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

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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

The board of directors (the "Board") of Green International Holdings Limited (formerly "Smart Union Group (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 2012 together with the comparative figures for the corresponding period in 2011. The unaudited condensed consolidated interim results have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012

		Six months ended 30 June	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**192,572**	285,694
Cost of sales		**(143,453)**	(251,561)
Gross profit		**49,119**	34,133
Other income	*6*	**54**	2,976
Administrative expenses		**(25,253)**	(10,310)
Selling expenses		**(21)**	(203)
Operating profit	*7*	**23,899**	26,596
Finance costs, net	*8*	**(4,463)**	(10,975)
Profit before tax		**19,436**	15,621
Income tax expense	*9*	**(7,564)**	(6,900)
Profit for the period		**11,872**	8,721

	Notes	Six months ended 30 June **2012** ***HK$'000*** **(Unaudited)**	 2011 *HK$'000* (Unaudited)
Profit attributable to:			
Equity holders of the Company		**11,487**	8,721
Non-controlling interests		**385**	–
		11,872	8,721
Earnings per share for profit attributable to the equity holders of the Company, restated			
– Basic *(HK cents)*	*10*	**1.57**	10.52
– Diluted *(HK cents)*	*10*	**1.51**	10.52
Dividend	*11*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**11,872**	8,721
Other comprehensive income		
Currency translation differences	**162**	–
Total other comprehensive income for the period, net of tax	**162**	–
Total comprehensive income for the period	**12,034**	8,721
Total comprehensive income for the period attributable to:		
Equity holders of the Company	**11,649**	8,721
Non-controlling interests	**385**	–
	12,034	8,721

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	30 June 2012 HK$'000 (Unaudited)	31 December 2011 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**4,064**	3,700
Intangible assets		**31,447**	1,581
		35,511	5,281
Current assets			
Inventories		**1,097**	2,945
Trade receivables	*12*	**435,500**	451,526
Prepayments, deposits and other receivables		**1,525**	1,500
Cash and cash equivalents		**1,407**	22,265
		439,529	478,236
Total assets		**475,040**	483,517
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*13*	**9,040**	6,030
Share premium		**143,588**	90,721
Other reserves		**35,747**	17,765
Retained earnings/(accumulated losses)		**1,908**	(9,579)
		190,283	104,937
Non-controlling interests		**582**	–
Total equity		**190,865**	104,937

	Notes	30 June 2012 HK$'000 (Unaudited)	31 December 2011 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Convertible bonds		**20,596**	61,837
Current liabilities			
Trade payables	*14*	**204,087**	281,713
Other payables and accruals	*14*	**33,667**	17,145
Amount due to a director		**2,300**	2,300
Amount due to a non-controlling shareholder of a subsidiary		**376**	–
Tax payable		**23,149**	15,585
		263,579	316,743
Total liabilities		**284,175**	378,580
Total equity and liabilities		**475,040**	483,517
Net current assets		**175,950**	161,493
Total assets less current liabilities		**211,461**	166,774

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Green International Holdings Limited (formerly Smart Union Group (Holdings) Limited) (the "Company") was incorporated in the Cayman Islands on 8 March 2006 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Pursuant to a special resolution passed by the shareholders at an extraordinary general meeting held on 12 April 2012 and approved by the Registrar of Companies in the Cayman Islands on 24 April 2012, the name of the Company has been changed from Smart Union Group (Holdings) Limited to Green International Holdings Limited.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2006.

The Company and its subsidiaries (together the "Group") were principally engaged in manufacturing and trading of recreational and educational toys and equipment.

The directors regard Gold Bless International Invest Limited, a company incorporated in the British Virgin Islands, as being the immediate and ultimate holding 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 of Directors of the Company on 31 August 2012.

These condensed consolidated interim financial statements have not been audited.

2. GROUP RESTRUCTURING, DISMISSAL OF WINDING-UP PETITIONS AND DISCHARGE OF PROVISIONAL LIQUIDATORS IN PRIOR YEAR

In October 2008, the Group found difficulties in meeting its short-term debts. The directors resolved to apply for winding-up petitions for the Company and certain of its subsidiaries and apply to the High Court of Hong Kong (the "High Court") for the appointment of provisional liquidators in order to protect the assets of the Group and to safeguard the interests of both the creditors and the shareholders.

As a result of the applications, Messrs. John Robert Lees and Mat Ng were appointed as the joint and several provisional liquidators of the Company ("Provisional Liquidators") and certain of its subsidiaries by the orders of the High Court subsequently.

