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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The board (the “**Board**”) of directors (the “**Directors**”) of Green International Holdings Limited (the “**Company**”) announces the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2020, together with the comparative figures for the corresponding year in 2019, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	4	65,532	78,659
Direct costs and operating expenses		(28,788)	(31,202)
Gross profit		36,744	47,457
Other incomes/(expenses) and loss, net	5	1,403	(6,878)
Selling expenses		(23,601)	(32,396)
Administrative expenses		(45,790)	(64,279)
Gain on disposal of subsidiaries		2,789	1,104
Loss on disposal of financial assets at fair value through profit or loss		–	(11,289)
Fair value changes of derivative financial instruments:			
— Financial liabilities at fair value through profit or loss		–	2,913
— Derivative financial assets		(3,505)	2,802
Impairment loss of goodwill		(2,162)	(25,692)
Impairment loss of trademark user right and technical know-how		(12,203)	(60,143)
Impairment loss of property, plant and equipment		(5,787)	–
Impairment loss of right-of-use asset		(3,504)	–
Finance costs, net	6	(6,381)	(11,225)
Loss before income tax	7	(61,997)	(157,626)
Income tax credit	8	685	5,629
Loss for the year		(61,312)	(151,997)
Loss for the year attributable to:			
— Equity holders of the Company		(59,274)	(147,992)
— Non-controlling interests		(2,038)	(4,005)
		(61,312)	(151,997)
Loss per share for loss for the year attributable to the equity holders of the Company			(restated)
— Basic and diluted (<i>HK cents</i>)	9	(10.90)	(32.88)

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

For the year ended 31 December 2020

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	(61,312)	(151,997)
Other comprehensive income/(expense), net of tax		
— Release of exchange differences upon disposal of subsidiaries	(366)	–
— Exchange differences arising during the year	8,633	(3,586)
	<u>(53,045)</u>	<u>(155,583)</u>
Total comprehensive expenses for the year	(53,045)	(155,583)
Total comprehensive expenses for the year attributable to:		
— Equity holders of the Company	(51,312)	(151,314)
— Non-controlling interests	(1,733)	(4,269)
	<u>(53,045)</u>	<u>(155,583)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		23,191	32,256
Right-of-use assets		65,028	56,744
Goodwill		8,566	10,728
Trademark user right and technical know-how		22,541	34,744
		<u>119,326</u>	<u>134,472</u>
Current assets			
Inventories		9,891	8,476
Trade receivables	<i>11</i>	6,002	6,932
Prepayments, deposits and other receivables		7,025	16,793
Derivative financial assets		–	3,505
Bank balances — trust and segregated accounts		1,945	175
Bank balances (general accounts) and cash		139,788	135,028
		<u>164,651</u>	<u>170,909</u>
Total assets		<u>283,977</u>	<u>305,381</u>
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	<i>15</i>	131,979	58,931
Reserves		3,211	31,976
		<u>135,190</u>	<u>90,907</u>
Non-controlling interests		6,105	7,769
Total equity		<u>141,295</u>	<u>98,676</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Bonds payables		12,313	10,997
Lease liabilities		59,991	45,470
Deferred tax liabilities		2,254	3,592
		<u>74,558</u>	<u>60,059</u>
Current liabilities			
Trade payables	<i>12</i>	5,111	7,453
Contract liabilities		–	5,514
Accruals and other payables	<i>13</i>	51,863	60,845
Convertible bonds	<i>14</i>	–	59,107
Lease liabilities		11,104	13,649
Tax payable		46	78
		<u>68,124</u>	<u>146,646</u>
Total liabilities		<u>142,682</u>	<u>206,705</u>
Total equity and liabilities		<u>283,977</u>	<u>305,381</u>
Net current assets		<u>96,527</u>	<u>24,263</u>
Total assets less current liabilities		<u>215,853</u>	<u>158,735</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. Its parent company is Jumbo Faith International Limited (“**Jumbo Faith**”), which is wholly owned by Ms. Zhou Cuiqiong, mother of Mr. Yu Zhoujie (a non-executive Director of the Company).

The Group was principally engaged in provision of (i) health, medical and related services, (ii) beauty and wellness services, and (iii) integrated financial services comprising securities brokerage, advising on securities and asset management during the year under review.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) relating to the preparation of consolidated financial statements.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.2 Application of new and amendments to HKFRSs

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time for their annual reporting period commencing 1 January 2020:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performances for the current and prior years and on the disclosures set out in these consolidated financial statements.

2.3 New and amendments to HKFRS in issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective.

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 16	COVID-19-Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform- Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts — Costs to Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvement to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 June 2020.

⁵ Effective for annual periods beginning on or after 1 January 2021.

The Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 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 engages in the operation of health, medical and related businesses of its clubhouse, hemodialysis center and hospital;
- (b) the beauty and wellness segment engages in the provision of beauty and wellness services; and
- (c) the financial segment engages in securities brokerage, advising on securities and asset management businesses.

