GREEN INTERNATIONAL
Holdings Limited
格林國際控股有限公司

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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2700)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board (the "Board") of directors (the "Directors") of Green International Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2017 together with the comparative figures for the corresponding period in 2016. The unaudited condensed consolidated interim results have been reviewed by the Company's audit committee (the "Audit Committee").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2017

	Notes	**Six months ended 30 June** **2017** ***HK$'000*** **(Unaudited)**	2016 *HK$'000* (Unaudited)
Revenue	*3*	**22,233**	21,093
Direct costs and operating expenses		**(4,955)**	(5,316)
Gross profit		**17,278**	15,777
Other income and gains, net	*4*	**348**	4,082
Gain on disposal of a subsidiary		**–**	3,005
Selling expenses		**(15,612)**	(14,815)
Administrative expenses		**(34,538)**	(37,007)
Fair value change of derivative financial instruments			
— Early redemption option	*12(c)&13(a)*	**(271)**	(9,403)
Provision for impairment on call options		**(11,040)**	–
Operating loss	*5*	**(43,835)**	(38,361)
Finance costs, net	*6*	**(14,041)**	(7,230)
Loss before income tax		**(57,876)**	(45,591)
Income tax expense	*7*	**(291)**	(697)
Loss for the period		**(58,167)**	(46,288)

	Notes	Six months ended 30 June 2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)
Loss for the period attributable to:			
Equity holders of the Company		**(58,221)**	(46,119)
Non-controlling interests		**54**	(169)
		(58,167)	(46,288)
Loss per share for loss for the period attributable to the equity holders of the Company			
— Basic and diluted (HK cents)	*8*	**(2.95)**	(2.34)
Dividend	*9*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Six months ended 30 June 2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)
Loss for the period	**(58,167)**	(46,288)
Other comprehensive income/(expense), net of tax		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences		
— Exchange differences arising during the period	**2,464**	1,354
— Reclassification adjustments relating to foreign operations disposed of during the period	**–**	(240)
Total comprehensive expenses for the period	**(55,703)**	(45,174)
Total comprehensive expenses for the period attributable to:		
Equity holders of the Company	**(53,092)**	(44,882)
Non-controlling interests	**(2,611)**	(292)
	(55,703)	(45,174)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	**30 June 2017 HK$'000 (Unaudited)**	31 December 2016 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*10*	**33,078**	30,927
Trademark user right and technical know-how		**157,250**	157,250
Other intangible assets		**1,622**	1,665
Derivative financial instruments			
— Put option	*15*	**6,150**	6,150
— Early redemption option	*12(c)&13(a)*	**12,472**	12,743
		210,572	208,735
Current assets			
Inventories		**6,030**	3,463
Promissory note receivables		**154,218**	154,218
Derivative financial instruments			
— Call options		**–**	11,040
Trade receivables	*11*	**302**	186
Loan receivables		**24,318**	26,068
Prepayments, deposits and other receivables		**35,100**	24,742
Tax recoverable		**707**	707
Cash and cash equivalents		**19,538**	28,521
		240,213	248,945
Total assets		**450,785**	457,680
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**19,725**	19,725
Share premium		**544,946**	544,946
Other reserves		**84,327**	83,404
Accumulated losses		**(488,905)**	(432,278)
		160,093	215,797
Non-controlling interests		**8,039**	5,428
Total equity		**168,132**	221,225

	Notes	30 June 2017 HK$'000 (Unaudited)	31 December 2016 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Convertible bonds	*12*	**24,725**	64,921
Bonds payable		**21,529**	16,031
Loan from director		**48,920**	–
Contingent consideration payables	*13*	**40,973**	38,771
Deferred tax liabilities		**15,918**	15,918
		152,065	135,641
Current liabilities			
Trade payables	*14*	**6,710**	6,558
Other payables, accruals and deposits received		**38,674**	38,054
Bonds payable		**6,303**	–
Convertible bonds	*12*	**78,053**	54,223
Tax payable		**848**	1,979
		130,588	100,814
Total liabilities		**282,653**	236,455
Total equity and liabilities		**450,785**	457,680
Net current assets		**109,625**	148,131
Total assets less current liabilities		**320,197**	356,866

NOTES

1. GENERAL INFORMATION

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.

During the period, the Group was principally engaged in health and medical services, toys and equipment trading, beauty and wellness services, and the provision of integrated financial services comprising money-lending, securities brokerage and asset management.

The Directors regard Gold Bless International Invest Limited, a company incorporated in the British Virgin Islands, as being the immediate and ultimate holding company of the Company.

These condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK$"), and all values are rounded to the nearest thousand unless otherwise stated. These condensed consolidated interim financial statements have been approved for issue by the Board on 31 August 2017.

These condensed consolidated interim financial statements have not been audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting" 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 interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs").

The basis of preparation and accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements, except for the adoption of the new and revised HKFRSs. The Group has adopted new or revised HKFRSs which are effective for accounting periods commencing on or after 1 January 2017. The adoption of the new and revised HKFRSs has no material impact on the Group's results and financial position for the current or prior periods.

The Group has not applied new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of new and revised HKFRSs but is not yet in a position to state whether new and revised HKFRSs would have a material impact on its results of operations and financial position.

The condensed consolidated interim financial statements have not been audited nor reviewed by the auditor of the Company, but have been reviewed by the Audit Committee of the Company.

The preparation of condensed consolidated interim financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies.

3. 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 segments 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 segments. The Group's business segments are as follows:

(a) the health and medical segment engages in the operation of clubhouse business;

(b) the trading segment engages in the trading of toys, equipment and other materials;

(c) the beauty and wellness segment engages in the provision of beauty and wellness related services; and

(d) the financial segment engages in money-lending, securities brokerage and asset management business.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board is 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.

Revenue of the Group by operating segments and geographical regions is as follows:

	Health and medical business	**Trading business**	**Beauty and wellness business**	**Financial business**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Six months ended 30 June 2017					
Hong Kong	**–**	**–**	**–**	**40**	**40**
The PRC	**5,591**	**–**	**16,602**	**–**	**22,193**
	5,591	**–**	**16,602**	**40**	**22,233**

	Health and medical business	Trading business	Beauty and wellness business	Financial business	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Six months ended 30 June 2016					
The PRC	5,657	2,450	12,986	–	21,093

Revenue is allocated based on the geographical locations in which customers are located and the geographical locations of operations for health and medical segment, trading segment, beauty and wellness segment and financial segment, respectively. There was no revenue from a customer contributing over 10% of total revenue of the Group for the six months ended 30 June 2017 and 30 June 2016.

