



**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  
REPORT  
2023**

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## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Yu Zhoujie (*Chairman*)  
Mr. Yu Xiangjin

#### Non-executive Directors

Mr. Chen Hanhong  
Mr. Liu Dong

#### Independent Non-executive Directors

Mr. Wu Hong  
Mr. David Tsoi  
Mr. Wang Chunlin

### AUDIT COMMITTEE

Mr. David Tsoi (*committee chairman*)  
Mr. Wu Hong  
Mr. Wang Chunlin

### REMUNERATION COMMITTEE

Mr. David Tsoi (*committee chairman*)  
Mr. Yu Zhoujie  
Mr. Wu Hong  
Mr. Wang Chunlin

### NOMINATION COMMITTEE

Mr. Yu Zhoujie (*committee chairman*)  
Mr. David Tsoi  
Mr. Wu Hong  
Mr. Wang Chunlin

### COMPANY SECRETARY

Mr. Xin Yingnan

### AUDITOR

HLB Hodgson Impey Cheng Limited  
Certified Public Accountants  
31st Floor, Gloucester Tower  
The Landmark, 11 Pedder Street  
Central, Hong Kong

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1708, 17/F  
West Tower, Shun Tak Centre  
200 Connaught Road Central  
Hong Kong

### PRINCIPAL BANKERS

OCBC Wing Hang Bank Limited

## Corporate Information

### **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F., Far East Finance Centre  
16 Harcourt Road, Hong Kong

### **STOCK CODE**

2700

### **WEBSITE**

<http://www.irasia.com/listco/hk/greeninternational/>

## Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2023

	Notes	For the six months ended 30 June	
		2023	2022
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	4	25,109	25,037
Direct costs and operating expenses		(12,899)	(12,802)
<b>Gross profit</b>		<b>12,210</b>	12,235
Other income and gains, net	5	7,297	1,255
Selling expenses		(7,364)	(8,571)
Administrative expenses		(15,808)	(15,259)
Finance costs	6	(1,124)	(1,706)
<b>Loss before income tax</b>	7	<b>(4,789)</b>	(12,046)
Income tax credit	8	85	69
<b>Loss for the period</b>		<b>(4,704)</b>	(11,977)
<b>Loss for the period attributable to:</b>			
– Equity holders of the Company		(4,566)	(9,844)
– Non-controlling interests		(138)	(2,133)
		<b>(4,704)</b>	(11,977)
<b>Loss per share for loss for the period attributable to the equity holders of the Company</b>			
– Basic and diluted (HK\$ cents)	9	(0.69)	(1.49)

The notes on pages 10 to 27 are an integral part of these condensed consolidated interim financial statements.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Loss for the period</b>	<b>(4,704)</b>	(11,977)
<b>Other comprehensive expenses, net of tax</b>		
— Exchange differences arising during the period	(373)	(375)
<b>Total comprehensive expenses for the period</b>	<b>(5,077)</b>	(12,352)
<b>Total comprehensive expenses for the period attributable to:</b>		
— Equity holders of the Company	(4,929)	(10,292)
— Non-controlling interests	(148)	(2,060)
	<b>(5,077)</b>	(12,352)

The notes on pages 10 to 27 are an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		7,217	9,459
Right-of-use assets		25,406	45,302
Trademark user right and technical know-how		10,219	10,219
Prepayments		11,104	3,912
		<b>53,946</b>	68,892
<b>Current assets</b>			
Inventories		6,054	7,689
Trade receivables	11	2,771	2,855
Prepayments, deposits and other receivables		6,554	7,459
Bank balances and cash	12	72,265	81,742
		<b>87,644</b>	99,745
Total assets		<b>141,590</b>	168,637
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital	16	131,979	131,979
Reserves		(84,721)	(79,792)
		<b>47,258</b>	52,187
<b>Non-controlling interests</b>		<b>2,200</b>	2,348
<b>Total equity</b>		<b>49,458</b>	54,535

The notes on pages 10 to 27 are an integral part of these condensed consolidated interim financial statements.