On 31 December 2010, the Company, the Provisional Liquidators, Gold Bless International Invest Limited (the "Investor"), Mr Yang Wang Jian ("Mr Yang") and Mr Ting Wai-min ("Mr Ting") entered into a restructuring agreement which was subsequently supplemented by entering of two other supplemental agreements in May and June 2011 respectively (collectively the "Restructuring Agreements"). The Restructuring Agreements contemplated, among other things, the following:

(a) Capital Restructuring

The capital structure of the Company had been restructured (the "Capital Restructuring") as follows:

(i) a share consolidation (the "Share Consolidation") of every twenty existing shares of HK$0.10 each into three consolidated shares (the "Consolidated Shares") of HK$0.67 each;

(ii) the reduction of capital (the "Capital Reduction") upon the Share Consolidation becoming effective, by reducing the nominal value of the Consolidated Shares from HK$0.67 each to HK$0.01 each (the "New Shares");

(iii) the cancellation of all unissued authorised share capital of HK$0.10 each and the increase of the authorised share capital to HK$40,000,000, divided into 4,000,000,000 New Shares of HK$0.01 each;

(iv) upon the Capital Reduction becoming effective, the entire amount standing to the credit of the share premium account of the Company had been cancelled (the "Share Premium Cancellation"). The credit arising from the Share Premium Cancellation had been applied to set off part of the accumulated losses of the Company as at 31 December 2010; and

(v) any rights arising under the existing convertible securities had been cancelled.

(b) Subscription of shares ("Subscription Shares")

432,000,000 Subscription Shares was subscribed by the Investor at a subscription price of HK$0.185 per New Share.

(c) Placing of placing shares ("Placing Shares")

The placing of 27,020,000 Placing Shares by the placing agent at HK$0.185 per New Share.

(d) Placing of convertible bonds ("Convertible Bonds")

The placing of an aggregate principal amount of HK$85,100,000 Convertible Bonds of which up to HK$63,825,000 in aggregate principal amount had been placed to the Investor. The holders of the Convertible Bonds are entitled to convert the Convertible Bonds into the New Shares of the Company at a conversion price of HK$0.185 per New Share within a period of two years.

(e) Scheme and group restructuring (the "Group Restructuring")

Pursuant to the terms of the Restructuring Agreements, all the debts, obligations and liabilities of the Company, whether known or unknown, whether certain or contingent, whether present, future or prospective, of the creditors (the "Scheme Creditors") had been compromised and discharged by the arrangements on completion as contemplated under the scheme of arrangement (the "Scheme") made between the Company and the Scheme Creditors pursuant to section 166 of the Companies Ordinance, which included, among other things, the following:

(i) The payment of a sum of HK$50,000,000 less any costs of the Scheme, out of the subscription, by the Provisional Liquidators for and on behalf of the Company to the scheme administrators for the benefit of the Scheme Creditors;

(ii) The issue and allotment of 34,100,000 New Shares by the Company to the Provisional Liquidators or the scheme administrators for the benefit of the Scheme Creditors; and

(iii) Immediately prior to the Scheme taking effect, all the assets of the Company and its subsidiaries (other than the shareholding in and the assets of Sino Front Limited and its subsidiaries) (the "Excluded Companies") including but not limited to all cash and cash equivalents held by the Company, all intercompany receivables, all causes of actions and claims which the Company has had against any person whether or not known to the Company as at the date when the Scheme took effect and the Excluded Companies had been transferred to a special purpose vehicle (the "Special Purpose Vehicle") controlled by the scheme administrators for the benefit of the Scheme Creditors.

The independent shareholders of the Company had resolved and approved all of the transactions contemplated under the Restructuring Agreements in an extraordinary general meeting held on 16 September 2011.

The Capital Reduction was heard and sanctioned by the Grand Court of the Cayman Islands on 27 October 2011 (Cayman Islands time) whilst the Scheme was sanctioned by the High Court on 31 October 2011. The Capital Restructuring, the Scheme and Group Restructuring were properly implemented as of 7 November 2011.

The High Court order for the dismissal of the winding up order against the Company and the discharge of the Provisional Liquidators was granted on 7 November 2011. The Provisional Liquidators were released and discharged with effect from 7 November 2011 accordingly.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements for the six months ended 30 June 2012 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 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 for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3.1 Basis of preparation

The condensed consolidated interim financial statements of the Company have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants except for the non-consolidation of certain subsidiaries of the Group as explained in Note 3.2 and the results of a former subsidiary and an associated company were not properly equity accounted for, for the six months ended 30 June 2011. The condensed consolidated interim financial statements have been prepared under the historical cost convention.