Results by operating segments are as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Health and medical business	**(11,115)**	(10,479)
Trading business	**(3)**	50
Beauty and wellness business	**493**	79
Financial business	**(2,230)**	–
Total net operating loss by operating segments	**(12,855)**	(10,350)
Unallocated corporate expenses, net	**(19,815)**	(24,703)
Gain on disposal of a subsidiary	**–**	3,005
Gain on disposal of trade receivables	**–**	175
Gain on issuance of bonds payable	**146**	3,880
Provision for impairment on call options	**(11,040)**	–
Loss on disposal of other receivables	**–**	(965)
Fair value change of derivative financial instruments		
— Early redemption option	**(271)**	(9,403)
Finance costs, net	**(14,041)**	(7,230)
Loss before income tax	**(57,876)**	(45,591)
Income tax expense	**(291)**	(697)
Loss for the period	**(58,167)**	(46,288)

Non-current assets of the Group by operating segments and geographical regions are as follows:

	Health and medical business	**Trading business**	**Beauty and wellness business**	**Financial business**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
At 30 June 2017					
Hong Kong	**–**	**–**	**–**	**520**	**520**
The PRC	**–**	**–**	**186,311**	**–**	**186,311**
	–	**–**	**186,311**	**520**	**186,831**
Derivative financial instruments					
— Put option					**6,150**
— Early redemption option					**12,472**
Unallocated corporate assets					**5,119**
					210,572

	Health and medical business HK$'000 (Audited)	Trading business HK$'000 (Audited)	Beauty and wellness business HK$'000 (Audited)	Financial business HK$'000 (Audited)	Consolidated HK$'000 (Audited)
At 31 December 2016					
Hong Kong	–	–	–	–	–
The PRC	–	–	183,592	–	183,592
	–	–	183,592	–	183,592
Derivative financial instruments					
— Put option					6,150
— Early redemption option					12,743
Unallocated corporate assets					6,250
					208,735

Non-current assets are allocated based on their geographical locations.

Capital expenditures of the Group by operating segments and geographical regions are as follows:

	Health and medical business ***HK$'000*** **(Unaudited)**	**Trading business** ***HK$'000*** **(Unaudited)**	**Beauty and wellness business** ***HK$'000*** **(Unaudited)**	**Financial business** ***HK$'000*** **(Unaudited)**	**Consolidated** ***HK$'000*** **(Unaudited)**
Six months ended 30 June 2017					
Hong Kong	**–**	**–**	**–**	**–**	**–**
The PRC	**–**	**–**	**9,508**	**–**	**9,508**
	–	**–**	**9,508**	**–**	**–**
Unallocated corporate capital expenditures					**–**
					9,508

	Health and medical business *HK$'000* (Unaudited)	Trading business *HK$'000* (Unaudited)	Beauty and wellness business *HK$'000* (Unaudited)	Financial business *HK$'000* (Unaudited)	Consolidated *HK$'000* (Unaudited)
Six months ended 30 June 2016					
Hong Kong	–	–	–	–	–
The PRC	–	270	972	–	1,242
	–	270	972	–	1,242
Unallocated corporate capital expenditures					3,251
					4,493

Capital expenditures are allocated based on their geographical locations.

4. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Exchange gain	**58**	874
Sundry income	**144**	118
Gain on disposal of trade receivables	**–**	175
Gain on issuance of bonds payable	**146**	3,880
Loss on disposal of other receivables	**–**	(965)
	348	4,082

5. OPERATING LOSS

The Group's operating loss is arrived at after charging the following:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment *(Note 10)*	**3,084**	2,380
Merchandise purchased and changes in inventories	**–**	3,641
Employee benefit expenses	**18,615**	19,523
Operating lease rental expenses	**9,275**	9,558

6. FINANCE COSTS, NET

		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Interest income			
— Bank deposits		**(18)**	(19)
— Loan receivables		**(1,804)**	(4,821)
Fair value change of contingent consideration payables	*13*	**2,202**	3,667
Interest expenses			
— Convertible bonds	*12*	**9,510**	7,509
— Bonds payable		**3,908**	894
— Loan		**243**	–
		14,041	7,230

7. INCOME TAX EXPENSE

Hong Kong profits tax and PRC Enterprise Income Tax have been provided at the rate of 16.5% (six months ended 30 June 2016: 16.5%) and 25% (six months ended 30 June 2016: 25%), respectively, on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

The amounts of income tax expense charged to the condensed consolidated statement of profit or loss represent:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current taxation		
— Hong Kong profits tax	**–**	–
— PRC Enterprise Income Tax	**291**	697
	291	697

8. LOSS PER SHARE

Basic

The calculation of basic loss per share is based on the consolidated loss for the period attributable to the equity holders of the Company of approximately HK$58,221,000 (six months ended 30 June 2016: loss of HK$46,119,000) and on the weighted average number of 1,972,453,000 (six months ended 30 June 2016: 1,972,453,000) ordinary shares.

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to the equity holders of the Company *(HK$'000)*	**(58,221)**	(46,119)
Weighted average number of ordinary shares in issue *(thousands)*	**1,972,453**	1,972,453
Basic loss per share *(HK cents)*	**(2.95)**	(2.34)

Diluted

The calculation of the diluted loss per share for the periods ended 30 June 2017 and 2016 did not assume the exercise of the Company's outstanding share options and convertible bonds as the effect of any such exercise would be anti-dilutive.

9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group paid HK$4,823,000 (six months ended 30 June 2016: HK$4,493,000) on acquisition of property, plant and equipment.

11. TRADE RECEIVABLES

	30 June	31 December
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**52,281**	52,165
Less: Provision for discount on past due balances	**(51,979)**	(51,979)
	302	186

The Group's trade receivables are generally with credit periods of 90 days (31 December 2016: 90 days). The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history to minimise the credit risk.

The maximum exposure to credit risk at the end of the reporting period was the carrying amounts of the trade receivables. The Group does not hold any collateral as security.

The carrying amounts of trade receivables approximate their fair values. The ageing analysis of trade receivables, based on invoice dates, as at 30 June 2017 and 31 December 2016 were as follows:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 30 days	**22**	31
31 – 60 days	**15**	6
61 – 90 days	**–**	5
91 – 180 days	**155**	4
Over 180 days	**52,089**	52,119
	52,281	52,165

Management assessed the credit quality of those trade receivables of approximately HK$100,000 (31 December 2016: HK$42,000) that are neither past due nor impaired by reference to the repayment history and current financial position of those customers. Those receivables are related to individual customers for whom there was no recent history of default and no significant change in credit quality. Management believes that no provision for impairment is necessary and those balances are expected to be fully recoverable.