# Condensed Consolidated Statement of Financial Position

As at 30 June 2023

		<b>30 June 2023</b>	31 December 2022
	<i>Notes</i>	<b>HK\$'000</b> <b>(Unaudited)</b>	<i>HK\$'000</i> <i>(Audited)</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bonds payables	14	<b>5,607</b>	5,366
Lease liabilities		<b>31,832</b>	49,754
Deferred tax liabilities		<b>1,021</b>	1,021
		<b>38,460</b>	56,141
<b>Current liabilities</b>			
Trade payables	13	<b>3,106</b>	4,599
Contract liabilities		<b>175</b>	189
Accruals and other payables	15	<b>39,517</b>	40,589
Lease liabilities		<b>10,722</b>	12,581
Tax payable		<b>152</b>	3
		<b>53,672</b>	57,961
<b>Total liabilities</b>		<b>92,132</b>	114,102
<b>Total equity and liabilities</b>		<b>141,590</b>	168,637
<b>Net current assets</b>		<b>33,972</b>	41,784
<b>Total assets less current liabilities</b>		<b>87,918</b>	110,676

The notes on pages 10 to 27 are an integral part of these condensed consolidated interim financial statements.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to the equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve*	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 January 2022	131,979	895,647	11,875	(973,250)	66,251	3,064	69,315
<b>Total comprehensive income/ (expense) for the period</b>							
Loss for the period	-	-	-	(9,844)	(9,844)	(2,133)	(11,977)
Other comprehensive income/ (expense) for the period	-	-	(448)	-	(448)	73	(375)
	-	-	(448)	(9,844)	(10,292)	(2,060)	(12,352)
<b>As at 30 June 2022</b>	<b>131,979</b>	<b>895,647</b>	<b>11,427</b>	<b>(983,094)</b>	<b>55,959</b>	<b>1,004</b>	<b>56,963</b>
<b>As at 1 January 2023</b>	<b>131,979</b>	<b>895,647</b>	<b>11,040</b>	<b>(986,479)</b>	<b>52,187</b>	<b>2,348</b>	<b>54,535</b>
<b>Total comprehensive income/ (expense) for the period</b>							
Loss for the period	-	-	-	(4,566)	(4,566)	(138)	(4,704)
Other comprehensive expenses for the period	-	-	(363)	-	(363)	(10)	(373)
	-	-	(363)	(4,566)	(4,929)	(148)	(5,077)
<b>As at 30 June 2023</b>	<b>131,979</b>	<b>895,647</b>	<b>10,677</b>	<b>(991,045)</b>	<b>47,258</b>	<b>2,200</b>	<b>49,458</b>

\* The other reserves as presented in the condensed consolidated statement of financial position are comprised of these reserve accounts.

The notes on pages 10 to 27 are an integral part of these condensed consolidated interim financial statements.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash (used in)/generated from operating activities	<b>(4,415)</b>	1,180
Net cash generated from/(used in) investing activities	<b>540</b>	(71)
Net cash used in financing activities	<b>(5,360)</b>	(8,185)
Net decrease in cash and cash equivalents	<b>(9,235)</b>	(7,076)
Cash and cash equivalents as at 1 January	<b>81,742</b>	110,743
Effects of exchange rate changes on balances denominated in foreign currencies	<b>(242)</b>	429
Cash and cash equivalents as at 30 June	<b>72,265</b>	104,096

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The notes on pages 10 to 27 are an integral part of these condensed consolidated interim financial statements.

# Notes to the Condensed Consolidated Interim Financial Statements

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Green International Holdings Limited (“**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 (an executive Director and the Chairman of the Company).

The Company and its subsidiaries (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 2022.

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.

## Notes to the Condensed Consolidated Interim Financial Statements

### 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 2023. 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 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17	Insurance contracts
Amendment to HKAS 8	Definition of accounting estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction

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

## Notes to the Condensed Consolidated Interim Financial Statements

### 3. FINANCIAL RISKS MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group's activities expose to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest rate risk.

These condensed consolidated financial statements do not include all financial risks management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. There have been no material changes in the risk management policies since the year ended 31 December 2022.

#### Fair value estimation on a recurring basis

An analysis of financial instruments carried at fair value at the end of each reporting period, by valuation method and at different levels are set out as follows:

- Level 1: Quoted price (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no transfers between Levels 1, 2 and 3 and changes in valuation techniques during the periods.