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 the analysis of the revenue by segments and geographical regions are as follows:

	Health and medical business <i>HK\$'000</i>	Beauty and wellness business <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
For the year ended 31 December 2020				
Hong Kong				
— At a point in time	—	—	44	44
The PRC				
— At a point in time	<u>38,434</u>	<u>27,054</u>	<u>—</u>	<u>65,488</u>
	<u><u>38,434</u></u>	<u><u>27,054</u></u>	<u><u>44</u></u>	<u><u>65,532</u></u>
	<i>Health and medical business <i>HK\$'000</i></i>	<i>Beauty and wellness business <i>HK\$'000</i></i>	<i>Financial business <i>HK\$'000</i></i>	<i>Consolidated <i>HK\$'000</i></i>
For the year ended 31 December 2019				
Hong Kong				
— At a point in time	—	—	42	42
The PRC				
— At a point in time	<u>43,863</u>	<u>34,754</u>	<u>—</u>	<u>78,617</u>
	<u><u>43,863</u></u>	<u><u>34,754</u></u>	<u><u>42</u></u>	<u><u>78,659</u></u>

The geographic location analysis of revenue is allocated based on the geographic location of customers and the operating geographic location of the health and medical business, beauty and wellness business, and financial business. For the years ended 31 December 2020 and 2019, 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:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Health and medical business (<i>Note (i)</i>)	(12,883)	(49,978)
Beauty and wellness business (<i>Note (ii)</i>)	(22,106)	(66,746)
Financial business	(3,865)	(4,265)
	<hr/>	<hr/>
Total net operating loss by operating segments	(38,854)	(120,989)
Unallocated corporate expenses, net	(15,011)	(20,226)
Gain on disposal of subsidiaries	2,789	1,104
Loss on disposal of financial assets at fair value through profit or loss	–	(11,289)
Fair value changes of derivative financial instrument:		
— Financial liabilities at fair value through profit or loss	–	2,913
— Derivative financial assets	(3,505)	2,802
Net allowance of expected credit loss on other receivables	(525)	(672)
Loss on disposal of property, plant and equipment	(510)	(44)
Finance costs, net	(6,381)	(11,225)
	<hr/>	<hr/>
Loss before income tax	(61,997)	(157,626)
Income tax credit	685	5,629
	<hr/>	<hr/>
Loss for the year	<u>(61,312)</u>	<u>(151,997)</u>

Notes:

- (i) For the year ended 31 December 2020, impairment loss of goodwill of approximately HK\$2,162,000 (2019: HK\$25,692,000) was included within the health and medical business segment.
- (ii) For the year ended 31 December 2020, impairment losses of trademark user right and technical know-how, property, plant and equipment and right-of-use assets of approximately HK\$12,203,000 (2019: HK\$60,143,000), HK\$5,787,000 (2019: HK\$Nil) and HK\$3,504,000 (2019: HK\$Nil) respectively and loss on disposal of property, plant and equipment of approximately HK\$Nil (2019: HK\$8,385,000) were included within the beauty and wellness business segment.

3.3 Other segment information are as follows:

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Amounts included in the measure of segment results:		
Depreciation and amortization:		
— Health and medical business	8,280	6,324
— Beauty and wellness business	9,225	22,532
— Financial business	410	104
	<u>17,915</u>	<u>28,960</u>
— Unallocated	865	162
	<u>18,780</u>	<u>29,122</u>
Net allowance for expected credit loss of other receivables		
— Health and medical business	525	672
	<u>525</u>	<u>672</u>

3.4 Total assets of the Group by operating segments and geographical regions are as follows:

	Health and medical business	Beauty and wellness business	Financial business	Unallocated corporate assets	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 31 December 2020					
Hong Kong	–	–	9,320	123,219	132,539
The PRC	<u>82,744</u>	<u>68,398</u>	–	<u>296</u>	<u>151,438</u>
Segment total assets	<u>82,744</u>	<u>68,398</u>	<u>9,320</u>	<u>123,515</u>	<u>283,977</u>
	Health and medical business	Beauty and wellness business	Financial business	Unallocated corporate assets	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 31 December 2019					
Hong Kong	–	–	7,805	122,159	129,964
The PRC	<u>94,150</u>	<u>73,994</u>	–	<u>7,273</u>	<u>175,417</u>
Segment total assets	<u>94,150</u>	<u>73,994</u>	<u>7,805</u>	<u>129,432</u>	<u>305,381</u>

