



綠科科技
Greentech

Greentech Technology International Limited
綠科科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00195)

INTERIM REPORT
2023

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Corporate Information

Board of Directors

Executive Directors

Tan Sri Dato' KOO Yuen Kim P.S.M., D.P.T.J. J.P.
(Dr. HSU Jing-Sheng as his alternate)
(Chairman)

Ms. XIE Yue *(Co-Chief Executive Officer)*

Dr. HSU Jing-Sheng
(Co-Chief Executive Officer)

Mr. LI Zheng

Ms. PENG Zhihong (appointed on 14 April
2023)

Mr. SIM Tze Jye (resigned on 13 April 2023)

Independent Non-executive Directors

Datin Sri LIM Mooi Lang

Mr. KIM Wooryang

Ms. PENG Wenting (appointed on
2 February 2023)

Mr. CHAN Tin Kwan, Bobby (passed away in
late January 2023)

Company Secretary

Mr. HUNG Yuk Miu, HKICPA

Authorised Representatives

Ms. XIE Yue

Mr. HUNG Yuk Miu

Principal Bankers

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China
(Asia) Limited

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors
35/F, One Pacific Place

88 Queensway
Hong Kong

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business In Hong Kong

Suite 2202-04 on 22/F, Tower 6
The Gateway, Harbour City
9 Canton Road
Tsim Sha Tsui
Kowloon, Hong Kong

Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Stock Code

00195

Company Website

www.green-technology.com.hk

Management Discussion and Analysis

Market Review

With the lifting of COVID-19 pandemic restrictions, the impact of the COVID-19 pandemic is gradually dissipating while there are some uncertainties in the global world economy which including rise of interest rate, inflation and the Russo-Ukrainian War situation.

Tin prices rebound in January 2023 when the London Metal Exchange (“LME”) cash contracts temporarily touched USD32,050 per tonne as a result of improved economy. However, prices have since retreated to around USD22,225 per tonne on a combination of profit taking, concerns about the impact of rising interest rates and the popularity of electric vehicles and 5G related products.

From January to May 2023, the tin consumption in China reached 69,566 tonnes (January to May 2022: 78,400 tonnes), representing a decrease of 11.3%. According to the LME, tin price fluctuated during the period. Tin price rose to USD32,050 per metric ton in January 2023 and retreated to its lowest point of USD22,225 per metric ton in March 2023. For the six months ended 30 June 2023, the average tin price was USD26,301 per metric ton (30 June 2022: USD40,210 per metric ton), representing a decrease of approximately 34.6% year-on-year.

Business Review

The Group’s performance during the period was mainly affected by tin price, the exchange rate of Australian Dollars (“AUD”) against USD and production efficiency.

Total production volume of tin metal in the Renison underground mine during the first half of 2023 was 4,273 tonnes (first half of 2022: 4,631 tonnes), representing a decrease of approximately 7.73%. YT Parksong Australia Holding Pty Limited (“YTPAH”), an indirect non-wholly owned subsidiary of the Group, holds 50% interest in the Renison underground mine, was entitled to 2,137 tonnes of tin metal (first half of 2022: 2,316 tonnes) available for sale.

Apart from the tin mining operation, the Group has engaged in trading business during the period from March 2022 to December 2022.

Business Review (Continued)

For the six months ended 30 June 2023, the Group witnessed a 44.8% decrease in its revenue to HK\$392,086,000 and the gross profit of the Group for the period was HK\$89,353,000 (six months ended 30 June 2022: gross profit of HK\$399,237,000). The decrease in gross profit was attributable to (i) a decrease in production volume and (ii) a decrease in average tin price during the period. During the period, the Group carried on with the resource definition drilling program at the Renison underground mine to discover potential tin resources. The Group continued to explore the Bell 50 area, and the ongoing exploration work has also confirmed the high-grade Area 5 extension to the Bell 50 area. As of 30 June 2023, the total Renison measured, indicated and inferred resource was 20.04 million metric tons at 1.54% grade of ore. The enhancement in contained tin within the Renison underground mine facilitated the Group with more room to upgrade production volume.

Prospect

Looking forward, the Group will continue to conduct drilling campaign on ore grade control and resources defining in Area 5, Leatherwood Trend Huon North and Central Federal Bassett within the Renison underground mine and will also recommence an updated definitive feasibility study on the Renison Tailings Retreatment Project (“Rentails”), in order to excavate high-grade ore from the area and re-processing and recovery of tin and copper from the historical tailings at Renison over 14 years. In addition, to bolster the production volume of tin metals and strive for better returns, the Group will carry on with its development in other areas within the Renison underground mine, including Bell 50 area located at the bottom of Area 5 and Hasting Area located at the major footwall fault zone between the high-grade Area 5, Leatherwood areas and Central Federal Bassett.

With the full resumption of normal travel and relaxation of the COVID-19 restrictive measures, global economic activities are resuming progressively, and the International Monetary Fund expects the global economic growth rate to be 3.6% in 2023 and 2024.

China and the United States (“US”) are the largest consumers of tin, while the automotive industry, the 5G related products and the electric products are the major contributors in the tin market. The National Development and Reform Commission of China has indicated that it will put more efforts in implementing new infrastructure such as 5G, data centre and industrial Internet. In addition, US President Joe Biden is also boosting the US’s move towards 5G and improving federal buildings and infrastructure.

With support from both the Chinese and US governments on the rapid development of 5G products and infrastructure, there will be sustained and steady growth in demand for tin metals in downstream consumption. The Group can benefit from the positive mid-to-long term prospects of the tin market.

Prospect (Continued)

The Group seeks to forge ahead with the business cooperation with its long-term business partner, Yunnan Tin Group Company Limited (“Yunnan Tin PRC”). The Group, through YTPAH, entered into a tin supply agreement with Yunnan Tin Australia TDK Resources Pty Ltd. (“YTATR”), a wholly-owned subsidiary of Yunnan Tin PRC, pursuant to which the Group will continue to provide tin to Yunnan Tin PRC until January 2025. Such arrangement will generate stable income for the Group.