## Notes to the Condensed Consolidated Interim Financial Statements

### 4. REVENUE AND SEGMENT INFORMATION

The Group primarily operates in Hong Kong and 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 hemodialysis center and hospital; and
- (b) the beauty and wellness segment, which is engaged in selling of beauty and wellness products and related services.

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.

## Notes to the Condensed Consolidated Interim Financial Statements

### 4. REVENUE AND SEGMENT INFORMATION *(Continued)*

#### 4.1 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)	Consolidated <i>HK\$'000</i> (Unaudited)
<b>For the six months ended 30 June 2023</b>			
<b>The PRC</b>			
– At a point in time	15,814	9,295	25,109
<b>For the six months ended 30 June 2022</b>			
<b>The PRC</b>			
– At a point in time	16,185	8,852	25,037

The geographic location analysis of revenue is allocated based on the geographical locations of customers and the operating geographic location of the health and medical business, beauty and wellness business, and financial business. For the six months ended 30 June 2023 and 2022, no single customer's revenue accounted for more than 10% of the Group's total revenue.

## Notes to the Condensed Consolidated Interim Financial Statements

### 4. REVENUE AND SEGMENT INFORMATION *(Continued)*

#### 4.2 Results by operating segments are as follows:

	For the six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Health and medical business	1,187	(2,870)
Beauty and wellness business	(1,704)	(3,553)
<b>Total operating loss by operating segments</b>	<b>(517)</b>	<b>(6,423)</b>
Unallocated corporate expenses, net	(3,148)	(3,917)
Finance costs	(1,124)	(1,706)
<b>Loss before income tax</b>	<b>(4,789)</b>	<b>(12,046)</b>
Income tax credit	85	69
<b>Loss for the period</b>	<b>(4,704)</b>	<b>(11,977)</b>

## Notes to the Condensed Consolidated Interim Financial Statements

### 4. REVENUE AND SEGMENT INFORMATION *(Continued)*

#### 4.3 Non-current assets of the Group, excluding financial instruments, by operating 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)	Unallocated corporate assets <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
As at 30 June 2023				
Hong Kong	-	-	1,572	1,572
The PRC	34,792	17,582	-	52,374
<b>Segment total non-current assets</b>	<b>34,792</b>	<b>17,582</b>	<b>1,572</b>	<b>53,946</b>
As at 31 December 2022				
Hong Kong	-	-	188	188
The PRC	46,149	22,555	-	68,704
<b>Segment total non-current assets</b>	<b>46,149</b>	<b>22,555</b>	<b>188</b>	<b>68,892</b>

## Notes to the Condensed Consolidated Interim Financial Statements

### 5. OTHER INCOME AND GAINS, NET

	For the six months ended 30 June	
	2023	2022
	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Unaudited)
Bank interest income	1,198	158
Government subsidy	–	48
Sundry income	1,033	1,049
Other gain ( <i>Note</i> )	5,066	–
	7,297	1,255

*Note:*

Following amicable negotiation, an independent third party waived other payables of approximately HK\$5,066,000 upon the termination of certain lease arrangement of certain plant and machinery of the Group.

### 6. FINANCE COSTS

	For the six months ended 30 June	
	2023	2022
	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Unaudited)
Interest expenses:		
– Bonds payable	241	229
– Other borrowing	159	144
– Lease liabilities	724	1,333
	1,124	1,706

## Notes to the Condensed Consolidated Interim Financial Statements

### 7. LOSS BEFORE INCOME TAX

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	3,413	4,383
Depreciation of right-of-use assets	3,731	4,963
Employee benefit expenses	11,861	13,001

### 8. INCOME TAX CREDIT

Under the two-tiered profits tax rates regime in Hong Kong, 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.

## Notes to the Condensed Consolidated Interim Financial Statements

### 8. INCOME TAX CREDIT *(Continued)*

The amounts of income tax credit to the condensed consolidated statement of profit or loss are as follows:

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Current taxation		
PRC enterprise income tax		
– Current period	<b>85</b>	69

### 9. 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:

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share	<b>(4,566)</b>	(9,844)

## Notes to the Condensed Consolidated Interim Financial Statements

### 9. LOSS PER SHARE *(Continued)*

	'000	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue	<b>659,895</b>	659,895
<b>Loss per share</b>		
Basic and diluted <i>(HK\$ cents)</i>	<b>(0.69)</b>	(1.49)

### 10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2023 (for six months ended 30 June 2022: Nil).

### 11. TRADE RECEIVABLES

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Trade receivables	<b>2,771</b>	2,855

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 an appropriate credit history to minimise the credit risk.