3.2 Subsidiaries not consolidated in prior accounting periods

These condensed consolidated interim financial statements have been prepared based on the books and records maintained by the Group. However, due to the major assets and production facilities of a subsidiary of the Company, Smart Union Industrial Limited ("SU Industrial"), have been subject to freezing orders obtained by its creditors in the People's Republic of China (the "PRC") since October 2008, the directors have not been able to gain access to certain books and records of this subsidiary or to obtain sufficient documentary information to satisfy themselves regarding the treatment of the transactions since 2008. As such, the results, assets and liabilities of SU Industrial and its subsidiary, Perfect Design and Product Development Limited ("Perfect Design"), had not been included in the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2011. The resulting de-consolidation loss, which is determined based on the net asset value of these subsidiaries as at 1 January 2008, and the impairment loss of the investment in SU Industrial of approximately HK$63,393,000 and HK$3,600,000 respectively had been recognised in the consolidated income statement during the year ended 31 December 2008. Moreover, as at 30 June 2011, the total amounts due from SU Industrial and its subsidiary to the Group and the Company of approximately HK$231,939,000 and HK$188,373,000 respectively were considered to be impaired and, accordingly, full impairment losses had been recognised in the consolidated financial statements for the six months ended 30 June 2011. In addition, there was a total amount due to SU Industrial and Perfect Design of approximately HK$112,362,000 as at 30 June 2011.

Similar to SU Industrial, the major assets and production facilities of Smart Union (Qingyuan) Industrial Limited ("SU Qingyuan"), another subsidiary of the Group, has been subject to freezing orders issued since 14 October 2008. The local authorities have also taken over the control of SU Qingyuan itself. The directors considered that, due to the loss of control in SU Qingyuan, it should no longer be regarded as a subsidiary of the Group and be de-consolidated from the consolidated financial statements since 14 October 2008. Due to the lack of complete books and records of SU Qingyuan, it was deemed disposed of and deconsolidated from the consolidated financial statements of the Group only based on its net assets value as at 31 December 2007, resulting in a gain of HK$506,000 which was included in the consolidated income statement for the year ended 31 December 2008.

As at 30 June 2011, the investment in SU Qingyuan and the amount due from SU Qingyuan of approximately HK$30,000,000 and HK$32,241,000 respectively were considered not recoverable and, accordingly, full impairment losses had been recognised in the consolidated financial statements.

Due to the significance of the operations of SU Industrial and SU Qingyuan, any changes to the status or possible outcome of the freezing orders against SU Industrial and SU Qingyuan might have a significant consequential effect on the net liabilities as at and the results of the Group for the six months ended 30 June 2011.

In the opinion of the directors, the condensed consolidated interim financial statements as at and for the six months ended 30 June 2011 prepared on the aforementioned basis presented more fairly the results and state of affairs of the Group as a whole in light of the aforesaid freezing orders against SU Industrial and SU Qingyuan. However, the non-consolidation of SU Industrial, Perfect Design, and SU Qingyuan are not in compliance with the requirements of HKAS 27 "Consolidated and Separate Financial Statements".

Moreover, due to the lack of complete books and records of the above unconsolidated subsidiaries, the directors are unable to ascertain the effect of the non-consolidation of those unconsolidated subsidiaries.

As discussed in Note 2, all the assets of the Company and certain of its subsidiaries, including SU Industrial, Perfect Design and SU Qingyuan, were transferred to the Special Purpose Vehicle upon the completion of the Group Restructuring on 7 November 2011.

3.3 Comparative figure restatement

The earnings per share for the six months ended 30 June 2011 had been restated to reflect the Share Consolidation of 20 shares into 3 Consolidated Shares on 7 November 2012.

3.4 Accounting policies

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2012:

HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred tax: Recovery of Underlying Assets

The adoption of these new and amended standards has no material effect on the amounts reported and disclosures set out in the condensed consolidated interim financial statements of the Group for the current or prior accounting periods.

(b) ***The following new standards and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2012, and have not been adopted early by the Group:***

HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities [2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance [2]
HKFRS 9	Financial Instruments [4]
HKFRS 10	Consolidated Financial Statements [2]
HKFRS 11	Joint Arrangements [2]
HKFRS 12	Disclosure of Interests in Other Entities [2]
HKFRS 13	Fair Value Measurement [2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income [1]
HKAS 19 (2011)	Employee Benefits [2]
HKAS 27 (2011)	Separate Financial Statements [2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures [2]
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities [3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine [2]
Annual Improvement Project	Annual Improvements 2009 – 2011 Cycle [2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. SEGMENT INFORMATION

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.