The global economy faces a gloomy outlook as it is under downward pressure caused by the impact of rising interest rates. Amidst an incredibly challenging environment, the Group is determined to maintain a safe, healthy and orderly business operation, while optimizing and tapping into the potential of existing resources and projects, in hopes of strengthening its competitiveness. Meanwhile, the Group will continue to identify quality investment opportunities that will generate considerable profit in the long term, in order to bring better returns to its shareholders and investors.

Litigation

HCA 1357/2011

The legal proceedings involves the disputes regarding the sale and purchase agreement dated 13 July 2010 (“Parksong S&P Agreement”) in relation to the sale and purchase of the entire issued share capital of Parksong Mining and Resource Recycling Limited (“Parksong”) signed between Mr. Chan Kon Fung (“Mr. Chan”) as the vendor, Gallop Pioneer Limited (“GPL”) as the purchaser and the Company being GPL’s parent company as the guarantor. The completion of the acquisition of Parksong took place on 4 March 2011 (“Completion Date”).

GPL and the Company were named as 1st Defendant and 2nd Defendant in a writ of summons with a Statement of Claim dated 11 August 2011 filed by Mr. Chan under High Court Action number 1357 of 2011 (“HCA 1357 Action”) (which was subsequently amended).

Under the Statement of Claim, Mr. Chan alleged that GPL and the Company have breached the Parksong S&P Agreement by failing to make payment of AUD15,143,422 (equivalent to approximately HK\$75,921,033.53), being the alleged amount of the “Receivables” which Mr. Chan alleged is entitled under the Parksong S&P Agreement (“Mr. Chan’s Claim”).

Litigation (Continued)

HCA 1357/2011 (Continued)

GPL and the Company denied Mr. Chan's Claim and have made counterclaim against Mr. Chan for his breach of the respective terms and/or guarantees and/or warranties in the Parksong S&P Agreement. GPL and the Company filed their Defence and Counterclaim on 11 October 2011 which has subsequently been amended ("GPL and the Company D&C"). Under GPL and the Company D&C, GPL and the Company sought to, amongst others, claim against Mr. Chan by way of counterclaim and set-off and stated that GPL has suffered loss and damage by reason of the following: (1) Mr. Chan has failed to make a payment to GPL in settlement of payables under the Parksong S&P Agreement ("Payables") (apart from the amount of AUD476,393 under (2) below); (2) GPL and the Company are disputing that Mr. Chan is entitled to claim the amount of AUD3,048,387 forming part of the Receivables and claim Mr. Chan for the sum of AUD476,393 forming part of the Payables in respect of cut-off of called cash payment as at the Completion Date ("Called Sum Issue"); (3) Mr. Chan has prepared 3 sets of documents which showed a conflicting picture as to who was the owner of an advanced sum of AUD16.3 million ("AUD16.3 Million Issue") to Yunnan Tin Hong Kong (Holding) Group Co. Ltd. ("Yunnan Tin HK"), a majority-owned subsidiary of Parksong, before the completion of the acquisition; and/or further the said advanced sum of AUD16.3 million may be an amount owed to one of its shareholder, Yunnan Tin Group (Holding) Company Limited ("Yunnan Tin PRC"), by Yunnan Tin HK which is not recorded in the relevant accounts (and thus amounting to an additional amount under the Payables (as defined above)) which Mr. Chan is liable to compensate GPL for the said advanced sum of AUD16.3 million; (4) Mr. Chan unilaterally caused an Australian subsidiary of Yunnan Tin HK, YT Parksong Australia Holding Pty Limited, to enter into a tin concentrate package purchase underwriting agreement and a management agreement with Yunnan Tin Australia TDK Resources Pty Ltd. for the period of the life of the mine on 1 December 2010, without the consent of GPL ("December Agreement Issue"); and (5) the claimed sum of AUD5,496,266 due to production shortfall of contained tin in concentrate from the mine in Australia for the first anniversary after the Completion Date and compensation for each of the second and third anniversaries ("Production Shortfall Issue"). On 23 December 2011, GPL and the Company gave notice to Mr. Chan that GPL shall discontinue its counterclaim on the December Agreement Issue. Therefore, the present claims of GPL and the Company are the respective sums of AUD4,728,558, AUD476,393, AUD16,300,000, AUD5,496,266, totaling AUD27,001,217 (approximately of HK\$135,369,683.39 in total) and damages etc.

Save and except that Mr. Chan has admitted in his Reply and Defence to Counterclaim dated 9 December 2011 and subsequently amended ("R&DC") that, amongst others, (1) the third set of documents as pleaded in GPL and the Company D&C reflected the correct position and understanding of Mr. Chan, GPL and the Company in making the Parksong S&P Agreement, and (2) that the Payables due under the Parksong S&P Agreement was at the sum of AUD3,244,520, Mr. Chan has denied the claims made in GPL and the Company D&C.

Litigation (Continued)

HCA 1357/2011 (Continued)

For the Production Shortfall Issue, compensation is based on Mr. Chan's production guarantee of 6,500 tonnes of contained tin in concentrate for each of the three anniversaries from the Completion Date under the Parksong S&P Agreement. The actual figures of tin production shortfall were confirmed to be approximately 1,520.8 tonnes, 340.6 tonnes and 487.5 tonnes (totaling 2,348.9 tonnes). GPL stated the claim for compensation for the 3-anniversary production shortfall is in the sum of approximately AUD 5,496,266 (approximately HK\$27,555,342.72).

For the AUD16.3 Million Issue, an application for joinder of parties to engage Yunnan Tin PRC and Yunnan Tin HK was made in July 2014. By a court order dated 19 December 2017, Yunnan Tin PRC and Yunnan Tin HK were joined into the HCA1357 Action as 3rd Defendant and 4th Defendant. Subsequently on 19 March 2018, Yunnan Tin PRC served its Defence and Counterclaim (which was amended on 26 July 2018) in HCA 1357 Action ("Yunnan Tin PRC D&C") under which Yunnan Tin PRC counterclaims against each of Mr. Chan, Parksong, Yunnan Tin HK and GPL for damages and/or the sum of AUD16.3 million and/or to join in a re-assignment of the sum of AUD16.3 million to Yunnan Tin PRC and/or rectification of accounts of Yunnan Tin HK to recognise the sum of AUD16.3 million as being due to Yunnan Tin PRC. From May 2018 to March 2019, Mr. Chan, Parksong, Yunnan Tin HK and GPL also filed its respective defence(s) to Yunnan Tin PRC's counterclaim; Parksong, Yunnan Tin HK and GPL also made further counterclaims against Mr. Chan.