3.5 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>	Beauty and wellness business <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Unallocated corporate assets <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
As at 31 December 2020					
Hong Kong	–	–	383	791	1,174
The PRC	<u>64,515</u>	<u>53,637</u>	<u>–</u>	<u>–</u>	<u>118,152</u>
Segment total non-current assets (excluding financial instruments)	<u>64,515</u>	<u>53,637</u>	<u>383</u>	<u>791</u>	<u>119,326</u>
	<i>Health and medical business <i>HK\$'000</i></i>	<i>Beauty and wellness business <i>HK\$'000</i></i>	<i>Financial business <i>HK\$'000</i></i>	<i>Unallocated corporate assets <i>HK\$'000</i></i>	<i>Consolidated <i>HK\$'000</i></i>
As at 31 December 2019					
Hong Kong	–	–	790	1,657	2,447
The PRC	<u>68,655</u>	<u>63,370</u>	<u>–</u>	<u>–</u>	<u>132,025</u>
Segment total non-current assets (excluding financial instruments)	<u>68,655</u>	<u>63,370</u>	<u>790</u>	<u>1,657</u>	<u>134,472</u>

4. REVENUE

The revenue of the Group is represented by revenue generated by the health and medical business, beauty and wellness business and financial business.

An analysis of revenue by type of service is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Health and medical business	38,434	43,863
Beauty and wellness business	27,054	34,754
Financial business	<u>44</u>	<u>42</u>
Total revenue recognized at a point in time	<u>65,532</u>	<u>78,659</u>

All of the Group's revenue from contracts with customers are generated in Hong Kong and the PRC and based on the location where the goods or services are sold or rendered. All revenue contracts are for the period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. OTHER INCOMES/(EXPENSES) AND LOSS, NET

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Government subsidy (<i>Note</i>)	683	–
Sundry income	1,201	1,551
Gain on termination of lease liability	29	–
Loss on disposal of property, plant and equipment	(510)	(8,429)
	<u>1,403</u>	<u>(6,878)</u>

Note: During the current year, the Group recognised Government grant of approximately HK\$683,000 in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by Hong Kong Government.

6. FINANCE COSTS, NET

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest income:		
— Bank deposit	189	131
Interest expenses:		
— Convertible bonds	(1,958)	(6,356)
— Bonds payable	(1,816)	(1,764)
— Other borrowing	(90)	(519)
— Lease liabilities	(2,706)	(2,717)
	<u>(6,381)</u>	<u>(11,225)</u>

7. LOSS BEFORE INCOME TAX

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditors' remuneration	1,500	1,350
Depreciation of property, plant and equipment	5,125	7,468
Depreciation of right-of-use assets	13,655	21,654
Merchandise purchased and movements in inventories	18,485	20,842
Employee benefit expenses	32,709	40,157
Expenses relating to short-term leases	111	2,131
Net allowance of expected credit loss on other receivables	525	672
	<u>525</u>	<u>672</u>

8. INCOME TAX CREDIT

Hong Kong profits tax and the PRC enterprise income tax have been provided at the rate of 16.5% and 25% respectively (2019: 16.5% and 25% respectively), on the estimated assessable profits for the relevant year, based on existing legislation, interpretations and practices in respect thereof.

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

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current taxation		
PRC enterprise income tax		
— Current year	653	768
Deferred taxation	(1,338)	(6,397)
	<u>(685)</u>	<u>(5,629)</u>

No provision for Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong for the years ended 31 December 2020 and 2019.

9. LOSS PER SHARE

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(59,274)</u>	<u>(147,992)</u>
	<i>'000</i>	<i>'000</i> (restated)
Number of shares		
Weighted average number of ordinary shares in issue	<u>543,996</u>	<u>450,086</u>
Loss per share		
Basic loss per share (<i>HK cents</i>)	<u>(10.90)</u>	<u>(32.88)</u>

Note: The weighted average number of ordinary shares for the years ended 31 December 2020 and 2019 has been adjusted for the five-to-one share consolidation of the Company which became effective on 22 January 2021 and the weighted average number of ordinary shares for the year ended 31 December 2019 has been adjusted and restated for the right issue completed during the year ended 31 December 2020.

Diluted

For the years ended 31 December 2020 and 2019, the effect of the Company's share option and convertible bonds was anti-dilutive and was therefore not included in the calculation of the diluted loss per share.

10. DIVIDENDS

No dividend in respect of the year ended 31 December 2020 (2019: Nil) is to be proposed at the forthcoming annual general meeting.

11. TRADE RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables arising from businesses other than dealing in securities	<u>6,002</u>	<u>6,932</u>

Trade receivables arising from businesses other than dealing in securities

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 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 in order to minimise credit risk.

Ageing analysis

The ageing analysis of trade receivables, based on invoice dates, as at 31 December 2020 and 2019 are as follows:

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	4,442	4,399
31-60 days	508	837
61-90 days	400	389
91-180 days	138	866
Over 180 days	514	441
	<u>6,002</u>	<u>6,932</u>

Management assessed the credit quality of the trade receivables in the amount of approximately HK\$5,350,000 (31 December 2019: HK\$5,625,000) that are neither past due nor impaired by reference to the repayment history of those customers.