As at 30 June 2017, trade receivables of approximately HK$52,244,000 (31 December 2016: HK$52,123,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
91 – 180 days	**155**	4
Over 180 days	**52,089**	52,119
	52,244	52,123

The Group has made a total provision of approximately HK$51,979,000 to account for the discounting effect of the time value of money because of the delay in settlements of the outstanding trade receivables.

12. CONVERTIBLE BONDS

	1st Tai Cheng CB	Zheyin CB	2nd Tai Cheng CB	2015 CB	1st Marsa CB	3rd Tai Cheng CB	1st 2016 CB	2nd 2016 CB	2nd Marsa CB	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Note (a))	*(Note (f))*	*(Note (a))*	*(Note (b))*	*(Note (c))*	*(Note (a))*	*(Note (d))*	*(Note (e))*	*(Note (c))*	
At 1 January 2016	5,482	–	4,380	23,570	16,398	321	–	–	–	50,151
Issue of convertible bonds	–	–	–	–	–	–	40,000	12,000	26,295	78,295
Equity component on initial recognition	–	–	–	–	–	–	(1,312)	(1,225)	–	(2,537)
Interest expenses *(Note 6)*	388	–	321	1,639	2,390	25	2,017	248	481	7,509
At 30 June 2016	5,870	–	4,701	25,209	18,788	346	40,705	11,023	26,776	133,418
Issue of convertible bonds	–	–	–	–	–	–	–	–	–	–
Written back pursuant to profit guarantee	–	–	–	–	(5,209)	–	–	–	(19,215)	(24,424)
Interest expenses	293	–	345	1,752	2,520	26	2,309	609	2,296	10,150
At 31 December 2016	**6,163**	**–**	**5,046**	**26,961**	**16,099**	**372**	**43,014**	**11,632**	**9,857**	**119,144**
Issue of convertible bonds	**–**	**24,287**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**24,287**
Equity component on initial recognition	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Redemption of CB	**(6,163)**	**–**	**–**	**–**	**–**	**–**	**(44,000)**	**–**	**–**	**(50,163)**
Interest expenses *(Note 6)*	**–**	**756**	**370**	**1,875**	**2,659**	**29**	**986**	**411**	**2,424**	**9,510**
At 30 June 2017	**–**	**25,043**	**5,416**	**28,836**	**18,758**	**401**	**–**	**12,043**	**12,281**	**102,778**
As at 31 December 2016, analysed by maturity date as:										
Within one year and included under current liabilities	6,163	–	5,046	–	–	–	43,014	–	–	54,223
Over one year and included under non-current liabilities	–	–	–	26,961	16,099	372	–	11,632	9,857	64,921
	6,163	–	5,046	26,961	16,099	372	43,014	11,632	9,857	119,144
As at 30 June 2017, analysed by maturity date as:										
Within one year and included under current liabilities	**–**	**25,043**	**5,416**	**28,836**	**18,758**	**–**	**–**	**–**	**–**	**78,053**
Over one year and included under non-current liabilities	**–**	**–**	**–**	**–**	**–**	**401**	**–**	**12,043**	**12,281**	**24,725**
	–	**25,043**	**5,416**	**28,836**	**18,758**	**401**	**–**	**12,043**	**12,281**	**102,778**

Convertible bonds issued by the Group and outstanding during the periods were as follows:

(a) Pursuant to the sale and purchase agreement to the acquisition of Tai Cheng International Limited ("Tai Cheng") (Note 13(b)), the Company issued the first tranche of the Tai Cheng CB on 29 October 2013 in an aggregate principal amount of HK$6,163,639 (the "1st Tai Cheng CB") to Hong Kong Tai Shing Toys Trading Limited ("Tai Shing"). The 1st Tai Cheng CB is denominated in Hong Kong dollars, unsecured, interest-free and matured on 29 October 2016. The 1st Tai Cheng CB is convertible into the shares of the Company at the holder's option before maturity at the initial conversion price of HK$0.50 per share (subject to adjustment on dilutive corporate actions and as adjusted to HK$0.43 on closing of an open offer on 19 August 2014 and to HK$0.42 on closing of a convertible bond issue on 15 January 2016). The effective interest rate of the 1st Tai Cheng CB was 17.90% per annum. On 15 March 2017, the Company and Tai Shing entered into a side letter to cancel the 1st Tai Cheng CB, in return of which the Company issued a 2% per annum promissory note to Tai Shing which will mature on 30 November 2017.

Pursuant to the sale and purchase agreement to the acquisition of Tai Cheng (Note 13(b)), the Company issued the second tranche of the Tai Cheng CB on 13 October 2014 in an aggregate principal amount of HK$5,628,138 (the "2nd Tai Cheng CB") to Tai Shing. The 2nd Tai Cheng CB is denominated in Hong Kong dollars, unsecured, interest-free and will mature on 13 October 2017. The 2nd Tai Cheng CB is convertible into the shares of the Company at the holder's option before maturity at an initial conversion price of HK$0.50 per share (subject to adjustment on dilutive corporate actions and as adjusted to HK$0.43 on closing of an open offer on 19 August 2014, to HK$0.42 on closing of a convertible bond issue on 15 January 2016 and to HK$0.41 on closing of another convertible bond issue on 3 March 2017). The effective interest rate of the 2nd Tai Cheng CB was 17.99% per annum.

Pursuant to the sale and purchase agreement to the acquisition of Tai Cheng (Note 13(b)), the Company issued the third tranche of the Tai Cheng CB on 8 September 2015 in an aggregate principal amount of HK$477,241 (the "3rd Tai Cheng CB") to Tai Shing. The 3rd Tai Cheng CB is denominated in Hong Kong dollars, unsecured, interest-free and will mature on 8 September 2018. The 3rd Tai Cheng CB is convertible into the shares of the Company at the holder's option before maturity at an initial conversion price of HK$0.50 per share (subject to adjustment on dilutive corporate actions and as adjusted to HK$0.43 on closing of an open offer on 19 August 2014, to HK$0.42 on closing of a convertible bond issue on 15 January 2016 and to HK$0.41 on closing of another convertible bond issue on 3 March 2017). The effective interest rate of the 3rd Tai Cheng CB was 18.15% per annum.

(b) On 9 February 2015, the Company entered into a placing agreement with ASA Securities Limited ("ASA Securities"), pursuant to which ASA Securities has conditionally agreed with the Company to place, on a best effort basis, convertible bonds up to a total principal amount of HK$83,800,000 which are convertible into 253,939,393 shares of the Company at the initial conversion price of HK$0.33 per share (subject to adjustments). The market closing price of the Company's shares on 9 February 2015 was HK$0.355 per share.