Further, an application for expert evidence on the AUD16.3 Million Issue, Called Sum Issue and Production Shortfall Issue was made by GPL and the Company in August 2014. Expert evidence on AUD16.3 Million Issue, Called Sum Issue, Production Shortfall Issue was made by GPL and the Company and Mr. Chan. Yunnan Tin PRC also prepared expert report on AUD16.3 Million Issue in September 2020. Joint Report/Statement by the experts were also made in respect of these issues in April 2021.

A hearing of case management conference took place on 18 October 2021 and a direction was made to set the case down for trial with 41 days reserved which shall commence on 6 May 2024.

Mr. Chan and GPL and the Company attended a mediation on 16 August 2012 in relation to the disputes in the legal proceedings. In or about December 2021, GPL and the Company attempted mediation with Mr. Chan but Mr. Chan indicated that he did not wish to do mediation again at that moment and might re-consider the same should there be change of circumstances. At present, no settlement has been reached by the parties. The parties are proceeding with the legal proceedings.

Litigation (Continued)

HCA 3132/2016

A writ of summons with general endorsements under High Court Action number 3132/2016 (“HCA 3132 Action”) was issued by Yunnan Tin PRC against Parksong, Yunnan Tin HK and Mr. Chan on 30 November 2016. Under HCA 3132 Action, Yunnan Tin PRC has made various claims which relates to the AUD16.3 Million Issue. The writ of summons was eventually served in November 2017. At the hearing on 19 December 2017 under HCA 1357 Action, both Mr. Chan and Yunnan Tin PRC indicated their understanding that the matters under HCA 3132 Action shall be more conveniently dealt with under HCA 1357 Action and it indicated that HCA 3132 Action should be discontinued in due course. On 10 April 2019, order was given by the Court that HCA 3132 Action be stayed pending the determination of all the disputes in HCA 1357 Action.

HCA 492/2017

By an amended writ of summons dated 3 March 2017, the Company, GPL, Parksong and Yunnan Tin HK as 4 plaintiffs have issued the writ with general endorsements under High Court Action number 492 of 2017 (“HCA 492 Action”) under which, amongst others, GPL and the Company made various claims against Mr. Chan as defendant including a declaration that Mr. Chan shall indemnify GPL and the Company for damages and loss suffered as a consequence of the claims of Yunnan Tin PRC under HCA 3132 Action and for the sum of AUD16.3 million for breach of the Parksong S&P Agreement. Under HCA 492 Action, Parksong and Yunnan Tin HK have also, without prejudice to any defence or counterclaim they may have against Yunnan Tin PRC, made claims against Mr. Chan as defendant for breach of fiduciary duty/director’s duty while Mr. Chan was acting as a director of Parksong and Yunnan Tin HK for, amongst others, matters arising from HCA 3132 Action. On 13 March 2018, Mr. Chan’s legal advisor acknowledged service to the amended writ of summons of HCA 492 Action. In March 2018, the plaintiffs made an application for extension to file a full statement of claim and the matter has been adjourned to be heard for directions at the hearing on 10 April 2019. It is intended that the matters under HCA 492 Action shall be dealt with under HCA 1357 Action. On 10 April 2019, order was given by the Court that HCA 492 Action be stayed pending the determination of all the disputes in HCA 1357 Action.

Financial Review

Revenue

The Group's unaudited consolidated revenue for the six months ended 30 June 2023 amounted to approximately HK\$392,086,000 (30 June 2022: approximately HK\$710,869,000), representing a decrease of 44.8% when compared to the same period of last year. The decrease in the Group's revenue was primarily attributable to (i) a decrease in production volume and (ii) a decrease in average tin price during the period.

Cost of sales

Cost of sales includes mainly direct material costs, direct labour costs and manufacturing overhead absorbed during the production of our products and the cost of tin ingots. It was approximately HK\$302,733,000 for the six months ended 30 June 2023 (30 June 2022: approximately HK\$311,632,000), representing approximately 77.2% of the revenue recorded in that period (last period: approximately 43.8%).

Gross profit

The Group had a gross profit of approximately HK\$89,353,000 (30 June 2022: gross profit of approximately HK\$399,237,000) with gross profit margin at 22.8% for the six months ended 30 June 2023 (30 June 2022: gross profit margin at 56.2%).

Administrative expenses

Administrative expenses represented approximately 7.3% (30 June 2022: 2.9%) of the Group's revenue. Administrative expenses increased from approximately HK\$20,852,000 for the six months ended 30 June 2022 to HK\$28,672,000 for the six months 30 June 2023, mainly due to an increase in administrative staff costs.

Finance costs

Finance costs represented approximately 0.4% (30 June 2022: 0.4%) of the Group's revenue in this period. Finance costs decreased from approximately HK\$2,798,000 for the six months ended 30 June 2022 to approximately HK\$1,451,000 for the six months ended 30 June 2023, The decrease was mainly due to a decrease in shareholders' borrowings.

Discontinued operation

With the disposal of the entire issued share capital of Greentech Technology International Development Limited ("Greentech Development"), the then wholly-owned subsidiary of the Company principally engaged in tin trading business, the Group has reclassified trading of mineral products operation as discontinued operation in accordance with the relevant accounting standards. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to present trading of mineral operation as a discontinued operation. During the six months ended 30 June 2022, a loss for the period from discontinued operation was HK\$1.5 million. Please refer to the section headed "Material Acquisition and Disposal" in this report and note 21 of the notes to the condensed consolidated financial statements for further details of the disposal.