## Notes to the Condensed Consolidated Interim Financial Statements

### 11. TRADE RECEIVABLES *(Continued)*

#### Ageing analysis

The ageing analysis of trade receivables, based on invoice dates, as at 30 June 2023 and 31 December 2022 are as follows:

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Within 30 days	<b>2,272</b>	2,220
31–60 days	<b>187</b>	192
61–90 days	<b>192</b>	117
91–180 days	<b>43</b>	135
Over 180 days	<b>77</b>	191
	<b>2,771</b>	2,855

Management assessed the credit quality of the trade receivables in the amount of approximately HK\$2,651,000 (31 December 2022: HK\$2,529,000) that are neither past due nor impaired by reference to the repayment history and financial position of those customers.

## Notes to the Condensed Consolidated Interim Financial Statements

### 12. CASH AND BANK BALANCES

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Bank balances and cash ( <i>Note</i> )	<b>72,265</b>	81,742

*Notes:*

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Cash and bank balances are denominated in the following currencies:

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Hong Kong dollars	<b>68,437</b>	70,662
Renminbi	<b>3,828</b>	11,080
	<b>72,265</b>	81,742

## Notes to the Condensed Consolidated Interim Financial Statements

### 13. TRADE PAYABLES

	<b>30 June</b> <b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Trade payables	<b>3,106</b>	4,599

#### Ageing analysis

The ageing analysis of trade payables, based on invoice dates, as at 30 June 2023 and 31 December 2022 are as follows:

	<b>30 June</b> <b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
Within 30 days	<b>1,027</b>	2,154
31–60 days	<b>495</b>	1,435
61–90 days	<b>259</b>	782
91–180 days	<b>714</b>	63
Over 180 days	<b>611</b>	165
	<b>3,106</b>	4,599

The Group's trade payables generally have a credit period of 30–90 days. The carrying amounts of trade payables approximate their fair values.

## Notes to the Condensed Consolidated Interim Financial Statements

### 14. BONDS PAYABLES

Details on the movements of the bonds payables for the Period and the year ended 31 December 2022 are set out as follows:

	<i>HK\$'000</i>
As at 1 January 2022	4,897
Interest expense	469
	<hr/>
<b>As at 31 December 2022</b>	<b>5,366</b>
<b>Interest expense</b>	<b>241</b>
	<hr/>
<b>As at 30 June 2023</b>	<b>5,607</b>
	<hr/>

The details of the bonds payables in issue as at 30 June 2023 in an aggregate principal amount of HK\$4,000,000 are set out as follows:

On 24 March 2017, the Company entered into a placing agreement with Green Securities Limited (“**Green Securities**”), pursuant to which Green Securities agreed with the Company to place bonds up to a principal amount of HK\$4,000,000 to a placee who is an independent third party at 100% of the principal amount of the bonds. The bond is denominated in Hong Kong dollars, unsecured, bears interest at 7.15% per annum and will mature on the date falling on the seventh anniversary of the issue of the bond. Interest is payable on the maturity date.

The bond was successfully placed to the placee on the same date. The effective interest rate of the bond was 10.55% to 13.24% per annum.

The fair value of each of the bonds at issue was calculated using market interest rates for equivalent bonds. The difference between the fair value at issue and the net proceeds received was recognized within other income and loss in the condensed consolidated statement of profit or loss.

## Notes to the Condensed Consolidated Interim Financial Statements

### 15. ACCRUALS AND OTHER PAYABLES

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	31 December 2022 HK\$'000 (Audited)
<i>Accruals</i>	<b>5,562</b>	5,493
Other borrowings ( <i>Note (i)</i> )	<b>6,125</b>	4,816
Other payables ( <i>Note (ii)</i> )	<b>27,830</b>	30,280
	<b>39,517</b>	40,589

*Notes:*

- (i) As at 30 June 2023, other borrowings were unsecured loans from independent third parties, unsecured, carrying interest the rate of 7.2%-8% (2022: 8%) and repayable on demand.
- (ii) As at 30 June 2023, the other payables include an amount payable to an independent third party lessor in respect of leased machineries in the amount of approximately HK\$8,546,000 (2022: HK\$14,923,000).

