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GREEN INTERNATIONAL

Holdings Limited

格林國際控股有限公司

GREEN INTERNATIONAL HOLDINGS LIMITED

格林國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Green International Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2023, together with comparative figures for the corresponding period in 2022.

The Group’s unaudited condensed consolidated financial information for the six months ended 30 June 2023 has been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	For the six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	25,109	25,037
Direct costs and operating expenses		<u>(12,899)</u>	<u>(12,802)</u>
Gross profit		12,210	12,235
Other income and gains, net	4	7,297	1,255
Selling expenses		(7,364)	(8,571)
Administrative expenses		(15,808)	(15,259)
Finance costs	5	<u>(1,124)</u>	<u>(1,706)</u>
Loss before income tax	6	(4,789)	(12,046)
Income tax credit	7	<u>85</u>	<u>69</u>
Loss for the period		<u>(4,704)</u>	<u>(11,977)</u>
Loss for the period attributable to:			
— Equity holders of the Company		(4,566)	(9,844)
— Non-controlling interests		<u>(138)</u>	<u>(2,133)</u>
		<u>(4,704)</u>	<u>(11,977)</u>
Loss per share for loss for the period attributable to the equity holders of the Company			
— Basic and diluted (HK\$ cents)	8	<u>(0.69)</u>	<u>(1.49)</u>

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

For the six months ended 30 June 2023

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023	31 December 2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		7,217	9,459
Right-of-use assets		25,406	45,302
Trademark user right and technical know-how		10,219	10,219
Prepayments		11,104	3,912
		53,946	68,892
Current assets			
Inventories		6,054	7,689
Trade receivables	10	2,771	2,855
Prepayments, deposits and other receivables		6,554	7,459
Bank balances and cash		72,265	81,742
		87,644	99,745
Total assets		141,590	168,637
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	14	131,979	131,979
Reserves		(84,721)	(79,792)
		47,258	52,187
Non-controlling interests		2,200	2,348
Total equity		49,458	54,535

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023	31 December 2022
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
LIABILITIES			
Non-current liabilities			
Bonds payables	<i>12</i>	5,607	5,366
Lease liabilities		31,832	49,754
Deferred tax liabilities		1,021	1,021
		38,460	56,141
Current liabilities			
Trade payables	<i>11</i>	3,106	4,599
Contract liabilities		175	189
Accruals and other payables	<i>13</i>	39,517	40,589
Lease liabilities		10,722	12,581
Tax payable		152	3
		53,672	57,961
Total liabilities		92,132	114,102
Total equity and liabilities		141,590	168,637
Net current assets		33,972	41,784
Total assets less current liabilities		87,918	110,676

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

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

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

These condensed consolidated financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2022.

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

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

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

In the current period, the Group has adopted all the new and amendments to HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior year except as stated below:

Application of new and amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

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

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

3. REVENUE AND SEGMENT INFORMATION

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

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

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

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

Segment results are presented as operating profit or loss.

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

	Health and medical business <i>HK\$'000</i> (Unaudited)	Beauty and wellness business <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
For the six months ended 30 June 2023			
The PRC			
— At a point in time	<u>15,814</u>	<u>9,295</u>	<u>25,109</u>

	Health and medical business <i>HK\$'000</i> (Unaudited)	Beauty and wellness business <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
For the six months ended 30 June 2022			
The PRC			
— At a point in time	<u>16,185</u>	<u>8,852</u>	<u>25,037</u>

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

3.2 Results by operating segments are as follows:

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

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

	Health and medical business <i>HK\$'000</i> (Unaudited)	Beauty and Wellness Business <i>HK\$'000</i> (Unaudited)	Unallocated corporate assets <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
As at 30 June 2023				
Hong Kong	–	–	1,572	1,572
The PRC	34,792	17,582	–	52,374
	<u>34,792</u>	<u>17,582</u>	<u>–</u>	<u>52,374</u>
Segment total non-current assets	<u>34,792</u>	<u>17,582</u>	<u>1,572</u>	<u>53,946</u>

	Health and medical business <i>HK\$'000</i> (Audited)	Beauty and Wellness Business <i>HK\$'000</i> (Audited)	Unallocated corporate assets <i>HK\$'000</i> (Audited)	Consolidated <i>HK\$'000</i> (Audited)
As at 31 December 2022				
Hong Kong	–	–	188	188
The PRC	46,149	22,555	–	68,704
	<u>46,149</u>	<u>22,555</u>	<u>–</u>	<u>68,704</u>
Segment total non-current assets	<u>46,149</u>	<u>22,555</u>	<u>188</u>	<u>68,892</u>

4. OTHER INCOME AND GAINS, NET

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

Note:

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

5. FINANCE COSTS

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

6. LOSS BEFORE INCOME TAX

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

7. INCOME TAX CREDIT

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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

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

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

8. LOSS PER SHARE

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

	For the six months ended	
	30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(4,566)</u>	<u>(9,844)</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares in issue	<u>659,895</u>	<u>659,895</u>
Loss per share		
Basic and diluted (<i>HK\$ cents</i>)	<u>(0.69)</u>	<u>(1.49)</u>

9. DIVIDENDS

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

10. TRADE RECEIVABLES

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

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

Ageing analysis

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

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

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

11. TRADE PAYABLES

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

Ageing analysis

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

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

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

12. BONDS PAYABLE

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

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

13. ACCRUALS AND OTHER PAYABLES

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

Note:

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

14. SHARE CAPITAL

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

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

MANAGEMENT DISCUSSIONS AND ANALYSIS OVERVIEW

BUSINESS REVIEW

During the six months ended 30 June 2023 (the “**Period**”) under review, the Group continued to be principally engaged in the provision of (i) health and medical services and (ii) beauty and wellness products and related services.