Liquidity, Financial Resources and Capital Structure

The Group financed its operations through internally generated cash flows and borrowing. As at 30 June 2023, the Group did not have any bank facilities but had lease liabilities of approximately HK\$34,783,000 (31 December 2022: approximately HK\$25,555,000). The gearing ratio of the Group, calculated as a ratio of total liabilities to total assets, was 30.6% as at 30 June 2023 (31 December 2022: 29.7%).

As at 30 June 2023, the Group had net current assets of approximately HK\$174,904,000 (31 December 2022: approximately HK\$197,477,000). Current ratio as at 30 June 2023 was 1.83 (31 December 2022: 2.06). The cash and cash equivalents of the Group as at 30 June 2023 was approximately HK\$209,434,000 (31 December 2022: approximately HK\$189,779,000).

Share Consolidation and Change in Board Lot

On 23 June 2022, the shareholders of the Company approved the share consolidation of every five issued and unissued then existing ordinary shares of the Company with par value of HK\$0.005 each into one consolidated share of the Company ("Consolidated Shares") with par value of HK\$0.025 each ("Share Consolidation"). The Share Consolidation took effect on 27 June 2022. Immediately after the Share Consolidation becoming effective, the authorised share capital of the Company of HK\$100,000,000 were divided into 4,000,000,000 Consolidated Shares of par value of HK\$0.025 each, of which 1,366,000,000 Consolidated Shares were in issue. Further details of the Share Consolidation are set out in the announcement of the Company dated 6 May 2022 and circular of the Company dated 6 June 2022.

Exposure to fluctuations in exchange rates and tin price and any related hedges

The Company and certain subsidiaries of the Company have cash and cash equivalents, trade receivables, other payables and accruals, other receivables and sales and purchases denominated in foreign currencies which expose the Group to foreign currency risk.

The Group currently does not maintain a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. During the period ended 30 June 2023, the Group used foreign exchange forward contracts to partially eliminate the currency risk exposure of the Group and used tin futures and forward contracts to partially reduce the tin price risk exposure of the Group.

Charges of assets

As at 30 June 2023, machineries with carrying values of approximately HK\$29,048,000 (31 December 2022: HK\$19,542,000) were pledged to secure outstanding finance leases.

Contingent Liabilities

As at 30 June 2023, except for the litigation as set out in the litigation section of this report, the Group did not have any significant contingent liabilities.

Capital and Other Commitments

The Group had HK\$57,246,000 capital and other commitments as at 30 June 2023 (31 December 2022: HK\$64,892,000) which are expected to be funded by internal resources of the Group.

Significant Investments

For the six months ended 30 June 2023, capital expenditure of the Group for property, plant and equipment, exploration and evaluation assets and right-of-use assets amounted to approximately HK\$127,669,000 (31 December 2022: HK\$226,853,000).

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2023 (30 June 2022: Nil).

Material Acquisition and Disposal

Save as disclosed below, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2023.

On 31 December 2022, the Company, as vendor, and Ms. Yeung Po Yi (“Ms. Yeung”), an individual who is an independent third party, as purchaser, entered into the sale and purchase agreement, pursuant to which Ms. Yeung agreed to purchase, and the Company agreed to sell, the entire issued share capital of Greentech Development, the then wholly-owned subsidiary of the Company at the consideration of HK\$3,200,000. Greentech Development was incorporated in 2018 and commenced gold trading business during the year ended 31 December 2020. However, due to the instability in gold price in 2022, Greentech Development has suspended the gold trading business and commenced the tin trading business in March 2022. The disposal constituted a discloseable transaction for the Company under Chapter 14 of the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The completion of the disposal took place on 31 December 2022, whereupon the Group has ceased to hold any equity interest in Greentech Development. As such, Greentech Development has ceased to be a subsidiary of the Company. The financial results of Greentech Development were no longer consolidated into the results of the Group upon completion. For details of the disposal, please refer to the Company’s announcement dated 2 January 2023.

Future Plans for Material Investments and Capital Assets

As at 30 June 2023, the Group does not have any plans for material investments and capital assets.

Share Option Scheme

On 16 June 2021, the Company adopted a new share option scheme (the “New Share Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. From 1 January 2023, the Company will rely on the transitional arrangement provided for the existing share schemes and will comply with the new Chapter 17 of the Listing Rules accordingly (effective from 1 January 2023). The principal terms of the New Share Option Scheme are summarized as follows:

1. Participants

The eligible participants include the persons who may be invited by the Directors to take up the options comprising (i) any eligible employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company or any of its subsidiaries; and (ii) any non-executive director (including independent non-executive directors) of the Company or any of its subsidiaries.

Share Option Scheme (Continued)

2. Total number of shares available for issue under the New Share Option Scheme

As at the date of this report, the Company had a total of 136,600,000 Shares available for issue under the New Share Option Scheme (representing 10% of the issued Shares as at the date of this report). As at 30 June 2023 and the date of this report, the total number of shares of the Company issuable upon exercise of the options granted is 28,686,000 Shares (representing 2.1% of the issued Shares as at 30 June 2023 and the date of this report). The number of options available for grant under the scheme mandate of the New Share Option Scheme as at 1 January 2023 and 30 June 2023 is 107,914,000 Shares (after Share Consolidation) and 107,914,000 Shares, respectively. No service provider sublimit is fixed under the New Share Option Scheme.

3. Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of options granted to a participant under the New Share Option Scheme (including both exercised and outstanding options) in any 12-month period up to such grant must not exceed 1% of the shares in issue as at the date of the grant.

4. Period within which the shares must be taken up under an option

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Board to each participant provided that the period within which the option must be exercised shall not be more than 10 years from the date of the grant of option. There is no performance target requirement which must be achieved before the option can be exercised.

5. Time of acceptance and the amount payable on acceptance of the option

The option will be offered for acceptance for a period of 21 days from the date on which the option is offered. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

Share Option Scheme (Continued)

6. Basis of determining the exercise price

The exercise price for the shares subject to options will be a price determined by the Board and notified to each participant and shall be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the options; and (iii) the nominal value of the Share.

7. Life of the New Share Option Scheme

The New Share Option Scheme became valid and effective for a period of ten years commencing on 16 June 2021 subject to the early termination by passing an ordinary resolution in general meeting. The remaining life of the New Share Option Scheme is approximately eight years.