As the Group is principally engaged in the manufacturing and trading of recreational and educational toys and equipment which are subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than any specific unit, the Group's chief operating decision-maker considers the performance assessment of the Group should be based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8.

The Group primarily operates in Hong Kong and the PRC.

The Group's sales are delivered to customers located in the following regions:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong	**181,269**	285,694
The PRC	**1,204**	–
Japan	**5,137**	–
Spain	**2,804**	–
Others	**2,158**	–
	192,572	285,694

Sales are allocated based on the places/countries in which customers are located. During the six months ended 30 June 2012, sales of approximately HK$174,444,000 (six months ended 30 June 2011: HK$285,694,000) were derived from 2 major customers (six months ended 30 June 2011: 3 customers) who individually account for more than 10% of the total sales.

The Group's non-current assets are located at the following regions:

	30 June 2012	31 December 2011
	HK\$'000	*HK\$'000*
	(Unaudited)	(Audited)
Hong Kong	**1,144**	450
The PRC	**34,367**	4,831
	35,511	5,281

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

The Group's capital expenditures are located in the following regions:

	Six months ended 30 June	
	2012	2011
	HK\$'000	*HK\$'000*
	(Unaudited)	(Unaudited)
Hong Kong	**781**	11
The PRC	**–**	2,850
	781	2,861

Capital expenditures are allocated based on their geographical locations.

5. REVENUE

The Group is principally engaged in the manufacturing and trading of recreational and educational toys and equipment. Revenue recognized during the period is as follows:

	Six months ended 30 June	
	2012	2011
	HK\$'000	*HK\$'000*
	(Unaudited)	(Unaudited)
Sales of goods	**192,572**	285,694

6. OTHER INCOME

	Six months ended 30 June	
	2012	2011
	HK\$'000	*HK\$'000*
	(Unaudited)	(Unaudited)
Other income:		
– Re-imbursements from the Investor for Group Restructuring costs	**–**	2,902
– Sundry income	**54**	74
	54	2,976

7. OPERATING PROFIT

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

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**480**	304

8. FINANCE COSTS, NET

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income on bank deposits	**(1)**	–
Interest expense:		
– Other borrowings, wholly repayable within 5 years	**–**	2,098
– Provision for financial guarantees to an unconsolidated subsidiary	**–**	8,877
– Convertible Bonds	**4,143**	–
– Fair value change of liability component of Tai Cheng CB *(Note 15)*	**321**	–
	4,463	10,975

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current taxation:		
– Hong Kong profits tax	**7,561**	6,900
– PRC Enterprise Income Tax	**3**	–
	7,564	6,900

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2011: 16.5%) on the estimated assessable profits for the period.

The PRC Enterprise Income Tax for the Group's subsidiaries operating in the PRC is calculated at the rate of 25% (six months ended 30 June 2011: 25%) on their estimated assessable profits for the period, based on existing legislation, interpretations and practices in respect thereof.

10. EARNINGS PER SHARE

Basic

The calculation of basic earnings per share is based on the consolidated profit attributable to the equity holders of the Company of approximately HK$11,487,000 (six months ended 30 June 2011: HK$8,721,000) and on the weighted average number of 733,112,296 (six months ended 30 June 2011 (restated): HK$82,887,900) ordinary shares in issue during the period, after taking into account the effect of the Share Consolidation on 7 November 2011.

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited and restated)
Profit attributable to the equity holders of the Company *(HK$'000)*	**11,487**	8,721
Weighted average number of ordinary shares in issue *(thousands)*	**733,112**	82,888
Basic earnings per share *(HK cents)*	**1.57**	10.52

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and adjusting for the Share Consolidation. The Company has two categories of dilutive potential ordinary shares: the Convertible Bonds and convertible bonds issuable for the acquisition of Tai Cheng International Limited (the "Tai Cheng CB") (Note 15). The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense of the Convertible Bonds and fair value change of the liability component of the Tai Cheng CB.

The computation of diluted earnings per share does not assume the conversion of the Company's outstanding share options as the exercise price of the Company's share options was higher than the average market price per share from the grant of the options to the end of the reporting period.

	Six months ended 30 June 2012 ***HK$'000*** **(Unaudited)**
Profit attributable to the equity holders of the Company	**11,487**
Interest expense on Convertible Bonds *(Note 8)*	**4,143**
Fair value change in liability component of the Tai Cheng CB	**13**
Profit used to determine diluted earnings per share	**15,643**
Weighted average number of ordinary shares in issue *(thousands)*	**733,112**
Adjustments for:	
– Assumed conversion of the Convertible Bonds *(thousands)*	**302,896**
– Assumed conversion of the Tai Cheng CB *(thousands)*	**2,141**
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**1,038,149**
Diluted earnings per share *(HK cents)*	**1.51**

There were no dilutive effects on the earnings per share for the six months ended 30 June 2011.

11. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

12. TRADE RECEIVABLES

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**443,663**	459,689
Less: Provision for impairment	**(8,163)**	(8,163)
	435,500	451,526

The Group's trade receivables with its customers are generally with credit periods of 90 days (31 December 2011: 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 value 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 date, as at 30 June 2012 and 31 December 2011 were as follows:

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 30 days	**49,425**	19,137
31 – 60 days	**42,198**	34,882
61 – 90 days	**47,719**	45,627
91 days – 180 days	**149,114**	183,309
Over 180 days	**155,207**	176,734
	443,663	459,689

13. SHARE CAPITAL

(a) Authorised capital

	Number of shares	Nominal value *HK$'000*
As at 1 January 2011 and 30 June 2011, ordinary shares of HK$0.10 each	2,000,000,000	200,000
As at 1 July 2011, ordinary shares of HK$0.10 each	2,000,000,000	200,000
Share consolidation of 20 existing shares of HK$0.10 each into 3 Consolidated Shares of HK$0.67 each *(Note (i))*	(1,700,000,000)	–
Capital reduction of the par value of the Consolidated Shares of HK$0.67 each into New Shares of HK$0.01 each *(Note (i))*	–	(197,000)
Increase in authorised share capital *(Note (i))*	3,700,000,000	37,000
As at 31 December 2011, ordinary shares of HK$0.01 each	4,000,000,000	40,000
As at 1 January 2012 and 30 June 2012, ordinary shares of HK$0.01 each	**4,000,000,000**	**40,000**

(b) Issued and fully paid capital

	Number of shares	Nominal value *HK$'000*
As at 1 January 2011 and 30 June 2011	552,586,000	55,259
As at 1 July 2011	552,586,000	55,259
Share consolidation of 20 existing shares of HK$0.10 each into 3 Consolidated Shares of HK$0.67 each *(Note (i))*	(469,698,100)	–
Capital reduction of the par value of the Consolidated Shares of HK$0.67 each into New Shares of HK$0.01 each *(Note (i))*	–	(54,430)
Issue of Subscription Shares *(Note (ii))*	432,000,000	4,320
Issue of Placing Shares *(Note (ii))*	27,020,000	270
Issue of Creditor Shares *(Note (ii))*	34,100,000	341
Issue of shares upon conversion of the Convertible Bonds	27,000,000	270
As at 31 December 2011	603,007,900	6,030
As at 1 January 2012	**603,007,900**	**6,030**
Issue of shares upon conversion of the Convertible Bonds *(Note (iii))*	**301,000,000**	**3,010**
As at 30 June 2012	**904,007,900**	**9,040**

Notes:

(i) Pursuant to the Restructuring Agreements entered into between the Company, the Provisional Liquidators, the Investor, Mr Yang and Mr Ting, which were approved by the independent shareholders of the Company on 16 September 2011, sanctioned by the Grand Court of the Cayman Islands on 27 October 2011 and implemented by the Company on 7 November 2011, the share capital of the Company was restructured as follows:

- Share consolidation of every 20 existing shares of HK$0.10 each was consolidated into 3 Consolidated Shares of HK$0.67 each;
- Capital reduction upon the Share Consolidation became effective, by reducing the nominal value of the Consolidated Shares from HK$0.67 each to HK$0.01 each; and
- The authorised share capital was increased to HK$40,000,000, which was divided into 4,000,000,000 New Shares of HK$0.01 each.

(ii) Pursuant to the Restructuring Agreements and upon completion of the Group Restructuring on 7 November 2011, the Company issued and allotted the following New Shares of HK$0.01 each:

- 432,000,000 Subscription Shares were issued to the Investor at a subscription price of HK$0.185 per New Share;
- 27,020,000 Placing Shares were issued through the placing agent at a price of HK$0.185 per New Share; and
- 34,100,000 Creditor Shares were issued to the scheme administrators for the benefit of the Scheme Creditors for full and final settlement of the claims by the creditors of the Company.

(iii) During the six months ended 30 June 2012, certain of the Convertible Bonds with a total principal amount of HK$55,685,000 (six months ended 30 June 2011: Nil) were converted into the shares of the Company at a conversion price of HK$0.185 per share and, accordingly, the Company issued and allotted a total of 301,000,000 shares (six months ended 30 June 2011: Nil) to the convertible bond holders.