## Notes to the Condensed Consolidated Interim Financial Statements

### 16. SHARE CAPITAL

Details on the movements of the share capital for the Period and the year ended 31 December 2022 are set out as follows:

	Number of shares		Nominal value	
	For the six months ended 30 June 2023 <i>Number</i> (Unaudited)	For the year ended 31 December 2022 <i>Number</i> (Audited)	For the six months ended 30 June 2023 <i>HK'000</i> (Unaudited)	For the year ended 31 December 2022 <i>HK'000</i> (Audited)
<b>Authorised capital:</b>				
As at 1 January	1,000,000,000	1,000,000,000	200,000	200,000
As at 30 June 2023/ 31 December 2022	1,000,000,000	1,000,000,000	200,000	200,000
<b>Issued and fully paid:</b>				
As at 1 January	659,894,693	659,894,693	131,979	131,979
As at 30 June 2023/ 31 December 2022	659,894,693	659,894,693	131,979	131,979

## Notes to the Condensed Consolidated Interim Financial Statements

### 17. SIGNIFICANT RELATED PARTY TRANSACTIONS

#### Key management compensation

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Wages, salaries and other short-term employee benefits	792	792
Pension costs — defined contribution plans	18	18
	<b>810</b>	<b>810</b>

# Management Discussions and Analysis

## BUSINESS REVIEW

During the six months ended 30 June 2023 (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 Hunan Province, China through Li County Phoenix Hospital Company Limited (“**Phoenix Opco**”) and Yiyang Gangying Hospital Company Limited (“**Yiyang 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 for 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 continue 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 COVID-19 epidemic in the past few years.

During 2022, the Group resolved to relocate one of its hospitals to another newly-leased premises with a bigger area. Through the relocation, the management is hopeful that the Group will be in a better market position to increase market share and enhance its operational capacity. The relocation is scheduled to be completed by the fourth quarter of 2023.

### 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 the selling of beauty and wellness products and related services to local customers.

## Management Discussions and Analysis

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 caused by the COVID-19 epidemic.

### Prospect

The prolonged effect of COVID-19 has caused uncertainties of the economy and business environment during the past few years. With the lifting of the epidemic related measures in China in December 2022, the Group will closely review the latest business and market development. Save as the aforementioned hospital relocation, the acquisition and expansion plans of the Group's hospital business have slowed down due to the deepening of reform of medicine and healthcare systems in 2021. Pending the clarification of market reactions under the reform, the Group does not intend to commit to any substantial acquisition or expansion plans under any specified timeline prematurely.

## FINANCIAL REVIEW

### Revenue

The Group's revenue for the Period was approximately HK\$25,109,000 (2022: HK\$25,037,000), representing an increase of approximately 0.29% as compared to the corresponding period last year.

### Direct Costs and Operating Expenses

The Group's direct costs and operating expenses for the Period were approximately HK\$12,899,000 (2022: HK\$12,802,000), representing an increase of approximately 0.76% as compared to the corresponding period last year. The increase in the direct costs and operating expenses was generally in line with the increase in revenue.

## Management Discussions and Analysis

### Gross Profit and Gross Profit Margin

The Group reported gross profit for the Period of approximately HK\$12,210,000 (2022: HK\$12,235,000), representing a decrease of approximately 0.20% as compared with the same period of last year. The Group's gross profit margin for the Period was 48.63% (2022: 48.87%).

### Selling Expenses

The Group's selling expenses for the Period amounted to approximately HK\$7,364,000 (2022: HK\$8,571,000), representing a decrease of approximately 14.08% as compared to the corresponding period last year. The decrease in the selling expenses was mainly resulted from the decrease in spending on advertising and promotion expenses.

### Other Income and Gains, Net

The Group's other income and gains, net for the Period amounted to approximately HK\$7,297,000 (2022: HK\$1,255,000) representing increase of approximately 481% as compared to the corresponding period last year which was mainly due to an increase in the bank interest income and other gain arising from the waiver of other payable by an independent business counterparty in favour of the Group following amicable negotiation.