As the Share Consolidation had taken effect on 27 June 2022, adjustments were made to the exercise price and the number of shares of the Company falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the New Share Option Scheme and the Listing Rules. No options has been granted during the six months ended 30 June 2023. During the year ended 31 December 2022, the Company had granted share options to subscribe for an aggregate of 143,430,000 then existing ordinary shares of the Company with par value of HK\$0.005 each (before the Share Consolidation) under the New Share Option Scheme to two Directors and other employee ("Share Option(s)"), subject to vesting as detailed in note (b) below. As at 30 June 2023, there were Share Options for 28,686,000 shares (after Share Consolidation) valid and outstanding under the New Share Option Scheme, the details of which are as follows:

Grantee	Date of grant	As at 1.1.2023	Number of share options				As at 30.6.2023	Vesting & exercise period	Exercise price (HK\$)
			Granted	Exercised	Lapsed	Cancelled			
Executive directors									
Ms. Xie Yue	14.04.2022	13,660,000	-	-	-	-	13,660,000	(Note b)	0.935
Dr. Hsu Jing-Sheng	14.04.2022	13,660,000	-	-	-	-	13,660,000	(Note b)	0.935
Other Employee									
Other Employee	14.04.2022	1,366,000	-	-	-	-	1,366,000	(Note b)	0.935
In aggregate		28,686,000	-	-	-	-	28,686,000		
Exercisable at the end of period							2,868,600		

Share Option Scheme (Continued)

Notes:

- (a) Being a full-time employee of the Company.
- (b) The above Share Options shall be exercisable during the option period (i.e. a period of 10 years from the date of grant) in four tranches as set out below:
1. as to 10% of such options for the first tranche, at any time from the date falling on first anniversary of the date of grant till the end of the Option Period (both days inclusive);
 2. as to 30% of such options for the second tranche, at any time from the date falling on third anniversary of the date of grant till the end of the Option Period (both days inclusive);
 3. as to 30% of such options for the third tranche, at any time from the date falling on fourth anniversary of the date of grant till the end of the Option Period (both days inclusive); and
 4. as to 30% of such options for the fourth tranche, at any time from the date falling on fifth anniversary of the date of grant till the end of the Option Period (both days inclusive).

The closing price of the Company's shares immediately before the date on which the options were granted was HK\$0.1808 (before the Share Consolidation).

As no option has been granted during the six months ended 30 June 2023, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 30 June 2023 divided by the weighted average number of shares of the relevant class in issue for the six months ended 30 June 2023 is nil.

The estimated value of the Share Options granted under the New Share Option Scheme during the six months ended 30 June 2023, calculated using the binomial lattice model as at the Date of Grant of the options was approximately HK\$16,416,000.

The binomial lattice model is a generally accepted method of valuing options. The significant assumptions used in the calculation of the values of the Share Options were risk-free rate of interest, dividend yield, volatility and early exercise multiple. The measurement date used in the valuation calculations was the date on which the Share Options were granted.

Share price (adjusted for Share Consolidation)	HK\$0.935
Exercise price (adjusted for Share Consolidation)	HK\$0.935
Expected volatility	59.17%
Expected dividend yield	0%
Risk-free interest rate	2.52%

Share Option Scheme (Continued)

The expected volatility is based on the historical volatility (calculated based on the expected life of the share options), adjusted for any expected changes to future volatility due to public available information. The expected dividends are based on historical dividends. The risk-free interest rate is based on the yield of Hong Kong Exchange Fund Notes with a maturity life equal to the life of the share option.

The fair value calculated for the Share Options is inherently subjective due to the assumptions made and the limitations of the model utilised.

Please refer to the note 20 to the condensed consolidated financial statements for further details of the share options granted and the New Share Option Scheme.

Employees and Remuneration Policy

As at 30 June 2023, the Group employed approximately 352 employees (31 December 2022: 341). Total staff costs for the period ended 30 June 2023 was approximately HK\$82,947,000 (30 June 2022: approximately HK\$82,604,000). The Group's remuneration policy, bonus and salary are based on achievements and performance of the employees. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and state-managed retirement benefit schemes in the PRC and Vietnam. The employees for mining operations are employed by Bluestone Mines Tasmania Joint Venture Pty Limited ("BMTJV") on behalf of YTPAH and Bluestone Mines Tasmania Pty Limited ("BMT"). These employees of BMTJV and the employees of YTPAH are members of a state-managed retirement benefit scheme in Australia (Superannuation fund). The Group continues to provide training facilities to the staff to enhance their knowledge of industry quality standards.

Mines Information

Renison Tin Project

Renison Mine located in Tasmania has been one of the major hard rock tin mines in the world and is the Australia's largest primary tin producer. Tin mining has been carried out at or near Renison since alluvial tin was discovered in 1890. Over the operational history, the mine was owned by several operators. In May 2003, the operation was suspended and BMT purchased the mine in 2004 and commenced redevelopment of the mine. After the acquisition of BMT by Metals X Limited ("Metals X"), the mine restarted in 2008. In March 2010, YTPAH completed the acquisition of 50% in BMT's assets. Under the joint venture agreement between YTPAH and BMT, an unincorporated joint venture ("JV") as a cooperative operator and an incorporated joint venture, BMTJV as a manager to the JV, were formed by both parties on a 50:50 basis. In March 2011, the Company acquired the entire interest of Parksong Mining and Resource Recycling Limited ("Parksong"). Parksong indirectly holds 82% interest of YTPAH and Yunnan Tin PRC indirectly holds 18% interest of YTPAH. The Company has participated in the management of the JV through the interest held in YTPAH. YTPAH is an indirect non-wholly owned subsidiary of the Company. BMT is a wholly-owned subsidiary of Metals X which is a company listed on the Australian Securities Exchange.

The Renison Tin Project is based on BMT's assets consists of (1) the Renison Bell mine, concentrator, and infrastructure ("Renison underground mine"), (2) the Mount Bischoff open-cut tin project ("Mount Bischoff") and (3) the Renison tailings retreatment project ("Rentails").