Health and Medical Business

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

Since 2021, China has launched the deepening of reform of medicine and healthcare systems, calling for the need for high-quality services under a sound pricing system to guarantee deserved prices for medical services at local hospitals in China. Starting in 2021 and continuing during the Period, the Group’s Health and Medical Business faced challenges from market competitors. Furthermore, operating overheads of the Health and Medical Business have increased due to the implementation of various hygiene measures and additional patient handling procedures to eliminate the threat of COVID-19 epidemic in the past few years.

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

Beauty and Wellness Business

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

The performance of the Beauty and Wellness Business continued to be sluggish during the Period due to the abrupt downturn of the service industry and weakened consumer market as a result of the change in consumption pattern caused by the COVID-19 epidemic.

Prospect

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

FINANCIAL REVIEW

Revenue

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

Direct Costs and Operating Expenses

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

Gross Profit and Gross Profit Margin

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

Selling Expenses

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

Other Income and Gains, Net.

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

Administrative Expenses

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

Finance Costs

The Group's finance costs for the Period amounted to approximately HK\$1,124,000 (2022: HK\$1,706,000), representing a decrease of approximately 34.11% as compared to the corresponding period last year. Details of the finance costs are set out in Note (5) to the condensed consolidated financial statements.

Loss for the Period

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

USE OF PROCEEDS OF EQUITY FUND RAISING ACTIVITIES

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

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

On 25 September 2020, the Company announced a one-for-one rights issue (the “**2020 Rights Issue**”) involving the issue and allotment of 1,649,736,733 ordinary shares of the Company at the subscription price of HK\$0.06 per rights share. The rights issue became unconditional on 9 December 2020, raising net proceeds of approximately HK\$95.9 million. As disclosed in the previous announcements and financial reports of the Company, the net proceeds of the 2020 Rights Issue were utilised as to HK\$15 million for the Group’s corporate expenses and overheads as originally intended during the year ended 31 December 2021 (“**FY2021**”). Among the remaining HK\$80.9 million which was originally intended for the potential acquisitions, expansion and equipment purchase of the Group’s hospital business, only approximately RMB3.1 million (HK\$3.5 million) was used during the year ended 31 December 2022 (“**FY2022**”) for the relocation of the Group’s hospital at Yiyang (“**Yiyang Hospital**”) owned and operated by Yiyang Opco (a subsidiary of the Company) in accordance with the original intended use.

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

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

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

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

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

GEARING RATIO

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

SIGNIFICANT INVESTMENT HELD

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

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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

CHARGES ON ASSETS

None of the Group's assets was pledged to secure any facilities and borrowings granted to the Group as at 30 June 2023.

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE EXPOSURE

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

CAPITAL STRUCTURE

Details of the changes in the capital structure of the Company for the Period and the year ended 31 December 2022 are summarised below:

(A) Share Capital

Details of the movements of the share capital for the Period and the year ended 31 December 2022 are set out in Note (14) to the condensed consolidated financial statements.

(B) Share Options

Old Share Option Scheme

The old share option scheme (the “**Old Share Option Scheme**”) adopted by the Company on 2 September 2006 lapsed on 2 September 2016 pursuant to the terms of the Old Share Option Scheme.

New Share Option Scheme

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

No share options were granted under the New Share Option Scheme for the Period and the year ended 31 December 2022 and there were no outstanding share options as at 30 June 2023 and 31 December 2022. As at the date of this announcement, the maximum number of options which can be granted under the New Share Option Scheme was 29,465,322 consolidated shares (equivalent to 147,326,614 options before the five-to-one share consolidation took effect on 22 January 2021), representing 4.47% of the existing issued share capital of the Company. The remaining lifespan of the New Share Option Scheme is 5 years and 10 months.

DIVIDENDS

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

HUMAN RESOURCES

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

LITIGATION

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

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CORPORATE GOVERNANCE

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

Under the Code Provision D.2.5 of the CG Code, an issuer should have an internal audit function and issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in their corporate governance reports. Due to the size and scale of operations, the Group did not have an internal audit function during the Period.

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

MODEL CODE ON SECURITIES TRANSACTION BY DIRECTORS OF LISTED ISSUERS

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

AUDIT COMMITTEE

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

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the websites of Hong Kong Exchange and Clearing Limited (www.hkexnews.hk) and the Company (<http://www.irasia.com/listco/hk/greeninternational/>) (collectively referred to as the “**Websites**”). The 2023 interim report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the Websites on or before 30 September 2023.

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

Hong Kong, 31 August 2023

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