12. TRADE PAYABLES

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables arising from the business of dealing in securities:		
— Cash clients	1,945	173
— Clearing house	–	1
Trade payables arising from businesses other than dealing in securities	<u>3,166</u>	<u>7,279</u>
Total	<u>5,111</u>	<u>7,453</u>

The carrying amounts of trade payables approximate their fair values.

Trade payables arising from the business of dealing in securities

Trade payables arising from the ordinary course of business of securities brokerage services are normally settled in two trading days after the trade date except for the monies held on behalf of clients in the segregated bank accounts which are repayable on demand. No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis does not give additional value in view of the nature of this business.

Trade payables arising from businesses other than dealing in securities

Trade payables arising from the ordinary course of business other than the securities brokerage services are normally settled in accordance with the credit terms granted by suppliers.

Ageing analysis

The ageing analysis of trade payables, based on invoice dates, as at 31 December 2020 and 2019 are as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 30 days	2,021	2,481
31 — 60 days	605	1,316
61 — 90 days	395	331
91 — 180 days	1	183
Over 180 days	144	2,968
	<u>3,166</u>	<u>7,279</u>

13. ACCRUALS AND OTHER PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Bond payable (<i>Note</i>)	14,835	14,835
Accruals	9,481	14,903
Other payables	27,547	31,107
	<u>51,863</u>	<u>60,845</u>

Note:

Bond payable represents the outstanding principal amount and accrued interest arising from Qianhai CB, details of which are set out in Note 14(i) to the consolidated financial statements. After the date of maturity of Qianhai CB on 15 April 2019, the bond is no longer convertible into shares of the Company.

14. CONVERTIBLE BONDS

For the purpose of this note, references to number of conversion shares and conversion prices refer to the status of affairs prior to the four-to-one share consolidation of the Company which became effective on 4 March 2019. The adjustments to conversion shares and conversion prices as a result of the share consolidation were disclosed in the Company's announcement dated 1 March 2019.

Details on the movements of the convertible bonds for the years ended 31 December 2020 and 2019 are set out as follows:

	Qianhai CB	Zheyin Tianqin 2018 CB	Total
	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>
	<i>(Note (i))</i>	<i>(Note (ii))</i>	
As at 1 January 2019	14,379	56,807	71,186
Effective interest charged	456	5,900	6,356
Transferred to other payables	(14,835)	–	(14,835)
Interest payable	–	(3,600)	(3,600)
	<hr/>	<hr/>	<hr/>
As at 31 December 2019	–	59,107	59,107
Effective interest charged	–	1,958	1,958
Interest payable	–	(1,065)	(1,065)
Redemption	–	(60,000)	(60,000)
	<hr/>	<hr/>	<hr/>
As at 31 December 2020	–	–	–
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(i) Qianhai CB

On 15 April 2016, the Company issued 8% per annum convertible bonds to Hong Kong Qian Hai Financial Group Limited in an aggregate principal amount of HK\$12,000,000 (the “Qianhai CB”) carrying conversion right to convert into 40,000,000 shares at the conversion price of HK\$0.30 per share (after adjustment) maturing on 15 April 2019. As disclosed in the Company's announcement dated 20 December 2019, the Company was capable and willing to honour its contractual obligations under the Qianhai CB but due to conflicting instructions given by Zhang Xuejun and Shenzhen Qianhai Shengzun Hualong Holdings Co., Ltd. as to the recipient of cash payment, the redemption process was delayed without any fault on the part of the Company, pending the resolution of litigation and dispute amongst the various parties. After the date of maturity of Qianhai CB on 15 April 2019, the bond is no longer convertible into shares of the Company. Therefore, the Qianhai CB in an aggregate principal amount of HK\$12,000,000 and accrued interest of approximately HK\$2,835,000 was reclassified as accruals and other payables in the consolidated statement of financial position.

(ii) **Zheyin Tianqin 2018 CB**

On 19 April 2018, the Company issued 6% per annum convertible bonds to the nominated entity of Zheyin Tianqin, Dogain Capital Limited, in an aggregate principal amount of HK\$60,000,000 (the “**Zheyin Tianqin 2018 CB**”) carrying conversion right to convert into 352,941,176 shares at the conversion price of HK\$0.17 per share and has been matured on 20 April 2020, being the second anniversary of the date of issue of the convertible bonds. The Zheyin Tianqin 2018 CB was fully redeemed by the bond holder in cash on 20 April 2020.