The placing was completed on 6 March 2015, where convertible bonds in an aggregate principal amount of HK$29,000,000 (the "2015 CB") was successfully placed by ASA Securities to three placees who are third parties independent of the Company and its connected persons. The net proceeds derived from the issue of 2015 CB were HK$28,048,000. The convertible bonds are denominated in Hong Kong dollars, unsecured, bear interest at 3% per annum (which is payable on maturity) and will mature on the date falling on the third anniversary of the issue of the convertible bonds, i.e. 6 March 2018. Interest will be payable on the maturity date if these convertible bonds are neither converted nor redeemed prior to the maturity date. These convertible bonds are convertible into the shares of the Company at the holder's option before maturity at an initial conversion price of HK$0.33 per share (subject to adjustments). The effective interest rate of the 2015 CB was 14.39% per annum.

(c) Pursuant to and subject to the terms and conditions of the sale and purchase agreement relating to the acquisition of Rainbow Star Global Limited ("Rainbow Star") (Note 15), the Company issued convertible bonds on 20 May 2015 in an aggregate principal amount of HK$54,250,000 (the "1st Marsa CB") to Mr. Chung Sum Sang and Ms. Eva Au (collectively, "Rainbow Star Vendors") as partial satisfaction of the consideration. The 1st Marsa CB is denominated in Hong Kong dollars, unsecured and will (subject to satisfaction of the profit guarantee) mature on 20 May 2018. Subject to satisfaction of the profit guarantee, the 1st Marsa CB was interest-free during the first year of issue and bear interest at 2% per annum from the first anniversary of issue onwards until maturity. Subject to satisfaction of the profit guarantee, interest will be payable on the maturity date if the 1st Marsa CB is neither converted nor redeemed prior to the maturity date. The Company shall have the right to redeem the 1st Marsa CB at any time during its term by issuing shares to the holders at the initial conversion price of HK$0.50 per share (subject to adjustments). Subject to satisfaction of the profit guarantee, the 1st Marsa CB is convertible into the shares of the Company during the period commencing from the date being the latter of (a) the first anniversary of the issue date of the 1st Marsa CB; and (b) the Company having exercised its rights in respect of the redemption and cancellation of the 1st Marsa CB with reference to the profit guarantee (Note 15), to maturity at an initial conversion price of HK$0.50 per share (subject to adjustments).

Pursuant to and subject to the terms and conditions of the sale and purchase agreement relating to the acquisition of Rainbow Star (Note 15), the Company also issued convertible bonds on 20 May 2016 in an aggregate principal amount of HK$54,250,000 (the "2nd Marsa CB") to Rainbow Star Vendors as partial satisfaction of the consideration pursuant to the sale and purchase agreement of Rainbow Star (Note 15). All of the terms and conditions of the 2nd Marsa CB are same as the 1st Marsa CB, with the exception that the 2nd Marsa CB will (subject to satisfaction of the profit guarantee) mature on 20 May 2019.

A liability component, an equity component and an early redemption option were classified at initial recognition of the 1st Marsa CB and the 2nd Marsa CB. The equity component was included in equity within other reserves. The early redemption option was recorded as a derivative financial instrument under non-current assets.

The fair values of the liability components of the 1st Marsa CB and 2nd Marsa CB were initially recognised at approximately HK$41,000,000 and HK$26,295,000, respectively, by using the discounted cash flow model. The fair value estimate was based on respective assumed discount rates of 11.24% and 11.46% and the Directors' expectation on the amount of the 1st Marsa CB and 2nd Marsa CB to be redeemed or cancelled (if any).

The fair values of the equity component (which represents the value of the equity conversion option) and the early redemption option of the 1st Marsa CB were initially recognised at the date of acquisition at approximately HK$22,847,000 and HK$20,200,000, respectively, by using the partial differential equation method. The fair value estimates were based on assumed conversion price of HK$0.50 per share, expected volatility of 89.55% and risk-free rate of 0.70%. As at 30 June 2017, the equity component amounting to approximately HK$7,562,000 (31 December 2016: HK$7,562,000) is included in equity within other reserves, and as at 30 June 2017, the early redemption option was subsequently measured at fair value of approximately HK$804 (31 December 2016: HK$610,000).

The fair values of the equity component (which represents the value of the equity conversion option) and the early redemption option of the 2nd Marsa CB were initially recognised at the date of acquisition at approximately HK$16,506,000 and HK$7,944,000, respectively, by using the partial differential equation method. The fair value estimates were based on assumed conversion price of HK$0.50 per share, expected volatility of 83.26% and risk-free rate of 0.83%. As at 30 June 2017, the equity component amounting to approximately HK$5,934,000 (31 December 2016: HK$5,934,000) is included in equity within other reserves, and the early redemption option was subsequently measured as at 30 June 2017 at fair value of approximately HK$270,299. (31 December 2016: HK$1,584,000).

Under the terms and conditions of the Marsa CB (of which 1st Marsa CB and the 2nd Marsa CB form parts), the audited consolidated net profit after tax of Shenzhen Marsa Guer Chain Enterprise Ltd. ("Shenzhen Marsa", an indirect 70% owned subsidiary of Rainbow Star) shall be not less than RMB 20,000,000 for the three years ended 31 December 2015, 2016 and 2017, failing which the Company shall have the right to redeem and cancel in whole or part of the Marsa CB at nominal sum by reference to the shortfall proportion. Shenzhen Marsa did not meet the profit guarantee for both 2015 and 2016 and accordingly, principal amounts of HK$33,900,000 and HK$37,311,555 are liable to be redeemed and cancelled by the Company in respect of the 2015 and 2016 profit guarantees, respectively. The Company is currently seeking legal and financial advice to protect its legal right and interest. Please see further details in Note 15 below.

(d) On 27 November 2015, the Company entered into a subscription agreement with Mr. Yang Yuezhou ("Mr. Yang"), pursuant to which Mr. Yang has conditionally agreed with the Company to subscribe for convertible bonds (the "1st 2016 CB") in a principal amount of HK$40,000,000 which are convertible into 200,000,000 shares of the Company at the initial conversion price of HK$0.20 per share (subject to adjustments). The market closing price of the Company's shares on 27 November 2015 was HK$0.227 per share.

The subscription was completed on 15 January 2016, raising net proceeds of HK$40,000,000. The 1st 2016 CB is denominated in Hong Kong dollars, unsecured, bears interest at 8% per annum and matured on the date falling on the first anniversary of the issue of the convertible bonds, i.e. 15 January 2017. Interest will be payable on the maturity date if the 1st 2016 CB is neither converted nor redeemed prior to the maturity date. The 1st 2016 CB is convertible into the shares of the Company at the holder's option before maturity at an initial conversion price of HK$0.20 per share (subject to adjustments). The effective interest rate of the 1st 2016 CB was 11.65% per annum.