After the mining contract with the contractor 'Barmenco' expired on 31 March 2016, BMTJV established its own operation team. To ensure a smooth handover of the mining operation, BMTJV extended the mining contract to 30 April 2016. From 1 May 2016, BMTJV started to its own operation of mining activities.

As per the 2012 Australian Joint Ore Resources Committee ("JORC") reporting guidelines, a summary of the material information used to estimate the Mineral Resource of Renison underground mine is as follows:

Renison Tin Project (Continued)

Drilling Data

The bulk of the data used in resource estimations at Renison underground mine has been gathered from diamond core. Three sizes have been used historically NQ2 (45.1mm nominal core diameter), LTK60 (45.2mm nominal core diameter) and LTK48 (36.1mm nominal core diameter), with NQ2 currently in use. This core is geologically logged and subsequently halved for sampling. Grade control holes may be whole-cored to streamline the core handling process if required.

Each development face/round is horizontally chip sampled at Renison underground mine. The sampling intervals are limited by geological constraints (e.g. rock type, veining and alteration/sulphidation etc.). Samples are taken in a range from 0.3m to a maximum of 1.2m in waste/mullock.

All data is spatially oriented by survey controls via direct pickups by the survey department. Drillholes are all surveyed downhole, currently with a GyroSmart tool in the underground environment at Renison underground mine, and a multishot camera for the typically short surface diamond holes.

Drilling in the underground environment at Renison is nominally carried-out on 40m x 40m spacing in the south of the mine and 25m x 25m spacing in the north of the mine prior to mining occurring. A lengthy history of mining has shown that this sample spacing is appropriate for the Mineral Resource estimation process.

Sampling/Assaying

Drill core is halved for sampling. Grade control holes may be whole-cored to streamline the core handling process if required.

Samples are dried at 90°C, then crushed to <3mm. Samples are then riffle split to obtain a sub-sample of approximately 100g which is then pulverized to 90% passing 75µm. 2g of the pulp sample is then weighed with 12g of reagents including a binding agent, the weighed sample is then pulverized again for one minute. The sample is then compressed into a pressed powder tablet for introduction to the X-Ray fluoresce. This preparation has been proven to be appropriate for the style of mineralization being considered.

QA/QC is ensured during the sub-sampling stage process via the use of the systems of an independent NATA/ISO accredited laboratory contractor.

Renison Tin Project (Continued)

Geology/Geological Interpretation

Renison underground mine is one of the world's largest operating underground tin mines and Australia's largest primary tin producer. Renison underground mine is the largest of three major skarn, carbonate replacement, pyrrhotite-cassiterite deposits within western Tasmania. The Renison underground mine area is situated in the Dundas Trough, a province underlain by a thick sequence of Neoproterozoic-Cambrian siliciclastic and volcanoclastic rocks. At Renison underground mine, there are three shallow-dipping dolomite horizons which host replacement mineralization. The Federal Orebody Mining has occurred since 1800's providing a significant confidence in the current geological interpretation across all projects. No alternative interpretations are currently considered viable. Geological interpretation of the deposit was carried out using a systematic approach to ensure that the resultant estimated Mineral Resource figure was both sufficiently constrained, and representative of the expected sub-surface conditions. In all aspects of resource estimation, the factual and interpreted geology was used to guide the development of the interpretation.

Renison underground mine has currently been mined over a strike length of >2,065m, a lateral extent of >900m and a depth of over 1,300m.

Database

Drillhole data is stored in a Maxwell's DataShed system based on the Sequel Server platform which is currently considered "industry standard".

As new data is acquired, it passes through a validation approval system designed to pick up any significant errors before the information is loaded into the master database. The information is uploaded by a series of Sequel routines and is performed as required. The database contains diamond drilling (including geotechnical and specific gravity data), face chip and sludge drilling data and some associated metadata.

Estimation and modelling techniques

All modelling and estimation work undertaken by BMTJV is carried out in three dimensions via Surpac Vision.

After validating the drillhole data to be used in the estimation, interpretation of the orebody is undertaken in sectional and/or plan view to create the outline strings which form the basis of the three dimensional orebody wireframe. Wireframing is then carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate three dimensional representation of the sub-surface mineralized body.

Renison Tin Project (Continued)

Estimation and modelling techniques (Continued)

Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation search parameters, top-cuts etc. Variographic analysis of individual domains is undertaken to assist with determining appropriate search parameters which are then incorporated with observed geological and geometrical features to determine the most appropriate search parameters.

Grade estimation utilizing the ordinary kriging method. By-product and deleterious elements are estimated at the time of primary grade estimation.

The resource is then depleted for mining voids and subsequently classified in line with JORC guidelines utilizing a combination of various estimation derived parameters and geological/mining knowledge.

Estimation results are validated against primary input data, previous estimates, and mining output. Good reconciliation between mine claimed figures and milled figures is routinely achieved.

Tonnage estimates are dry tonnes.

Cut-Off Grade

The resource reporting cut-off grade is 0.7% Sn at Renison underground mine based on economic assessment and current operating and market parameters.

Metallurgical and Mining Assumptions

Mining assumptions are based upon production results achieved in the currently operating Renison underground mine. The current underground mining methods employed at Renison underground mine are considered applicable to the currently reported resource.

Metallurgical assumptions are based upon a significant history of processing Renison material at the currently operating Renison Underground Concentrator and supported by an extensive history of metallurgical test-work.

Classification

Resources are classified in line with JORC guidelines utilizing a combination of various estimation derived parameters, the input data and geological/mining knowledge. This approach considers all relevant factors and reflects the Competent Person's view of the deposit.

Renison Tin Project (Continued)

Classification (Continued)

In general, measured material has been operationally developed, Indicated material requires a zone of 45m having a data density of at least 4 holes, while Inferred material is drilled at greater spacings.

Estimated Tin and Copper Reserves and Resources

For the six months ended 30 June 2023, 75 underground core holes were drilled, mostly NQ2, at a total of 25,607 meters. In addition, 4 surface exploration core holes were drilled at a total of 2597 meters. Drilling had effectively increased the amount of indicated resources and probable reserves.