### Administrative Expenses

The Group's administrative expenses for the Period amounted to approximately HK\$15,808,000 (2022: HK\$15,259,000), representing an increase of approximately 3.60% as compared to the corresponding period of last year.

### Finance Costs

The Group's finance costs for the Period amounted to approximately HK\$1,124,000 (2022: HK\$1,706,000), representing a decrease of approximately 34.11% as compared to the corresponding period last year. Details of the finance costs are set out in Note (6) to the condensed consolidated financial statements.

## Management Discussions and Analysis

### Loss for the Period

The Group reported a net loss for the Period of approximately HK\$4,704,000 (2022: HK\$11,977,000), representing a decrease of approximately 60.72% as compared to the corresponding period last year, mainly because of an increase in the bank interest income and other gain arising from the waiver of other payable by an independent business counterparty in favour of the Group following amicable negotiation.

### 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 the issue of equity securities (including securities convertible into equity securities) made in previous financial year(s) and details of the use of such proceeds pursuant to paragraphs 11(8), 11A and 41A of Appendix 16 to the Listing Rules are set out as below:

On 25 September 2020, the Company announced a one-for-one rights issue (the “**2020 Rights Issue**”) involving the issue and allotment of 1,649,736,733 ordinary shares of the Company at the subscription price of HK\$0.06 per rights share. The subscription price of HK\$0.06 per rights share represents: (i) a discount of approximately 17.81% to the closing price of HK\$0.0730 per share as quoted on the Stock Exchange on 25 September 2020; and (ii) a discount of approximately 28.06% to the average closing price of HK\$0.0834 per share based on the closing prices of the shares as quoted on the Stock Exchange per the five consecutive trading days prior to and excluding 25 September 2020. The rights issue became unconditional on 9 December 2020, raising net proceeds of approximately HK\$95.9 million. The aggregate nominal value of the rights shares as of 16 December 2020, being the date of allotment of the rights shares, was approximately HK\$65,989,469. As disclosed in the previous announcements and financial reports of the Company, the net proceeds of the 2020 Rights issue were utilised as to HK\$15 million for the Group’s corporate expenses and overheads as originally intended during the year ended 31 December 2021 (“**FY2021**”). Among the remaining HK\$80.9 million which was originally intended for the potential

## Management Discussions and Analysis

acquisitions, expansion and equipment purchase of the Group's hospital business, only approximately RMB3.1 million (HK\$3.5 million) was used during the year ended 31 December 2022 (“FY2022”) for the relocation of the Group's hospital at Yiyang (“**Yiyang Hospital**”) owned and operated by Yiyang Opco (a subsidiary of the Company) in accordance with the original intended use.

As disclosed in the Company's announcement dated 11 August 2023, the entire capital expenditure budget for the relocation of Yiyang Hospital was planned to be approximately RMB17.3 million (HK\$19.5 million), comprising refurbishment labour costs, service fees and material purchases, purchases of new equipment to cater for the expanded capacity, and other miscellaneous costs. During the six months ended 30 June 2023, approximately RMB9.2 million (HK\$10 million) was already used for the relocation of Yiyang Hospital, with the remaining relocation budget of HK\$6 million currently expected to be fully utilised by the fourth quarter of 2023.

As disclosed in the Company's announcement dated 11 August 2023, save as the relocation of Yiyang Hospital, the Group does not intend to commit to any substantial acquisition or expansion plans under any specified timeline prematurely, due to the taking of more conservative expansion strategy by the Group in response to the deepening of reform of medicine and healthcare systems in 2021, which has adversely affected the expected rates of return of hospital investment projects.

As disclosed in the Company's annual report 2022, subsequent to the period end of FY2022, the Board resolved to change the use of HK\$19 million out of the remaining net proceeds of the 2020 Rights Issue to be used in the Group's general working capital and meeting the Group's liabilities and expenses (such as overheads and rental payments, staff costs, professional fees) as they fall due. The Board is of the view that such change is in the best interests of the Company and its shareholders as a whole, as it is vital to have sufficient working capital to maintain the Group's businesses as a going concern. Based on the Group's present budget planning, overhead expenses of approximately HK\$7 million and HK\$5 million are normally expected to accrue in the first and second half of the Company's financial year on average. The Company therefore presently expects these HK\$19 million to be fully utilised by the first half of 2024.