On 16 January 2017, the Company and Mr. Yang entered into the amendment deed to extend the maturity date from 15 January 2017 to 15 April 2017. On 14 April 2017, the Company redeemed the 1st 2016 CB.

(e) On 5 April 2016, the Company entered into a subscription agreement with Hong Kong Qian Hai Financial Group Limited ("Qian Hai Financial"), pursuant to which Qian Hai Financial has conditionally agreed with the Company to subscribe for convertible bonds (the "2nd 2016 CB") in a principal amount of HK$12,000,000 which are convertible into 40,000,000 shares of the Company at the initial conversion price of HK$0.30 per share (subject to adjustments). The market closing price of the Company's shares on 5 April 2016 was HK$0.234 per share.

The subscription was completed on 15 April 2016, raising net proceeds of HK$12,000,000. The 2nd 2016 CB is denominated in Hong Kong dollars, unsecured, bears interest at 8% per annum and will mature on the date falling on the third anniversary of the issue of the convertible bonds, i.e. 15 April 2019. Interest will be payable on the maturity date if the 2nd 2016 CB is neither converted nor redeemed prior to the maturity date. The 2nd 2016 CB is convertible into the shares of the Company at the holder's option during the period commencing from the first anniversary of the issue date (i.e. 15 April 2017) to the maturity date at an initial conversion price of HK$0.30 per share (subject to adjustments). The effective interest rate of the 2nd 2016 CB was 11.36% per annum.

(f) On 13 February 2017, the Company entered into a subscription agreement with 浙銀天勤（深圳）投資有限公司 (Zheyin Tianqin (Shenzhen) Investment Limited) ("Zheyin Tianqin") in relation to the issue of convertible bonds in an aggregate principal amount of HK$25,000,000("Zheyin CB"). The subscription was completed on 3 March 2017. The convertible bonds are denominated in Hong Kong dollars, unsecured, bear interest at 8% per annum and will mature on the date falling on the first anniversary of the issue of the convertible bonds. Interest will be payable on the maturity date if the convertible bonds are neither converted nor redeemed prior to the maturity date.

The convertible bonds are convertible into shares of the Company at the holder's option after the first anniversary of the date of issue of the bond at an initial conversion price of HK$0.20 per share (subject to adjustments).

As at 30 June 2017, the equity component amounting to approximately HK$712,872 is included in equity within other reserves, and the liability component was subsequently measured as at 30 June 2017 at fair value of approximately HK$24,287,128.

The values of the liability component and the equity component were determined at issuance of the convertible bonds. The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion option, is included in equity within other reserves (with the exception of the 1st Marsa CB and 2nd Marsa CB, which is detailed in note (c) above).

13. CONTINGENT CONSIDERATION PAYABLES

The Group's contingent consideration payables arises from two acquisitions completed by the Group detailed as follows.

(a) Pursuant to the sale and purchase agreement to the acquisition of Rainbow Star (Note 15), part of the consideration shall be settled by the issue of convertible bonds (the Marsa CB) in 3 tranches of principal amount of HK$54,250,000 each on the date of acquisition and its first and second anniversaries. The Marsa CB is subject to the profit guarantee and is subject to the Company's right to redeem and cancel the bonds with reference to the profit guarantee. The Marsa CB not yet issued as at the reporting date is recognised as contingent consideration payable (the "Marsa CCP"). A liability component, an equity component and an early redemption option were classified at initial recognition of the Marsa CCP. The equity component was included in equity within other reserves. The early redemption option was recorded as a derivative financial instrument under non-current assets. When the Marsa CB is issued, the liability components of the Marsa CCP are de-recognised from contingent consideration payables and recognised as convertible bonds on the date of issue.

The Company issued the 1st and 2nd Marsa CB in May 2015 and May 2016, respectively, each in an aggregate principal amount of HK$54,250,000 (Note 12(c)). Under the terms and conditions of the Marsa CB (of which 1st Marsa CB and the 2nd Marsa CB form parts), the audited consolidated net profit after tax of Shenzhen Marsa shall be not less than RMB 20,000,000 for the three years ended 31 December 2015, 2016 and 2017, failing which the Company shall have the right to redeem and cancel in whole or part of the Marsa CB at nominal sum by reference to the shortfall proportion. Shenzhen Marsa did not meet the profit guarantee for both 2015 and 2016 and accordingly, principal amounts of HK$33,900,000 and HK$37,311,555 are liable to be redeemed and cancelled by the Company in respect of the 2015 and 2016 profit guarantees, respectively. The Company is currently seeking legal and financial advice to protect its legal right and interest. Please see further details in Note 15 below.

The fair value of the liability component of the Marsa CCP was initially recognised at the date of acquisition at approximately HK$69,033,000 by using the discounted cash flow model. The fair value estimates were based on assumed discount rates ranging from 11.46% to 11.69% and the Directors' expectation on the amount of the Marsa CB to be redeemed or cancelled (if any).

(b) On 8 May 2012, the Group acquired 55% equity interests in Tai Cheng, at a total consideration of not exceeding HK$30,000,100. Tai Cheng is principally engaged in trading of toys in Hong Kong.

Pursuant to the sale and purchase agreement, contingent consideration payable (the "Tai Cheng CCP") in aggregate not exceeding HK$30,000,000 (the remaining consideration of HK$100 was settled in cash) shall be settled by the issue of the Tai Cheng CB in 3 tranches of not exceeding HK$10,000,000 each for each financial year ended 31 December 2012, 2013 and 2014 respectively.

The principal amount of the Tai Cheng CB to be issued in each tranche shall be determined by the proportion of the audited profit after taxation of Tai Cheng to the benchmark profit, as multiplied by HK$10,000,000. The benchmark profit is HK$12,000,000, HK$13,000,000 and HK$14,000,000 for the financial years ended 31 December 2012, 2013 and 2014 respectively.

A liability component and an equity component were classified at initial recognition of the Tai Cheng CCP.

The Company issued the first, second and third tranches of the Tai Cheng CB on 29 October 2013, 13 October 2014 and 8 September 2015 in an aggregate principal amount of HK$6,163,639, HK$5,628,138 and HK$477,241, respectively (Note 12(a)).

