounted to approximately HK\$8,571,000 (2021: HK\$11,643,000), representing a decrease of approximately 26.38% as compared with the corresponding period last year. The decrease in the selling expenses was generally in line with the decrease in revenue.

Administrative Expenses

The Group's administrative expenses for the Period amounted to approximately HK\$15,259,000 (2021: HK\$18,971,000), representing a decrease of approximately 19.57% as compared with the corresponding period last year. The decrease in the administrative expenses was mainly attributable to implementation of cost control measures.

Finance Costs

The Group's finance costs, net for the Period amounted to approximately HK\$1,548,000 (2021: HK\$2,352,000). Details of the finance costs, net are set out in Note (5) to the condensed consolidated financial statements.

Loss for the Period

The Group's net loss for the Period was approximately HK\$11,977,000 (2021: HK\$12,376,000).

USE OF PROCEEDS OF EQUITY FUND RAISING ACTIVITIES

The Company had not conducted any equity fund raising activities during the Period.

The amount of proceeds brought forward from issue of equity securities (including securities convertible into equity securities) made in previous financial year(s) and details of the use of such proceeds are set out as below:

Date of announcement	Fund raising activity	Net proceeds raised	Unutilized equity fund raising proceeds brought forward from previous periods and the intended use of proceeds	Actual use of proceeds
3 April 2019	The Company issued 754,716,981 ordinary shares to Jumbo Faith at the subscription price of HK\$0.212 per under specific mandate, which was completed on 3 April 2019	Approximately HK\$156 million	Approximately HK\$15 million being set aside for the cash redemption of the 2016 CB maturing in April 2019.	Approximately HK\$15 million continuing to be set aside for the cash redemption of the 2016 CB. Further details are disclosed in the section headed “LITIGATIONS” of this announcement.
15 December 2020	The Company issued and allotted 1,649,736,733 ordinary shares under the rights issue on the basis of one rights share for every one existing share held on the record date at the subscription price of HK\$0.06 per rights share. The rights issue became unconditional on 9 December 2020	Approximately HK\$95.9 million	As to the remaining net proceeds of HK\$80.9 million for the potential acquisitions, expansion and equipment purchase of the Group’s hospital business.	The acquisition and expansion plans of the Group’s hospital business have slowed down and the net proceeds have not been utilised by the end of 30 June 2022, due to the deepening of reform of medicine and healthcare systems in 2021 and the prolonged effect of COVID-19 leading to a high degree of uncertainty of economy and business environment. In the meantime, the Company has slowed down its acquisition or expansion plans pending the clarification of market reactions under the reform and the continuing threat of the COVID-19.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2022, the Group had total assets of approximately HK\$192,529,000 (31 December 2021: HK\$214,813,000) and debts of approximately HK\$76,813,000 (31 December 2021: HK\$83,107,000), giving rise to a leverage ratio (defined as debt to total assets) of approximately 39.90% (31 December 2021: 38.69%).

As at 30 June 2022, the Group had net current assets of approximately HK\$51,779,000 (31 December 2021: HK\$61,353,000), being the surplus of current assets of approximately HK\$127,105,000 (31 December 2021: HK\$137,891,000) over the current liabilities of approximately HK\$75,326,000 (31 December 2021: HK\$76,538,000), giving rise to a current ratio of approximately 1.69 (31 December 2021: 1.80).

As at 30 June 2022, the Group had cash and bank balances of approximately HK\$104,096,000 (31 December 2021: HK\$110,743,000).

GEARING RATIO

As at 30 June 2022, the gearing ratio of the Group (defined as debt to equity) was approximately 137% (31 December 2021: 125%). For this purpose, debt includes bonds payable, other borrowings and lease liabilities.

SIGNIFICANT INVESTMENT HELD

The Group had no significant investment held as at 30 June 2022.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group had no acquisition and disposal of subsidiaries during the Period.

The Group disposed of the Integrated Financial Business in March 2021 for an aggregate cash consideration of HK\$5,500,000 and recorded a gain on disposal in the amount of approximately HK\$1,900,000.

CHARGES ON ASSETS

None of the Group's assets was pledged to secure any facilities and borrowings granted to the Group as at 30 June 2022.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2022.

FOREIGN EXCHANGE EXPOSURE

The Group's business transactions were mainly carried out in Hong Kong Dollars and Renminbi. The Group was not engaged in any hedging measures during the Period. The Group will regularly review its position and may use financial measures to hedge its foreign currency exposure if it considers the risk to be significant.

CAPITAL STRUCTURE

Details of the changes in the capital structure of the Company for the Period and the year ended 31 December 2021 are summarised below:

(A) Share Capital

Details of the movements of the share capital for the Period and the year ended 31 December 2021 are set out in Note (14) to the condensed consolidated financial statements.

(B) Share Options

Old Share Option Scheme

The old share option scheme (the “**Old Share Option Scheme**”) adopted by the Company on 2 September 2006 lapsed on 2 September 2016 pursuant to the terms of the Old Share Option Scheme. No option was outstanding under the Old Share Option Scheme. After expiry of the Old Share Option Scheme, no further share option would be granted.