Details on the movements of different components of the convertible bonds for the years ended 31 December 2020 and 2019 are set out as follows:

	Liability component	Equity component	Redemption option derivative component	Total
	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>	<i>HK'000</i>
As at 1 January 2019	56,807	40,967	(703)	97,071
Effective interest charged	5,900	–	–	5,900
Interest payable	(3,600)	–	–	(3,600)
Change in fair value of derivative financial asset component of convertible bonds	–	–	(2,802)	(2,802)
As at 31 December 2019	59,107	40,967	(3,505)	96,569
Effective interest charged	1,958	–	–	1,958
Interest payable	(1,065)	–	–	(1,065)
Redemption	(60,000)	(40,967)	–	(100,967)
Change in fair value of derivative financial asset component of convertible bonds	–	–	3,505	3,505
As at 31 December 2020	–	–	–	–

15. SHARE CAPITAL

Details on the movements of the share capital for the years ended 31 December 2020 and 2019 are set out as follows:

	Number of shares		Nominal value	
	2020 <i>Number</i>	2019 <i>Number</i>	2020 <i>HK'000</i>	2019 <i>HK'000</i>
Authorised capital:				
As at 1 January	5,000,000,000	20,000,000,000	200,000	200,000
Share consolidation (<i>Note (i)</i>)	–	(15,000,000,000)	–	–
As at 31 December	<u>5,000,000,000</u>	<u>5,000,000,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:				
As at 1 January	1,473,266,145	2,874,196,656	58,931	28,742
Share consolidation (<i>Note(i)</i>)	–	(2,155,647,492)	–	–
Issue of new shares for shares subscription (<i>Note (ii)</i>)	–	754,716,981	–	30,189
Issue of new shares upon conversion of convertible bonds (<i>Note (iii)</i>)	176,470,588	–	7,058	–
Rights issue (<i>Note (iv)</i>)	<u>1,649,736,733</u>	–	<u>65,990</u>	–
As at 31 December	<u>3,299,473,466</u>	<u>1,473,266,145</u>	<u>131,979</u>	<u>58,931</u>

Notes:

- (i) The share consolidation became effective on 4 March 2019 on the basis of every four issued and unissued ordinary shares of par value HK\$0.01 each in the share capital of the Company being consolidated into one consolidated share of par value HK\$0.04 each, details of which were disclosed in the Company's announcement dated 1 March 2019.
- (ii) On 3 April 2019, the Company issued and allotted 754,716,981 ordinary shares to Jumbo Faith International Limited at the price of HK\$0.212 per consolidated share for a total amount of HK\$160,000,000, details of which were disclosed in the Company's announcement dated 3 April 2019.
- (iii) On 23 March 2020, the Company issued and allotted 176,470,588 ordinary shares to the holders of the HK Yinger CB in the principal amount of HK\$120,000,000 at its maturity date on 23 March 2020, details of which were disclosed in the Company's announcement dated 23 March 2020.
- (iv) On 16 December 2020, the Company issued and allotted 1,649,736,733 ordinary shares under the rights issue on the basis of one rights share for every one existing share held on the record date at the subscription price of HK\$0.06 per rights share, details of which were disclosed in the Company's prospectus dated 23 November 2020 and announcement dated 15 December 2020.

MANAGEMENT DISCUSSIONS AND ANALYSIS

OVERVIEW

During the year ended 31 December 2020 (the “**Year**”) under review, the Group continued to be principally engaged in provision of (i) health, medical and related services, (ii) beauty and wellness services, and (iii) integrated financial services comprising securities brokerage, advising on securities and asset management.

BUSINESS REVIEW

The revenue of the health and medical business segment (the “**Health and Medical Business**”) includes revenue from the hospital business (the “**Hospital Business**”) and club house business (the “**Club House Business**”). The Group operates its Hospital Business in Hunnan Province, China through Li County Phoenix Hospital Company Limited (“**Phoenix Opco**”) and Yiyang Zizhong Kidney Disease Hospital Company Limited (“**Zizhong Opco**”) having the medical organisation operating license granted by the local bureau of the National Health Commission to carry out, amongst other permitted medical treatments, hemodialysis treatment. The management of the Group keeps exploring business opportunities and strategies to expand the Hospital Business in other cities and provinces in China. The Club House Business represents a club house business operated in Shenzhen, China providing health and related services.

In light of the global outbreak of the COVID-19, the weakened consumer market in China, and the unsatisfactory business performance of the Club House Business, the Group disposed of the Club House Business during the Year. Through the disposal, the Group are able to cut the operating loss arising from the Club House Business and focus its resources in running of the Hospital Business.

The revenue of the beauty and wellness business segment (the “**Beauty and Wellness Business**”) includes revenue from the Marsa group. Marsa group provides beauty products and wellness services under brand name of “**瑪莎**” through beauty centers and shops in Shenzhen, China, selling beauty and cosmetics products and providing beauty and wellness services to customers.

The performance of the Beauty and Wellness Business continued to be sluggish in the year of 2020 due to the abrupt downturn of the service industry and weakened consumer market as a result of the change in consumption pattern during the Epidemic. The management of the Company considers that the weakened customer sentiment in Shenzhen will remain in the future for a period of time.

The revenue of the financial business segment (the “**Integrated Financial Business**”) includes revenue from the integrated financial services carried out through 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 Green Asset Management Limited, a licensed corporation licensed to carry out type-9 (asset management) regulated activities in Hong Kong, did not generate any revenue. Both companies in the financial business segment have been loss making for many years.