The liability component of the contingent consideration payables recognised in the condensed consolidated statement of financial position was calculated as follows:

	2017 ***HK$'000*** **(Unaudited)**	2016 *HK$'000* (Unaudited)
At 1 January	**38,771**	49,247
Fair value change *(Note 6)*	**2,202**	3,667
Issue of the 2nd Marsa CB *(Note 12(c))*	**–**	(26,295)
At 30 June	**40,973**	26,619
At 1 July		26,619
Fair value change		2,085
Reversal/(written back) pursuant to profit guarantee		10,067
At 31 December		38,771

14. TRADE PAYABLES

The ageing analysis of trade payables, based on invoice dates, as at 30 June 2017 and 31 December 2016 were as follows:

	30 June **2017** ***HK$'000*** **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
0 – 30 days	**284**	–
31 – 60 days	**–**	6
61 – 90 days	**24**	4,007
91 days – 1 year	**4,000**	288
Over 1 year	**2,402**	2,257
	6,710	6,558

The carrying amounts of trade payables approximate their fair values.

15. ACQUISITION OF SUBSIDIARIES

On 21 November 2014, the Company and Rainbow Star Vendors entered into a sale and purchase agreement pursuant to which the Company has conditionally agreed to purchase the 100% equity interests of Rainbow Star at a maximum aggregate consideration of HK$217,000,000, out of which HK$54,250,000 was settled in cash and the remaining consideration of not more than HK$162,750,000 was supposed to be settled by the Marsa CB. Please see Note 12(c) regarding the Marsa CB and Note 13(a) regarding the Marsa CCP.

Rainbow Star is an investment holding company, its principal asset being 70% indirect equity interests in Shenzhen Marsa. Shenzhen Marsa and its subsidiaries are principally engaged in the provision of beauty and wellness related services.

Pursuant to the terms of the sale and purchase agreement (as supplemented by a supplemental agreement dated 16 December 2014), deposits in the aggregate amount of HK$20,000,000 were paid to Rainbow Star Vendors before 31 December 2014. The acquisition was completed on 20 May 2015, whereupon the remaining cash consideration of HK$34,250,000 was paid and the 1st Marsa CB (Note 12(c)) was issued to Rainbow Star Vendors as partial satisfaction of the consideration. The remaining Marsa CB was supposed to be issued on the first anniversary of the date of acquisition (i.e. 20 May 2016 as regards the 2nd Marsa CB) and the second anniversary of the date of acquisition (i.e. 20 May 2017 as regards the 3rd Marsa CB).

The Marsa CB (and hence the Marsa CCP) is subject to the profit guarantee that the audited consolidated net profit after tax of Shenzhen Marsa for each of the three years ending 31 December 2015, 2016 and 2017 shall be not less than RMB20,000,000, failing which the Company shall have the right to redeem and cancel in whole or part of the Marsa CB at nominal sum by reference to the shortfall proportion. Shenzhen Marsa did not meet the profit guarantee for both 2015 and 2016 and accordingly, principal amounts of HK$33,900,000 and HK$37,311,555 are liable to be redeemed and cancelled by the Company in respect of the 2015 and 2016 profit guarantees, respectively. The Company is currently seeking legal and financial advice to protect its legal right and interest.

In addition, if the audited consolidated net profit after tax of Shenzhen Marsa for all of the three years ending 31 December 2015, 2016 and 2017 are less than RMB20,000,000, the Company shall have the right to require Rainbow Star Vendors to repurchase the 100% equity interest in Rainbow Star at the aggregate consideration already paid to them. The fair value of this put option was initially recognised at the date of acquisition at approximately HK$24,990,000 by using the binomial tree pricing model. The fair value estimates were based on assumed expected volatility of 31.606% and risk-free rate of 0.662%. The put option was recorded as a derivative financial instrument under non-current assets. This put option was subsequently value at 30 June 2017 of approximately HK$6,150,000 (31 December 2016: HK$6,150,000).

The following table summarises the recognised fair values of the consideration for the acquisition of Marsa and its subsidiaries, the assets acquired and liabilities assumed.

	Fair values recognised HK$'000 (Unaudited)
Purchase consideration	
Cash deposits paid in 2014	20,000
Cash paid in 2015	34,250
Fair value of the 1st Marsa CB issued on completion of acquisition *(Note 12(c))*	
— Liability component	41,000
— Equity component	22,847
— Early redemption option	(20,200)
Fair value of the Marsa CCP *(Note 13(a))*	
— Liability component	69,033
— Equity component	53,061
— Early redemption option	(50,036)
Total purchase consideration	169,955
Identifiable assets acquired and liabilities assumed on acquisition date	
Property, plant and equipment	12,179
Trademark user right	222,222
Other intangible assets	279
Inventories	13,571
Trade receivables	8
Prepayments, deposits and other receivables	2,001
Cash and cash equivalents	4,712
Trade payables	(1,847)
Other payables, accruals and deposits received	(13,879)
Amount due to a director	(8,809)
Deferred tax liability	(22,222)
Total identifiable net assets acquired	208,215
Non-controlling interests	(1,342)
Gain on bargain purchase on acquisition of subsidiaries	(36,918)
	169,955

An analysis of the net outflow of cash and cash equivalents during the six months ended 30 June 2015 in respect of the acquisition is as follows:

	Fair value recognised on acquisition HK$'000 (Unaudited)
Cash and cash equivalents acquired	4,712
Less: Consideration satisfied by cash	(34,250)
Net cash outflow on acquisition of subsidiaries	(29,538)

16. COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments as at the end of the reporting period:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Authorised but not contracted for:		
— Property, plant and equipment	**18,750**	25,850
Contracted but not provided for:		
— Property, plant and equipment	**–**	–
	18,750	25,850

As detailed in the Company's announcements dated 29 April 2016 and 30 June 2016, the Group was at one stage committed in certain investments upon exercise of the Winning Rose Call Option and the Puregood Call Option. The Winning Rose Call Option and the Puregood Call Option already lapsed on 29 April and 30 June 2017, respectively.

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Not later than 1 year	**16,815**	17,083
Later than 1 year but not later than 5 years	**43,635**	37,774
	60,450	54,857

17. SUBSEQUENT EVENTS

There were no events or transactions other than those disclosed in this report, if any, that would require recognition or disclosure in our consolidated financial statements for the six months ended 30 June 2017.

MANAGEMENT DISCUSSIONS AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group was principally engaged in health and medical services, toys and equipment trading, beauty and wellness services and the provision of integrated financial services comprising money-lending, securities brokerage and asset management.

Total revenue of approximately HK$22,233,000 was recorded by the Group during the six months ended 30 June 2017, as compared to approximately HK$21,093,000 for the same period in 2016.