(c) Share option scheme

On 2 September 2006, a share option scheme (the "Share Option Scheme") was approved by the shareholders of the Company, under which the Company may grant the options to any eligible participants to subscribe for shares in the Company subject to the terms and conditions stipulated in the Share Option Scheme.

On 27 April 2007, share options with rights to subscribe for a total of 10,100,000 shares of the Company at a subscription price of HK$0.78 per share were granted to selected persons with a maximum vesting period of three years, and the expiry date of such options will be on 26 April 2017.

Pursuant to the Capital Restructuring as stated in Note 2, any rights arising under the existing convertible securities were to be cancelled. As the Group Restructuring was completed on 7 November 2011, all outstanding share options were declared to be lapsed.

On 11 May 2012, share options with rights to subscribe for a total of 65,800,000 shares of the Company at a subscription price of HK$0.37 per share were granted to certain substantial shareholders, directors and employees of the Group which were vested immediately on the date of grant and expire on 10 May 2022.

Movements in the share options are as follows:

	2012		2011	
	Exercise price per share *HK$*	**Number of share options**	Exercise price per share *HK$*	Number of share options
As at 1 January	**–**	**–**	0.78	5,760,000
Granted	**0.37**	**65,800,000**	–	–
As at 30 June	**0.37**	**65,800,000**	0.78	5,760,000

The weighted average fair value of options granted during the period determined using the Trinomial Option Pricing Model was HK$0.2042 per option. The significant inputs into the model were weighted average share price of HK$0.37 at the grant date, exercise price shown above, volatility of 45%, dividend yield of 0%, an expected option life of ten years, and annual risk-free interest rate of 1.139%.

14. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2012 *HK$'000* **(Unaudited)**	31 December 2011 *HK$'000* (Audited)
Trade payables	**204,087**	281,713
Other payables and accruals *(Note (i))*	**33,667**	17,145
	237,754	298,858

Note:

(i) As at 30 June 2012, included in other payables and accruals is the fair value of the Tai Cheng CB of HK$13,588,000 which represents the liability component of the contingent consideration payable in relation to the acquisition of a subsidiary (Note 15).

The carrying amounts of trade payables approximate their fair values. The ageing analysis of trade payables, based on invoice date, as at 30 June 2012 and 31 December 2011 were as follows:

	30 June 2012 *HK$'000* **(Unaudited)**	31 December 2011 *HK$'000* (Audited)
0 – 30 days	**37,274**	12,783
31 – 60 days	**22,339**	32,506
61 – 90 days	**24,674**	33,039
91 days – 1 year	**111,619**	203,362
Over 1 year	**8,181**	23
	204,087	281,713

15. ACQUISITION OF A SUBSIDIARY

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

The following table summarises the consideration for the acquisition of Tai Cheng, and the fair values of the assets acquired and liabilities assumed recognised at the acquisition date.

	HK$'000 (Unaudited)
Purchase consideration	
– Cash paid *(note (i))*	–
– Contingent consideration *(note (ii))*	30,000
Total purchase consideration	30,000

Recognised amounts of identifiable assets acquired and liabilities assumed

	Fair value recognised on acquisition *HK$'000* (Unaudited)
Property, plant and equipment	9
Trade receivables	897
Prepayment, deposits and other receivables	23
Cash and cash equivalents	210
Trade payables	(547)
Amount due to a non-controlling shareholder of a subsidiary	(154)
Total identifiable net assets	438
Non-controlling interests	(197)
Goodwill	29,759
	30,000

An analysis of the net inflow of cash and cash equivalents in respect of the acquisition is as follows:

	HK$'000 (Unaudited)
Cash and cash equivalents acquired	210
Less: Consideration satisfied by cash *(note (i))*	–
Net cash inflow on acquisition of a subsidiary	210

Notes:

(i) The cash consideration paid was HK$100. The amount shown above was a result of rounding.

(ii) Contingent consideration in aggregate not exceeding HK$30,000,000 shall be settled by the issue of convertible bonds (the "Tai Cheng CB") in three tranches of 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 ("Actual Profit") of Tai Cheng to the benchmark profit, as multiplied by HK$10,000,000. The benchmark profit is HK$12,000,000, HK13,000,000 and HK$14,000,000 for each financial year ended 31 December 2012, 2013 and 2014 respectively.

The Tai Cheng CB, if issued, will be non-interest bearing, mature three years from the date of issue and is convertible into the shares of the Company at a conversion price of HK$0.50 per share.