LOOKING FORWARD

Going forward, the Group will closely take note of the development of the COVID-19 epidemic and its impact on the Group’s businesses, and will proactively take preventive measures to mitigate the impact of the COVID-19 on its businesses. The Company will leverage on our experience in the health and medical industry and continue to explore suitable business opportunities which are in line or may create synergy with our existing businesses.

Events with Impact to the Financial Position and the Business Operations

The following events, which have significant impact to the financial position or the business operations of the Group, occurred during the Year:

- (i) On 23 March 2020, the Company issued and allotted 176,470,588 ordinary shares to the holders of the HK Yinger CB in the principal amount of HK\$120,000,000 at its maturity date on 23 March 2020, details of which were disclosed in the Company’s announcement dated 23 March 2020.
- (ii) In April 2020, the Zheyin Tianqin 2018 CB was fully redeemed by the bond holder in cash.
- (iii) In May 2020, the Group disposed of the Club House Business for a cash consideration of HK\$100,000 and recorded a gain on disposal of subsidiaries in the amount of approximately HK\$2,789,000.
- (iv) On 16 December 2020, the Company issued and allotted 1,649,736,733 ordinary shares under the rights issue on the basis of one rights share for every one existing share held on the record date at the subscription price of HK\$0.06 per rights share, details of which were disclosed in the Company’s prospectus dated 23 November 2020 and announcement dated 15 December 2020.

- (v) On 23 December 2020, the Company proposed to implement the share consolidation on the basis that every five issued and unissued existing shares of HK\$0.04 each will be consolidated into one consolidated share of HK\$0.20 each. The five-to-one share consolidation was approved by shareholders at the extraordinary general meeting of the Company held on 20 January 2021 and took effect on 22 January 2021.

The following subsequent events occurred between the end of the Year and the date hereof:

In view of the small scale of operation and revenue of the Integrated Financial Business carried out through 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 Green Asset Management Limited, a licensed corporation licensed to carry out type-9(asset management) regulated activities in Hong Kong, the Group disposed of the Integrated Financial Business in March 2021.

FINANCIAL REVIEW

Revenue

The Group reported total revenue amount of approximately HK\$65,532,000 (2019: HK\$78,659,000) during the Year, representing a decrease of approximately 16.69% as compared to the Group's revenue for the year ended 31 December 2020.

Health and Medical Business

The Group reported revenue and operating loss from the Health and Medical Business, including both of the Hospital Business and the Club House Business, for the Year in the amounts of approximately HK\$38,434,000 and HK\$12,883,000 respectively (2019: HK\$43,863,000 and HK\$49,978,000 respectively). The revenue and operation loss of the Hospital Business for the Year were approximately HK\$38,130,000 and HK\$7,004,000 respectively (2019: HK\$39,283,000 and HK\$30,672,000 respectively). The operating loss of the Health and Medical Business were mainly attributable to the impairment loss of goodwill for the Hospital Business of approximately HK\$2,162,000 (2019: HK\$25,692,000) and operating loss from the Club House Business, which was disposed during the Year, was approximately HK\$5,879,000 (2019: HK\$19,306,000). Notwithstanding the global outbreak of the COVID-19, the Hospital Business maintained its scale and revenue level during the Year.

Beauty and Wellness Business

The revenue and operating loss from the Beauty and Wellness Business for the Year were approximately HK\$27,054,000 and HK\$22,106,000 respectively (2019: HK\$34,754,000 and HK\$66,746,000 respectively). The operating loss from the Beauty and Wellness Business for the Year was mainly attributable to the impairment losses of trademark user right and technical know-how, property, plant and equipment and right-of-use assets in the amount of approximately HK\$12,203,000 (2019: HK\$60,143,000), HK\$5,787,000 (2019: HK\$Nil) and HK\$3,504,000 (2019: HK\$Nil) respectively. The Group recorded a decrease in revenue in the amount of approximately HK\$7,700,000 from the Beauty Business, representing a decrease of approximately 22%, compared to the corresponding figure for the year ended 31 December 2019. The decrease in revenue was mainly attributable to weakening of consumer sentiment in Shenzhen as a result of the global outbreak of the COVID-19 during the Year.

Integrated Financial Business

The revenue and operating loss of the Integrated Financial Business for the Year was approximately HK\$44,000 and HK\$3,865,000 respectively (2019: HK\$42,000 and HK\$4,265,000 respectively).

Administrative Expenses

The Group reported administrative expenses of approximately HK\$45,790,000 for the Year (2019: HK\$64,279,000), representing a decrease of approximately 28.76%. The decrease in the administrative expenses were mainly attributable to (i) the cost-saving from cut-down operation of the Club House Business and the down-size operation of the Beauty and Wellness Business in addressing the impact of the Epidemic and (ii) implementation of other cost control measures.