Revenue arising from different business segments for the six months ended 30 June 2017 are as follows:

(a) No revenue arose from the trading business segment (2016: HK$2,450,000);

(b) approximately HK$5,591,000 from the health and medical business segment (2016: HK$5,657,000);

(c) approximately HK$16,602,000 from the beauty and wellness business segment (2016: HK$12,986,000); and

(d) approximately HK$40,000 from the financial services segment (2016: HK$ Nil).

The increase in revenue in 2017 was mainly attributable to the increased revenue of the beauty and wellness business segment, which were partly offset by the decreased revenue from trading business segment. The Group's gross profit was approximately HK$17,278,000 for the six months ended 30 June 2017, as compared to approximately HK$15,777,000 for the six months ended 30 June 2016, representing an increase of approximately HK$1,501,000. The gross-profit margin has increased from 74.8% in 2016 to 77.71% in 2017. This is mainly attributable to the higher gross profit margin from the beauty and wellness business segments, and the decrease in contribution from the trading business segment having a lower gross profit margin.

The loss attributable to the equity holders of the Company amounted to approximately HK$58,221,000 for the six months ended 30 June 2017 as compared to approximately HK$46,119,000 for the corresponding period in 2016. The loss was mainly due to the high level of administrative expenses and finance costs and the provision for impairment on call options. Excluding the effects of fair value losses of derivative financial instruments and finance costs, the Company's operating loss for the six months ended 30 June 2017 amounted to approximately HK$32,524,000, which is close to the comparative figure for the same period in 2016 of approximately HK$32,660,000.

No revenue was recognized by the trading segment for the six months ended 30 June 2017, as compared to HK$2,450,000 for the period ended 30 June 2016. In view of the highly competitive and difficult environment of the toy trading and manufacturing industry, the management is seeking to make the best use out of the Group's established trading network in Hong Kong and China by exploring diversification of product range of the Group's trading division into other goods and products such as bulk commodities and raw materials.

Revenue from the health and medical business of approximately HK$5,591,000 during the period was largely the same level as compared to approximately HK$5,657,000 in the corresponding period in 2016. Operating loss of the segment increased from approximately HK$10,479,000 in 2016 to approximately HK$11,115,000 in 2017, principally due to increased labor costs and small-scale refurbishing causing disruptions to business during the period. Since June 2017, the management started to implement new cost-saving policies over the Group's clubhouse in Shenzhen, and is hopeful of operating break-even for the second half of 2017 excluding the planned refurbishing expenditure for our clubhouse premises. In addition, to leverage on the existing management experience in health and fitness, the management was in negotiation with business partners with relevant expertise and resources with the view to diversifying into the businesses of medical centers and hospitals in China.

The Group's beauty and wellness business in Shenzhen recorded an operating profit approximately HK$493,000 for the six months ended 30 June 2017, as compared to approximately HK$79,000 as recorded for the corresponding period in 2016. With the implementation of new group strategies under the leadership of new management in June 2017, the Company is formulating new business development plans of its beauty and wellness segment. Further details will be disclosed to shareholders as and when appropriate.

The Group operates its integrated financial services through three wholly-owned subsidiaries, namely (i) Green Capital (Hong Kong) Limited, a licensed money-lender in Hong Kong; (ii) Green Securities Limited, a licensed corporation licensed to carry out type-1 (dealing in securities) and type-4 (advising on securities) regulated activities in Hong Kong; and (iii) Green Asset Management Limited, a licensed corporation licensed to carry out type-9 (asset management) regulated activities in Hong Kong. Since June 2017, under the leadership of the new management, the Company is seeking to expand its financial services business by setting aside additional financial budget and rolling out more proactive marketing campaigns.

Under the leadership of the new management from June 2017 onwards, the Group has been proactively seeking to improve its financial position. On 14 June 2017, the Company entered into a loan agreement with Hong Kong Sheen Smile International Investment Limited, a company which is wholly-owned by Dr. Yu Qigang, pursuant to which the Company obtained a one-year loan in the principal amount of HK$60 million (of which approximately HK$49 million was drawn down as at 30 June 2017 and the entire sum was already drawn down as at the date of this report) at the interest rate of 4.8% per annum (with lender's right to demand earlier repayment). As the obtaining of loan from Dr. Yu (a connected person of the Company) is conducted on normal commercial terms or better and the loan is not secured by the Group's assets, the loan is fully exempt from all disclosure, annual review, circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the transactions disclosed in the Company's announcements dated 29 April 2016 and 30 June 2016, the Group owns: (a) a promissory note ("Winning Rose Promissory Note") in the principal sum of HK$86,018,492.48 issued by Winning Rose Capital Inc. ("Winning Rose") secured by Gold Fountain Share Charge and matured on 29 April 2017; and (b) a promissory note ("Puregood Promissory Note") in the principal sum of HK$79,598,533 issued by Puregood Express Inc. ("Puregood") secured by Jasper Jade Share Charge and matured on 30 June 2017. In addition, the Group owns (i) a call option ("Winning Rose Call Option") to acquire (tentatively) 48% issued share capital ("Gold Fountain Charged Shares") of Gold Fountain Inc. (a wholly owned subsidiary of Winning Rose) at the exercise price which is equivalent to the face value of Winning Rose Promissory Note and expiring on 29 April 2017, together with a share charge over the Gold Fountain Charged Shares; and (ii) a call option ("Puregood Call Option") to acquire (tentatively) 35% issued share capital ("Jasper Jade Charged Shares") of Jasper Jade Corporation (a wholly owned subsidiary of Winning Rose) at the exercise price which is equivalent to the face value of Puregood Promissory Note and expiring on 30 June 2017, together with a share charge over 40% issued share capital of Jasper Jade Corporation (which includes the Jasper Jade Charged Shares). The Group was also at one stage committed in certain investments upon exercise of the Winning Rose Call Option and the Puregood Call Option. The Winning Rose Call Option and the Puregood Call Option already lapsed on 29 April and 30 June 2017, respectively.

The Board will review and reassess the performance of the Group's different business segments and reallocate resources to existing or new businesses when necessary, so as to produce a steady growth for the Group's long term performance. The Group is actively identifying and exploring different investment and business opportunities to broaden its assets and revenue base. Potential businesses, acquisitions or mergers will be assessed by the Board. The Board believes diversified investments could be beneficial to the interests of the Group and the shareholders as a whole.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the Group held cash and bank balances of approximately HK$19,538,000 (31 December 2016: HK$28,521,000). Net current assets amounted to approximately HK$109,625,000 (31 December 2016: HK$148,131,000). Current ratio (defined as total current assets divided by total current liabilities) was approximately 1.67 times (31 December 2016: 2.47 times), the decrease is due to more convertible bonds becoming due within one year and included under current liabilities. The gearing ratio of the Group (defined as total liabilities to total assets) was approximately 65.9% (31 December 2016: 51.7%), the increase is principally due to increase in convertible bonds issued and Loan from Director. As at 30 June 2017, the carrying amounts and the principal amounts of the outstanding borrowings (all of which are denominated in Hong Kong dollars and at fixed interest rates) of the Group amounted to approximately HK$179,529,000 (31 December 2016: HK$135,175,000) and approximately HK$239,819,000 (31 December 2016: HK$228,562,000), respectively.