A liability component and an equity conversion component were classified at initial recognition of this contingent consideration payable.

The fair value of the liability component of the Tai Cheng CB is initially recognised at the date of acquisition at HK$13,267,000 by using the discount cash flow model. The fair value estimates are based on assumed discount rates ranging from 17.90% to 18.15%. This liability component is subsequently measured at fair value of HK$13,588,000 as at 30 June 2012 in other payables and accruals (Note 14), with change in fair value of HK$321,000 recognised as finance costs (Note 8) in the condensed consolidated income statement.

The equity component of the Tai Cheng CB of HK$16,733,000, represents the value of the equity conversion option of the contingent consideration payable, is included in shareholders' equity in other reserves.

16. COMMITMENTS

(a) Capital commitments

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

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contracted but not provided for		
– Provision of working capital facility to a non-wholly owned subsidiary	**10,000**	–

(b) Operating leases commitments

The Group had total future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings, falling due as follows:

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Not later than one year	**4,248**	1,981
Later than 1 year and not later than 5 years	**2,936**	3,592
	7,184	5,573

None of the leases include contingent rentals.

17. CONTINGENT LIABILITIES

The Group has no material contingent liabilities arising from the ordinary course of business as at 30 June 2012 and 31 December 2011.

MANAGEMENT DISCUSSIONS AND ANALYSIS

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the Shareholders at an extraordinary general meeting on 12 April 2012 and approved by the Registrar of Companies in the Cayman Islands on 24 April 2012, the name of the Company has been changed from "Smart Union Group (Holdings) Limited" to "Green International Holdings Limited" and the Chinese name of the Company has been changed from "合俊集團（控股）有限公司" to "格林國際控股有限公司".

BUSINESS AND FINANCIAL REVIEW

The Group recorded a total revenue of approximately HK$193 million during the first six months ended 30 June 2012 as compared to approximately HK$286 million for the same period in 2011. The drop in total revenue was due to the decline in orders from the European countries and the United States (the "U.S."). However, the gross profit of the Group has remained strong as the Group has taken strategic angle in reshaping the business model.

During the first half of 2012, the macro-economic and operating environment continued to be plagued by political unrests in major oil producing region, continuing financial instability in the eurozone, economic slowdown of the U.S., and rising manufacturing costs in the PRC. The European and the U.S. consumer confidence remained weak as the outlook for the job market continued to weigh over consumer purchase decisions. Market reports indicated that the U.S. retail toy sales for the industry as a whole in the first half of 2012 were down in unit terms compared to the same period last year. The Group expects uncertainties of the global economic environment to persist in the second half of 2012. In light of such forecast, the management has taken a strategic approach and has started to develop businesses related to online games and animations.

The gross profit margin has substantially increased from 11.9% in the first half of 2011 to 25.5% in the same period of 2012. This was mainly attributable to the shift in business focus and the expansion of customer base. The management puts focus on the sales in the PRC and has developed merchandise related to animations and online games. The Group keeps close relationship with strategic partners in the PRC and has continued to develop new products.

With the success of the Group's strategies, despite the increase in staff cost of approximately HK$13.4 million due to the granting of share options to the employees as an incentive for their continuous contribution to the Group, net profit after tax of the Group surged by 36.8% to approximately HK$11.9 million in the first half of 2012 from approximately HK$8.7 million for the same period last year.

THE MACRO-ECONOMIC ENVIRONMENT

The European credit crisis continues to worry the global economy. Production orders are declining as sales are slowing down.

Western Economy: The U.S. and the European countries are still struggling to recover from the financial crisis. While the eurozone countries are taking steps to mitigate the problems at hand, the outlook of the economy remains grim.

The Group foresees a slow recovery in the eurozone. In order to promptly respond to various challenges in the region's business environment, the Group will continue to work closely and maintain strong relationships with clients in this region.

China Economy: The Chinese economy has been growing at a slower pace in the current quarters. Export in general continues to be affected by the exchange rate fluctuation and uncertainties in the U.S. and the European countries respectively. The increasing labor costs and material costs have also put strain on the growth and profitability of the manufacturing industry.

MANAGEMENT FORECAST AND PROSPECT

The Group has successfully expanded its business in the domestic consumer market of the PRC and will continue to focus on developing new markets with products related to animations and online games. The Group is able to maintain a lower cost structure by utilizing its production line at full capacity. The Group is also prepared to make acquisitions or mergers of businesses if suitable opportunity arises.