Impairment Testing on Cash-Generating Unit of the Hospital Business

The management performed an impairment assessment on the cash-generating unit in respect of the Hospital Business at the end of the reporting period by reference to the valuation prepared by an independent valuer. The valuation was based on (a) the five years cash flow projections which are discounted using the discount rate of 11.8%; (b) a terminal value calculated using a discount rate of 3%; and (c) the latest operation figures and business plans provided by the management of Phoenix Opco and Zizhong Opco. The carrying amount of the goodwill as at 31 December 2020 was assessed at approximately HK\$8,566,000 (2019: HK\$10,728,000), resulting in an impairment loss of goodwill of approximately HK\$2,162,000 (2019: HK\$25,692,000) being recognised in the consolidated statement of profit or loss for the Year.

Impairment Testing on Cash-Generating Unit of Marsa Group

The management performed an impairment assessment on the cash-generating unit in respect of Marsa group at the end of the reporting period by reference to the valuation prepared by an independent valuer. The valuation was based on (a) the five years cash flow projections which are discounted using the discount rate of 14.50%; (b) a terminal value calculated using a discount rate of 3%; and (c) the latest operation figures and business plans provided by the management of Marsa group. The impairment losses of the trademark user right and technical know-how, property, plant and equipment and right-of-use assets were approximately HK\$12,203,000 (2019: HK\$60,143,000), HK\$5,787,000 (2019:Nil) and HK\$3,504,000 (2019:Nil) respectively being recognised in the consolidated statement of profit or loss for the Year.

Fair Value Changes of Derivative Financial Assets

As a result of the redemption of the Zheyin Tianqin 2018 CB in the principal amount of HK\$60,000,000 in full in cash by the bond holder in April 2020, the Group recognised a decrease in the fair value of derivative financial assets in the amount of approximately HK\$3,505,000 (2019: an increase of HK\$2,802,000) in the consolidated statement of profit or loss for the Year.

Finance Costs

The Group reported finance costs, net of approximately HK\$6,381,000 for the Year (2019: HK\$11,225,000). Details of the finance costs, net for the Year are set out in Note 6 to the consolidated financial statements.

Loss for the Year

The Group reported net loss for the Year of approximately HK\$61,312,000 (2019: HK\$151,997,000).

CONNECTED TRANSACTIONS

The Group had no connected transactions for the Year.

EQUITY FUND RAISING ACTIVITIES DURING THE YEAR

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
15 December 2020	The Company issued and allotted 1,649,736,733 ordinary shares under the rights issue on the basis of one rights share for every one existing share held on the record date at the subscription price of HK\$0.06 per rights share	Approximately HK\$95.9 million	The net proceeds were intended to be utilized in the following order of priority: (i) as to the first HK\$15.0 million for the Group's corporate expenses and overheads (including salaries, rental payments, professional fees and capital injection for the Group's licensed corporations); and (ii) as to the remaining net proceeds for the potential acquisitions, expansion and equipment purchase of the Group's hospital business.	Up to the end of the Year, none of the proceeds have been utilized by the Group as the rights issue was completed only by late December 2020.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group had total assets of approximately HK\$283,977,000 (31 December 2019: HK\$305,381,000) and debts of approximately HK\$83,408,000 (31 December 2019: HK\$129,223,000), giving rise to a leverage ratio (defined as debt to total assets) of approximately 29.4% (31 December 2019: 42.3%).

As at 31 December 2020, the Group had net current assets of approximately HK\$96,527,000 (31 December 2019: HK\$24,263,000), being the surplus of current assets of approximately HK\$164,651,000 (31 December 2019: HK\$170,909,000) over the current liabilities of approximately HK\$68,124,000 (31 December 2019: HK\$146,646,000), giving rise to a current ratio of approximately 2.42 (31 December 2019: 1.17).

As at 31 December 2020, the Group had cash and bank balances (including trust and segregated accounts) of approximately HK\$141,733,000 (31 December 2019: HK\$135,203,000). As at 31 December 2020, the Group had cash and bank balances (excluding trust and segregated accounts) of approximately HK\$139,788,000 (31 December 2019: HK\$135,028,000).

GEARING RATIO

As at 31 December 2020, the gearing ratio of the Group (defined as debt to equity) was approximately 62% (31 December 2019: 142%). Debt includes bonds payable, lease liabilities and convertible bonds, if applicable.

SIGNIFICANT INVESTMENT HELD

The Group had no significant investment held as at 31 December 2020.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group disposed of the Club House Business for a cash consideration of HK\$100,000 and recorded a gain on disposal of subsidiaries in the amount of approximately HK\$2,789,000 in May 2020. Save as disclosed herein, the Group had no significant acquisition and no other significant disposal of subsidiaries for the Year.

CHARGES ON ASSETS

None of the Group's assets was pledged to secure any facilities and borrowings granted to the Group as at 31 December 2020.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2020.

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 Year. 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

Save as disclosed herein, there were no changes in the capital structure of the Company for the Year and the year ended 31 December 2019 and up to the date of this announcement.