DERIVATIVE FINANCIAL INSTRUMENTS – CALL OPTIONS

The Winning Rose Call Option lapsed on 29 April 2017 and the Puregood Call Option lapsed on 30 June 2017. Accordingly, as at 30 June 2017, neither of these two call options carry value in the books.

FOREIGN EXCHANGE EXPOSURE

The Group's business transactions were mainly carried out in Hong Kong Dollars and Renminbi. The Group currently does not have regular and established hedging policies in place. Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure by using appropriate financial instruments and adopting appropriate hedging policies to control the risks, when the need arises. The Group was not engaged in any hedging contracts as at 30 June 2017.

CAPITAL STRUCTURE

Save as the disclosure herein, there were no changes in the capital structure of the Company during the six months ended 30 June 2017 and up to the date of this announcement.

(A) Share Capital

There were no changes in the share capital of the Company during the six months ended 30 June 2017 and up to the date of this announcement. The Company has 1,972,452,606 issued shares of HK$0.01 each as at 30 June 2017 and the date of this announcement.

(B) Share Options

On 11 May 2012, the Company granted 65,800,000 share options under the share option scheme of the Company adopted on 2 September 2006 (the "Share Option Scheme") to certain eligible participants (as defined under the Share Option Scheme) at an exercise price of HK$0.37 per share, which were vested immediately on the date of grant (i.e. 11 May 2012) and will expire on 10 May 2022, of which 34,800,000 share options were still outstanding as at 30 June 2017 and 23,000,000 share options were still outstanding the date of this announcement. Pursuant to the terms and conditions of the Share Option Scheme, the exercise price of these share options were adjusted from HK$0.37 per share to HK$0.32 per share with effect from 19 August 2014 (immediately after the completion of an open offer on 19 August 2014).

In August 2015, the Company proposed to refresh the scheme mandate limit under the Share Option Scheme which was approved by the shareholders of the Company at an extraordinary general meeting held on 4 September 2015. As a result, the Company may grant up to 197,246,050 options under the Share Options Scheme.

On 17 December 2015, share options with rights to subscribe for a total of 197,245,260 shares of the Company at an exercise price of HK$0.215 per share were offered to certain eligible participants (as defined under the Share Option Scheme). No share options were accepted by the grantees within 28 days from the date of offer in accordance with the terms and conditions of the Share Option Scheme which have been lapsed on 13 January 2016. Accordingly, no share options were granted by the Company during the period.

The Share Option Scheme has a lifespan of 10 years. On 2 September 2016, the Share Option Scheme lapsed pursuant to its terms.

(C) Convertible Bonds

There were outstanding convertible bonds with aggregate principal amounts of approximately HK$180,605,000 which are convertible into 484,077,344 shares of the Company as at 30 June 2017 and the date of this announcement. On 13 February 2017, the Company entered into a subscription agreement with Zheyin Tianqin in relation to the issue of convertible bonds in an aggregate principal amount of HK$25,000,000, which was completed on 3 March 2017. Further details of this bond issue is disclosed in Note 12(f).

CHARGES ON ASSETS

As at 30 June 2017, none of the Group's assets was pledged to secure any facilities and borrowings granted to the Group.

COMMITMENTS AND CONTINGENT LIABILITIES

The Group's capital and operating lease commitments as at 30 June 2017 were detailed in Note 16 to the condensed consolidated interim financial statements.

The Group had no material contingent liabilities as at 30 June 2017.

EMPLOYEES AND REMUNERATION POLICY

The primary objective of the Group's remuneration policy is to retain and motivate employees by linking their compensation to the Group's performance and benchmarking their compensation against corporate goals, so that the interests of the employees are in line with those of the Company's shareholders.

As at 30 June 2017, the Group employed approximately 300 employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing its employees with adequate and regular trainings. The Group remunerates its Directors and employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Save as disclosed in the paragraph headed "Capital Structure" in the "Management Discussion and Analysis" section above, 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 six months ended 30 June 2017.

CORPORATE GOVERNANCE

The Board believes that good corporate governance is essential to the maintenance of the Group's competitiveness and to its healthy growth. The Company has adopted practices which meet the requirements of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules.

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. Save for the deviations from code provision A.6.7 which were explained below, the Company has been in compliance with all code provisions set out in the CG Code for the six months ended 30 June 2017.

Under code provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Three independent non-executive Directors did not attend the annual general meeting held on 30 June 2017 due to other work commitments. The Company will strengthen its planning process, by giving all Directors sufficient time to arrange their work in advance and providing any necessary support for their presence and participation in the meetings, so as to facilitate all Directors attending the Company's future general meetings.

AUDIT COMMITTEE

The Audit Committee currently comprises four independent non-executive Directors, namely Mr. David Tsoi (Chairman), Mr. Wu Hong, Mr. Wang Chunlin and Ms. Sun Zhili. The Audit Committee has reviewed with the Board the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements and results of the Group for the six months ended 30 June 2017 and the 2017 interim report. Also, the Company has established an internal audit function in 2017 and the Audit Committee has reviewed matters relating to risk management and internal control systems, and the plans and objectives of the internal audit function.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

During the six months ended 30 June 2017, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry, the incumbent Directors have confirmed their compliance with the required standard as set out in the Model Code during the six months ended 30 June 2017.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENTS AND INTERIM REPORT

This interim results announcement has been published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (http://www.green-international.com.hk). The 2017 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 of Hong Kong Exchanges and Clearing Limited and the Company on or before 30 September 2017.

For and on behalf of
Green International Holdings Limited
Yu Qigang
Chairman

Hong Kong, 31 August 2017

As at the date of this announcement, the executive Directors are Dr. Yu Qigang (Chairman), Mr. Zeng Xiang Di (Chief Executive Officer), Mr. Yang Wang Jian, Mr. Chen Hanhong and Ms. Eva Au; the non-executive Director is Ms. Yu Jiaoli; and the independent non-executive Directors are Mr. Wu Hong, Mr. David Tsoi, Mr. Wang Chunlin and Ms. Sun Zhili.