Updated Resource Estimates for Renison underground mine and Rentals as of 30 June 2023

PROJECT	TIN			COPPER		
	Tonnes ('000)	Grade (%Sn)	Sn Metal (t)	Tonnes ('000)	Grade (%Cu)	Cu Metal (t)
Measured						
Renison Bell	2,452	1.95	47,755	2,452	0.21	5,255
Rentails	23,886	0.44	104,370	23,886	0.22	52,714
Sub-total	26,338	0.58	152,125	26,338	0.22	57,969
Indicated						
Renison Bell	14,762	1.51	222,508	14,762	0.19	28,321
Rentails	–	–	–	–	–	–
Sub-total	14,762	1.51	222,508	14,762	0.19	28,321
Inferred						
Renison Bell	2,826	1.33	37,588	2,826	0.18	5,193
Rentails	–	–	–	–	–	–
Sub-total	2,826	1.33	37,588	2,826	0.18	5,193
Total Resources						
Renison Bell	20,040	1.54	307,851	20,040	0.19	38,769
Rentails	23,886	0.44	104,370	23,886	0.22	52,714
Total I.M.R	43,926	0.94	412,221	43,926	0.21	91,483

Renison Tin Project (Continued)

Estimated Tin and Copper Reserves and Resources (Continued)

During the six months ended 30 June 2023, an extensive exploration and resources development drilling campaign targeting underground targets was conducted over Renison underground mine. 1,228 meters of capital development and 1,100 meters of operating development were advanced during the year. 4,273 tonnes of tin metal was produced from Renison underground mine and 0 tonne from Mount Bischoff, and processed ores averaged 1.68% Sn. No development or recovery production activities were carried out for Rentals Project.

Operating Expenses for the six months ended 30 June 2023

	HK\$'000
Mining costs	97,142
Processing costs	66,508
Royalty	20,805
Transportation	2,588
Depreciation	68,382
Others	47,308
Total	302,733

Finance costs for the six months ended 30 June 2023

	HK\$'000
Interests on leases liabilities	629

For the six months ended 30 June 2023, a total of approximately HK\$127,669,000 capital expenditure was incurred for exploration, development or production activities.

Renison Tin Project (Continued)

Estimated Tin and Copper Reserves and Resources (Continued)

Updated Reserve Estimates for Renison underground mine and Rentals as at 30 June 2023

PROJECT	Cut-off %	TIN			COPPER		
		Tonnes ('000)	Grade (%Sn)	Sn Metal (t)	Tonnes ('000)	Grade (%Cu)	Cu Metal (t)
Proved Reserves							
Renison Bell	0.65%	1,596	1.28	20,400	1,596	0.15	2,400
Rentails	–	–	–	–	–	–	–
Sub-total	–	1,596	1.28	20,400	1,596	0.15	2,400
Probable Reserves							
Renison Bell	0.65%	7,251	1.50	108,500	7,251	0.16	11,900
Rentails	–	22,313	0.44	98,900	22,313	0.23	50,700
Sub-total	–	29,564	0.70	207,400	29,564	0.21	62,600
Total Mining Reserves							
Renison Bell	0.65%	8,847	1.46	128,900	8,847	0.16	14,300
Rentails	–	22,313	0.44	98,900	22,313	0.23	50,700
Total	–	31,160	0.73	227,800	31,160	0.21	65,000

The above information that relates to Mineral Resources report has been compiled by BMTJV technical employees under the supervision of Mr. Colin Carter (“Mr. Carter”) B.Sc. (Hons), M.Sc. (Econ. Geol), MAusIMM. Mr. Carter is a full-time employee of BMTJV and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Renison Underground Mine

The Renison underground mine is one of underground tin mines in Australia and is located on the west coast of Tasmania, 140 kilometers (“km”) south of the port of Burnie, 10km west of the mining town of Rosebery, and 16km northeast of Zeehan where BMTJV has an accommodation village with bulk of the workforce resided.

The mine is adjacent to the sealed Murchison Highway which connects Renison underground mine with Burnie on the north coast. The Emu Bay railway also runs adjacent to the mine and gives access to Burnie’s shipping facilities, although Renison underground mine does not use the railway for its products, but rather loads the tin concentrate in 2 tonnes metal bins which are trucked to Burnie for containerizing and export.

Conventional up-hole longhole stoping methods have incorporated with up-hole rising utilizing a purpose built drill rig. The majority of ore production was sourced from the Lower Federal, Central Federal Bassets, Area 4, and Huon North Areas. Development ore from the newly delineated Area 5 and Leatherwood areas was also mined during the year. These two new areas form a large part of the mine plan moving forward. The mining activities in the Area 4 and Lower Federal was completed during the year.

A new geological model was developed during the year that encompasses all of the Renison’s resource and will enhance a full review of the mine.

Mount Bischoff

Mount Bischoff, acted as an incremental field to supplement the Renison ore, was mined by open-cast techniques and hauled by road-train to the Concentrator where it was blended with feedstock from the Renison underground mine until July 2010 when the open pit was suspended and placed into care and maintenance as the reserve had been depleted. As such, there is no fixed or updated plan on re-opening of Mount Bischoff within a considerable period of time. In view of this, BMTJV has not made any updated mining plan for Mount Bischoff since March 2011 and recognized an impairment loss of HK\$40,162,000 on exploration and evaluation assets of this open-pit mine during the year ended 31 December 2012.

The Group proposed closing Mount Bischoff, which was placed into care and maintenance as the reserve had been depleted for a period of time. The Mount Bischoff closure plan currently developed with the external consultants was in line with the discussions with the regulatory authorities in late 2019. Work is continuing on finalising the plan, but the submission is now expected to occur in late 2023 or early 2024.

Rentails

The Rentails is based on the retreatment of process tailings which have accumulated since the commencement of mining at Renison underground mine. It involves the retreatment of approximately 22.3 million tonnes of tailings with an average grade of 0.44% tin and 0.23% copper stored in tailings dams at Renison underground mine. The contained tin within these dams is approximately 99,000 tonnes, one of the largest tin resources in Australia. In view of a significant capital requirement is required before the value of Rentails can be unlocked, the Company had not assigned any value to this Rentails in our accounting books at the date of completion of the acquisition of Parksong. The management of BMTJV will continue to conduct study on the feasibility of the Rentails project.