(A) Share Capital

Details on the movements of the share capital for the Year and the year ended 31 December 2019 are set out in Note 15 to the consolidated financial statements.

The share consolidation on the basis that every five issued and unissued existing shares of HK\$0.04 each shall be consolidated into one consolidated share of HK\$0.20 each was proposed by the Board and announced on 23 December 2020 and took effect on 22 January 2021. After the share consolidation, the authorised share capital of the Company became HK\$200,000,000 divided into 1,000,000,000 consolidated shares of HK\$0.20 each, of which 659,894,693 consolidated shares (which are fully paid or credited as fully paid) were in issue.

(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.

As at 1 January 2019, the outstanding number of share options granted under the Old Share Option Scheme was 3,500,000 at the weighted average exercise price of HK\$1.28 per share. All these options were cancelled and lapsed at the completion of the unconditional mandatory cash offer of the Company taken place on 2 May 2019.

New Share Option Scheme

At the annual general meeting of the Company held on 26 June 2019, 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 annual general meeting of the Company held on 26 June 2019, the Scheme Mandate Limit was approved to allow the Company to grant up to the maximum of 147,326,614 options, representing 10% of the shares in issue on 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 Year and the year ended 31 December 2019. 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 (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.

(C) Convertible Bonds

Details on the movements of the convertible bonds for the Year and the year ended 31 December 2019 are set out in Note 14 to the consolidated financial statements.

DIVIDEND

The Directors do not recommend the payment of any dividend for the Year (2019: Nil).

HUMAN RESOURCES

As at 31 December 2020, the Group has 232 employees in Hong Kong and China. Employees' remuneration, promotion and salary increments are assessed based on both individuals' and the Group's performance, professional and working experiences and by reference to prevailing market practices and standards.

LITIGATION

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

The Company issued 8% per annum convertible bonds to Hong Kong Qian Hai Financial Group Limited ("**HK Qianhai Financial**") in an aggregate principal amount of HK\$12,000,000 (the "**Qianhai 2016 CB**") carrying conversion right to convert into the shares of the Company. The Qianhai 2016 CB matured on 15 April 2019 without conversion. At or around the maturity date of the Qianhai 2016 CB, the Company received conflicting instructions from Mr. Zhang Xuejun (張學軍) ("**Mr. Zhang**") and another entity named 深圳市前海盛尊華龍控股有限公司 (Shenzhen Qianhai Shengzun Hualong Holdings Co., Ltd.) ("**Shengzun Hualong**"), both purporting to have the authority from the holder of the Qianhai 2016 CB and each purporting to give different payment instructions to the Company regarding the recipient of the cash redemption amount. Shengzun Hualong has commenced legal action against Mr. Zhang, HK Qianhai Financial and the Company (the "**Litigation**") seeking to

recover the cash redemption amount of the Qianhai 2016 CB. During the trial at first instance, the Court ruled in favour of Shengzun Hualong but the Company was notified that Mr. Zhang is appealing against the ruling at first instance. As the Company is capable and willing to honour its contractual obligations under the Qianhai 2016 CB and the delay, if any, on the redemption was the sole responsibilities of other parties who failed to provide consistent instructions to the Company, the Directors are of the view that the litigation shall not have any significant impact on the financial position of the Company. The Company has instructed its legal advisers to uphold its own lawful right in the litigation.

OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS

With effect from 16 July 2020, Mr. Chen Hanhong was re-designated from an executive Director to a non-executive Director, Mr. Yu Xiangjin was appointed as an executive Director, and Mr. Yu Zhoujie was appointed as a non-executive Director. With effect from 25 March 2021, Mr. Yu Qigang stepped down from the position of the Chairman of the Board, and Mr. Yu Zhoujie was appointed as the Chairman of the Board with effect from 25 March 2021. Further, on 25 March 2021, Mr. Yu Qigang indicated his intention to retire as Director and not to offer himself for re-election at the forthcoming annual general meeting which is expected to be held on or before 31 May 2021.

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 Year.

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 of the Listing Rules during the Year, except the deviation disclosed in the following paragraph:

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

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 follows the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules (the “**Model Code**”) as the code of conduct for Directors in their dealings in the Company’s securities. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code throughout the Year.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee comprises three independent non-executive Directors, namely Mr. David Tsoi (Chairman), Mr. Wu Hong and Mr. Wang Chunlin. The primary function of the audit committee is to review the financial reporting process, the risk management and internal control systems of the Group, oversee the audit process and make recommendations to the Board regarding the appointment, resignation and removal of auditors and improvement on the financial reporting system, risk management and internal control systems of the Group.

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

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this preliminary announcement of the Group's results have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited ("HLB"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2020. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by the Auditor on the preliminary results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement has been published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (<http://www.iraia.com/listco/hk/greeninternational/>). The 2020 annual 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 April 2021.

APPRECIATION

On behalf of the Board, I would like to express our sincere thanks to our colleagues for their efforts and commitment.

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

Hong Kong, 31 March 2021

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