## Management Discussions and Analysis

As disclosed in the Company's announcement dated 11 August 2023, if no suitable acquisition target can be identified in due course, the Company intends to change the intended use of the remaining HK\$42.4 million of net proceeds of the 2020 Rights Issue also for the Group's overhead expenses. Assuming the same overhead half-yearly budgets as estimated above, these remaining HK\$42.4 million of net proceeds are projected to be fully utilised by the end of 2030.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group had total assets of approximately HK\$141,590,000 (31 December 2022: HK\$168,637,000) and debts of approximately HK\$54,286,000 (31 December 2022: HK\$72,517,000), giving rise to a leverage ratio (defined as debt to total assets) of approximately 38.34% (31 December 2022: 43.00%).

As at 30 June 2023, the Group had net current assets of approximately HK\$33,972,000 (31 December 2022: HK\$41,784,000), being the surplus of current assets of approximately HK\$87,644,000 (31 December 2022: HK\$99,745,000) over the current liabilities of approximately HK\$53,672,000 (31 December 2022: HK\$57,961,000), giving rise to a current ratio of approximately 1.63 (31 December 2022: 1.72).

As at 30 June 2023, the Group had cash and bank balances of approximately HK\$72,265,000 (31 December 2022: HK\$81,742,000).

### GEARING RATIO

As at 30 June 2023, the gearing ratio of the Group (defined as debt to equity) was approximately 115% (31 December 2022: 139%). Debt includes bonds payables, other borrowings and lease liabilities.

## Management Discussions and Analysis

### **SIGNIFICANT INVESTMENT HELD**

The Group had no significant investment held as at 30 June 2023.

### **ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

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

### **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 2023.

### **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 30 June 2023.

### **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 2022 are summarised below:

#### **(A) Share Capital**

Details of the movements of the share capital for the Period and the year ended 31 December 2022 are set out in Note (16) to the condensed consolidated financial statements.

## Management Discussions and Analysis

### (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.

#### *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 2022 and there were no outstanding share options as at 30 June 2023 and 31 December 2022. As at the date of this interim report, 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. The remaining lifespan of the New Share Option Scheme is 5 years and 10 months.

# Management Discussions and Analysis

## DIVIDENDS

The Directors do not recommend the payment of any dividend for the Period (2022: Nil).

## HUMAN RESOURCES

As at 30 June 2023, the Group has 177 employees in Hong Kong and China. Employees' remuneration, promotion and salary increments are assessed based on both individuals' and the Group's performance, employees' professional and working experiences and by reference to prevailing market practices and standards.

## LITIGATION

As at the date of this report, 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.

## Other Information

### ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable a Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN SHARES

As at 30 June 2023, the interests or short positions of the Directors and chief executives and their associates in the shares, underlying shares and debenture of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the “SFO”), or as otherwise notified to the Company and the Stock Exchange of pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), were as follows:

#### Long positions in shares of the Company and its associated corporations

Name of Director	Capacity in which the shares or underlying shares are held	Long positions in shares	Approximate percentage of total issued shares (Note 2)
Mr. Liu Dong	Beneficial owner and interest of controlled corporation	25,146,000 (Note 1)	3.81%

## Other Information

### Notes:

1. According to the disclosure of interest filings, these 25,146,000 shares deemed to be interested by Mr. Liu Dong (“**Mr. Liu**”) comprised (a) 9,146,000 shares held by Mr. Liu personally; and (b) 16,000,000 shares held by Smoothly Good Investment Development Limited (“**Smoothly Good**”), a controlled corporation wholly-owned by Mr. Liu. Mr. Liu and Smoothly Good’s deemed interests in 16,000,000 Shares here duplicates with each other; and
2. The percentages are calculated based on the total number of 659,894,693 issued shares as at 30 June 2023.

## SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SHARES

As at 30 June 2023, the following persons (other than a director or chief executive of the Company) had an interest or short position in the shares and underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

### Long positions in shares of the Company

Name of substantial shareholder	Capacity in which the shares are held	Long positions	Approximate percentage in shares of total issued shares (Note 3)
Ms. Zhou Cuiqiong	Interest of controlled corporations	370,071,730 (Note 1)	56.08%
Jumbo Faith International Limited	Interest of controlled corporations and beneficial owner	370,073,730 (Note 1)	56.08%
Fluent Robust Limited	Beneficial owner	67,647,058 (Note 1b)	10.25%
Mr. Yu Qigang	Family interests	370,071,730 (Note 2)	56.08%

## Other Information

### Notes:

1. According to the disclosure of interest filings, these 370,071,730 shares deemed to be interested by Zhou Cuiqiong (“**Ms. Zhou**”) and Jumbo Faith International Limited (“**Jumbo Faith**”) comprised:
  - (a) 302,424,672 shares beneficially owned by Jumbo Faith, a controlled corporation wholly-owned by Ms. Zhou. Ms. Zhou and Jumbo Faith’s deemed interests in 302,424,672 shares duplicated with each other; and
  - (b) 67,647,058 shares beneficially owned by Fluent Robust Limited (“**Fluent Robust**”), which is a controlled corporation wholly-owned by Jumbo Faith, which is in turn wholly-owned by Ms. Zhou. Ms. Zhou, Jumbo Faith and Fluent Robust’s deemed interests in 67,647,058 shares duplicated with each other;
2. Mr. Yu Qigang (“**Mr. Yu**”), as the spouse of Ms. Zhou, is taken to be interested in the 302,424,672 shares held by Jumbo Faith and 67,647,058 shares held by Fluent Robust by virtue of Part XV of the SFO as described in Note 1 above; and
3. The percentages are calculated based on the total number of 659,894,693 issued shares as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## CHANGES IN INFORMATION OF DIRECTORS

Mr. Yu Zhoujie has been re-designated from a non-executive Director of the Company to an executive Director of the Company with effect from 1 August 2023.

Mr. Liu Dong has been re-designated from an executive director to a non-executive Director of the Company with effect from 1 August 2023.

Mr. David Tsoi resigned as an independent non-executive director of Guoen Holdings Limited (formerly known as Guru Online (Holdings) Limited) (listed on the Stock Exchange, stock code: 8121) with effect from 8 August 2023.

## Other Information

Save as disclosed in this interim report, the Directors confirm that no other information is required to be disclosed pursuant to Rule 13.51(1) of the Listing Rules.

### **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**

#### **Risk management and internal controls**

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:

Under the Code Provision D.2.5 of the CG Code, 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 their corporate governance reports. Due to the size and scale of operations, the Group did not have an 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 Year. 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.

## **CONSTITUTIONAL DOCUMENTS**

In compliance with the amended Appendix 3 to the Listing Rules which sets out a uniform set of 14 “**Core Standards**” for issuers, a special resolution for the amendments to the Memorandum and Articles of Association of the Company has been approved at 2023 annual general meeting held on 30 June 2023.

The Memorandum and Articles of Association are available on the websites of the Company and the Stock Exchange.

## **MODEL CODE ON SECURITIES TRANSACTION BY DIRECTORS**

The Company has adopted 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**

The audit committee was established by the Company with written terms of reference in compliance with the requirements set out in Appendix 14 to the Listing Rules. As at the date of this interim report, the audit committee comprises three independent non-executive Directors, namely Mr. David Tsoi (Chairman), Mr. Wu Hong and Mr. Wang Chunlin. One out of the 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.

## Other Information

### EVENTS AFTER THE REPORTING PERIOD

With effect from 31 July 2023, Mr. Chen Hanhong ceased to be an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules on the Stock Exchange and for the purpose of service of process and notices in Hong Kong under the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, and Mr. Yu Xiangjin was appointed to be an authorised representative of the Company.

Mr. Tsang Kwok Wai has tendered his resignation of a joint company secretary of the Company for the tenure of office until 31 July 2023. With effect from 1 August 2023, the company secretary of the Company is Mr. Xin Yingnan.

### APPRECIATION

On behalf of the Board, I wish to thank all our shareholders, customers, suppliers and bankers for their continual support. I would also like to extend my appreciation to all the staff for their dedicated work and their contribution throughout the Period.

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

Hong Kong, 31 August 2023