The Group foresees that traditional toys are becoming less popular and the new generations are more interested in interactive electronic toys, a new product direction in which the Group plans to expand. Development of interactive products and online games are some of the possible projects that the Group will devote resources to. The Group has established a wholly-owned subsidiary, Green Capital (Hong Kong) Limited to act as the principal investment arm of the Group going forward.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, the Group held cash and bank balances of approximately HK$1,407,000 (31 December 2011: approximately HK$22,265,000). Net current assets amounted to approximately HK$175,950,000 (31 December 2011: approximately HK$161,493,000). Current ratio (defined as total current assets divided by total current liabilities) was 1.67 times (31 December 2011: 1.51 times). The gearing ratio of the Group (defined as total liabilities to total assets) was approximately 59.8% (31 December 2011: 78.3%). As at 30 June 2012, the Group had outstanding borrowings of approximately HK$22,896,000 (31 December 2012: HK$64,137,000).

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign exchange risk, with most of the Group's assets and liabilities, revenue and expenditure are denominated in Renminbi, U.S. dollars and Hong Kong dollars. As at 30 June 2012 the Group had insignificant exposure to foreign exchange risk as substantially all sales and purchases transactions, recognised assets and liabilities were primarily denominated in U.S. dollar, Hong Kong dollar and Renminbi.

CAPITAL STRUCTURE

The Company has undergone the Group Restructuring during the year ended 31 December 2011 with details stated in Note 2 to the condensed consolidated interim financial statements.

During the six months ended 30 June 2012, certain of the Convertible Bonds with a total principal amount of HK$55,685,000 were converted into the shares of the Company at a conversion price of HK$0.185 per share and, accordingly, the Company issued and allotted a total of 301,000,000 shares to the convertible bond holders. Save as the disclosure herein and the granting of 65,800,000 share options to certain substantial shareholders, directors and employees of the Group, there was no changes in the capital structure of the Company during the period.

CHARGES ON GROUP ASSETS

As at 30 June 2012, none of the Group's assets was pledged to secure any facilities and borrowings granted to the Group.

SIGNIFICANT ACQUISITION AND DISPOSAL OF ASSETS

The Company has undergone the Group Restructuring during the year ended 31 December 2011 with details stated in Note 2 to the condensed consolidated interim financial statements. The assets and liabilities of the Group transferred to the Special Purpose Vehicle under the Scheme during the year ended 31 December 2011 were detailed in the Company's annual report 2011.

During the six months ended 30 June 2012, the Group acquired 55% equity interests in Tai Cheng International Limited ("Tai Cheng"), a company incorporated in Hong Kong with limited liability, at a consideration not in excess of HK$30,000,100. Tai Cheng is principally engaged in the trading of toys business. The acquisition has provided an opportunity for the Group to expand its trading business and broaden its customer bases to different countries and regions.

COMMITMENTS AND CONTINGENT LIABILITIES

The Group's commitments and contingent liabilities as at 30 June 2012 have been detailed in Note 16 and 17 respectively, to the condensed consolidated interim financial statements.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2012, the Group employed approximately 146 (31 December 2011: 140) employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them 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 with reference to the Group's performance as well as individual's performance.

INTERIM DIVIDEND

The directors do not recommend any dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2012.

CORPORATE GOVERNANCE

The Company endeavors in maintaining good corporate governance for the enhancement of shareholders' value. The Company has adopted the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Listing Rules. The Company has complied with all the applicable code provisions in the Code throughout the six months ended 30 June 2012.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors, namely Mr. Wong Kwong Chung, James (Chairman), Mr. Yeung King Wah, Kenneth and Mr. Wu Hong. The audit committee has reviewed with the management 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 of the Group for the six months ended 30 June 2012.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Securities Dealing Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiry of all directors, the directors have confirmed that they have complied with the Securities Dealing Code throughout the six months ended 30 June 2012.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement has been published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (http://www.irasia.com/listco/hk/greeninternational/index.htm). The interim report of the Group for the six months ended 30 June 2012 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in due course.

For and on behalf of
Green International Holdings Limited
(Formerly "Smart Union Group (Holdings) Limited")
Yang Wang Jian
Chairman

Hong Kong, 31 August 2012

As at the date of this announcement, the Board comprises (i) five executive Directors: Mr. Yang Wang Jian, Mr. Wong Man Keung, Mr. Zhu Pei Heng, Ms. Yang Jun and Mr. Chan Yin Tsung; (ii) one non-executive Director: Mr. Jonathan Cheung and (iii) three independent non-executive Directors: Mr. Yeung King Wah, Kenneth, Mr. Wu Hong and Mr. Wong Kwong Chung, James.