New Share Option Scheme

At the annual general meeting of the Company held on 26 June 2019 (the “**2019 AGM**”), a new share option scheme (the “**New Share Option Scheme**”) was approved by the shareholders of the Company. The New Share Option Scheme has a lifespan of 10 years. At the 2019 AGM, the Scheme Mandate Limit was approved to allow the Company to grant options for the holders thereof to subscribe up to 147,326,614 shares (before adjustments upon the share consolidations) representing 10% of the shares in issue as the date of approval of the scheme. Details of the New Share Option Scheme are set out in the circular of the Company dated 24 May 2019.

No share options were granted under the New Share Option Scheme for the Period and the year ended 31 December 2021 and there were no outstanding share options as at 30 June 2022 and 31 December 2021. As at the date of this announcement, the maximum

number of options which can be granted under the New Share Option Scheme was 29,465,322 consolidated shares (equivalent to 147,326,614 options before the five-to-one share consolidation took effect on 22 January 2021), representing 4.47% of the existing issued share capital of the Company.

DIVIDENDS

The Directors do not recommend the payment of any dividend for the Period (2021: Nil).

HUMAN RESOURCES

As at 30 June 2022, the Group has 182 employees in Hong Kong and China. Employees' remuneration, promotion and salary increments are assessed based on both individuals' and the Group's performance, professional and working experiences and by reference to prevailing market practices and standards.

LITIGATION

Save as disclosed below, as at the date of this announcement, neither the Company nor any other member of the Group was engaged in any litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group:

The Company issued 8% per annum convertible bonds to Hong Kong Qian Hai Financial Group Limited (“**HK Qianhai Financial**”) in an aggregate principal amount of HK\$12,000,000 (the “**2016 CB**”) carrying conversion right to convert into the shares of the Company. The 2016 CB matured on 15 April 2019 without conversion. At or around the maturity date of the 2016 CB, the Company received conflicting instructions from Mr. Zhang Xuejun (張學軍) (“**Mr. Zhang**”) and another entity named 深圳市前海盛尊華龍控股有限公司 (Shenzhen Qianhai Shengzun Hualong Holdings Co., Ltd.) (“**Shengzun Hualong**”), both purporting to have the authority from the holder of the 2016 CB and each purporting to give different payment instructions to the Company regarding the recipient of the cash redemption amount. Shengzun Hualong commenced legal action against Mr. Zhang, HK Qianhai Financial and the Company (the “**Litigation**”) seeking to recover the cash redemption amount of the 2016 CB. The Company has now received the second instance judgment handed down by Guangdong Shenzhen Intermediate People's Court (the “**Court**”), confirming the first instance judgment, under which the Court ruled that the subscription agreement in respect of the 2016 CB were entered into with the Company by Mr. Zhang, under the entrustment of Shengzun Hualong and sub-delegating to be entered in the name of HK Qianhai Financial, and ordering the Company to pay the principal and interest in the aggregate amount of RMB12.88 million directly to Shengzun Hualong. The Court also supported the Company's case that the delay in repayment was due to no fault on the part of the Company, such that the Company shall not be responsible for any late penalty. The Court ordered that the late penalty payable to Shengzun

Hualong shall be borne by Mr. Zhang. After receiving the above judgment, the Company has instructed its PRC legal adviser to advise the Company on the compliance of the Court's judgment.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the Period.

CORPORATE GOVERNANCE

The Company and the Directors confirm, to the best of their knowledge, that the Company complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the Period, except the deviation disclosed in the following paragraph:

With respect to Code Provision D.2.5 (formerly C.2.5), an issuer should have an internal audit function and issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report. Due to the size and scale of operations, the Group did not have internal audit function during the Period.

The Company has engaged Crowe (HK) Risk Advisory Limited as an external consultant to establish an internal audit function for the Period. The external consultant has assisted the audit committee in carrying out an independent review on the adequacy and effectiveness of the risk management and internal control systems of the Group, and has reported the status of its review to the audit committee on a regular basis. The Group has formulated an internal audit charter to define the scope and duties and responsibilities of the internal audit function and its reporting protocol.

MODEL CODE ON SECURITIES TRANSACTION BY DIRECTORS OF LISTED ISSUERS

The Company follows the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct for Directors in their dealings in the Company's securities. Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Period.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee comprises three independent non-executive Directors, namely Mr. David Tsoi (Chairman), Mr. Wu Hong and Mr. Wang Chunlin. One out of three audit committee members, Mr. David Tsoi, possesses recognised professional qualifications in accounting and has wide experience in audit and accounting.

The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the audit committee of the Company, which is of the opinion that such statements complied with applicable accounting standards and the Listing Rules, and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the websites of Hong Kong Exchange and Clearing Limited (www.hkexnews.hk) and the Company (<http://www.irasia.com/listco/hk/greeninternational/>) (collectively referred to as the “Websites”). The 2022 interim report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the Websites on or before 30 September 2022.

By order of the Board
Green International Holdings Limited
Yu Zhoujie
Chairman

Hong Kong, 31 August 2022

As at the date of this announcement, the executive Directors are Mr. Liu Dong and Mr. Yu Xiangjin; the non-executive Directors are Mr. Chen Hanhong and Mr. Yu Zhoujie (Chairman); and the independent non-executive Directors are Mr. Wu Hong, Mr. David Tsoi and Mr. Wang Chunlin.