Renewal of mining lease

The Mining Lease in respect of the Renison underground mine has been renewed and will expire on 1 August 2031.

Other Information

Purchase, Sales or Redemption of the Company's Listing Securities

Neither the Company nor any of its subsidiaries was purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2023.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and to the knowledge of the Board, the Board confirms that the Company has maintained a sufficient public float as required under the Listing Rules during the period ended 30 June 2023.

Continued Connected Transaction

Tin concentrates supply

On 31 January 2019, YTPAH entered into a tin supply contract with YTATR, pursuant to which YTPAH agreed to supply tin concentrates (the "Tin Supply Contract") to YTATR from 1 February 2019 to 31 January 2022. YTPAH is a wholly-owned subsidiary of Yunnan Tin Hong Kong (Holding) Group Co. Limited ("YTHK"), which is owned as to 82% by the Company and 18% by Yunnan Tin PRC. Yunnan Tin PRC indirectly holds 100% equity interest in YTATR. As such, YTATR is a connected person of the Company by virtue of being a subsidiary of the substantial shareholder of YTHK. Accordingly, the transaction contemplated under the Tin Supply Contract constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The annual caps for the transactions contemplated under the Tin Supply Contract are approximately HK\$480 million from 1 February 2019 to 31 December 2019, HK\$633 million for the year ended 31 December 2020, HK\$765 million for the year ended 31 December 2021 and HK\$77 million from 1 January 2022 to 31 January 2022. On 19 October 2021, the Company revised the annual cap for the year ended 31 December 2021 and for the one month ended 31 January 2022 to HK\$1.2 billion and HK\$140 million respectively. The price of tin concentrates per dry metric ton was agreed by the parties to the Tin Supply Contract after taking into account that (i) the official LME cash settlement average price of tin metal in the quotational period; (ii) deduction of a treatment charge calculated at an agreed fixed rate per dmt specified in the Tin Supply Contract; (iii) deduction based on the final tin content; and (iv) penalty for impurity. It was agreed that YTATR would pay 85% of the provisional value of each lot within three working days after YTATR receives all shipment documents and the remaining part would be settled within 10 working days after the final analysis and weights of tin concentrates confirmed by both YTPAH and YTATR.

Continued Connected Transaction (Continued)

Tin concentrates supply (Continued)

On 23 December 2021, YTPAH entered into a new tin supply contract with YTATR, pursuant to which YTPAH agreed to supply tin concentrates (the "New Tin Supply Contract") to YTATR from 1 February 2022 to 31 January 2025. The annual caps for the transactions contemplated under the New Tin Supply Contract are approximately HK\$1.8 billion from 1 February 2022 to 31 December 2022, HK\$2 billion for the year ending 31 December 2023, HK\$2 billion for the year ending 31 December 2024 and HK\$180 million from 1 January 2025 to 31 January 2025.

The revenue under the New Tin Supply Contract for the six months ended 30 June 2023 amounted to approximately HK\$392,086,000.

For details, please refer to the announcements of the Company dated 31 January 2019, 19 October 2021 and 23 December 2021.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

Long position in the shares of the Company

Name of Director	Capacity	No. of ordinary shares held in the Company (long position)	Interest in underlying Shares	Approximate % of issued share capital of the Company
Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P	Beneficial owner	242,732,353	–	17.77%
	Security Interest (note 1)	160,000,000	–	11.71%
Ms. Xie Yue	Beneficial owner	–	13,660,000 (note 2)	1.00%
Dr. Hsu Jing-Sheng	Beneficial owner	–	13,660,000 (note 2)	1.00%

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations (Continued)

Long position in the shares of the Company (Continued)

Notes:

1. On 17 July 2020, (a) Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P and Ms. Fu Jingqi entered into a sale and purchase agreement ("Sale and Purchase Agreement") to (i) transfer the then existing 800,000,000 ordinary shares of the Company to Ms. Fu Jingqi at the consideration of HK\$160,000,000, which was satisfied by a promissory note issued by Ms. Fu Jingqi; and (ii) impose obligations and restrictions on Ms. Fu Jingqi to her use, retention and/or disposal of the said 800,000,000 shares; and (b) Ms. Fu Jingqi executed a legal charge over, among others, the said 800,000,000 shares in favour of Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P as security. After the Share Consolidation becoming effective on 27 June 2022, the said 800,000,000 shares charged in favour of Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P as security were adjusted to 160,000,000 Consolidated Shares.
2. These interests in underlying shares represent interests in options granted on 14 April 2022 under the New Share Option Scheme. Please refer to Note 20 of the Notes to the condensed consolidated financial statements for further details of the share option granted.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company had any interests or short positions in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 30 June 2023, so far as the Directors were aware, the interests and short positions of substantial shareholders (other than a Director, or the chief executive of the Company) in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long position in the shares of the Company

Name of Shareholder	Capacity	No. of ordinary shares held (after the Share Consolidation) (Note 1)	approximate % of issued share capital of the Company
Ren Ming Hong (Note 2)	Interest of controlled corporation	340,000,000(L)	24.89%
Amazing Express International Limited (Note 2)	Interest of controlled corporation	340,000,000(L)	24.89%
Excel Jumbo International Limited (Note 2)	Interest of controlled corporation	340,000,000(L)	24.89%
Yu Tao (Note 3)	Interest of controlled corporation	340,000,000(L)	24.89%
新余路沃投資管理中心 (Notes 3 and 4)	Interest of controlled corporation	340,000,000(L)	24.89%
上海港美信息科技中心 (Notes 3 and 4)	Interest of controlled corporation	340,000,000(L)	24.89%
杭州賽旭通投資管理有限公司 (Note 4)	Interest of controlled corporation	340,000,000(L)	24.89%
北京賽伯樂綠科投資管理有限公司 (Note 4)	Interest of controlled corporation	340,000,000(L)	24.89%
賽伯樂綠科(上海)投資管理有限公司 (Note 4)	Interest of controlled corporation	340,000,000(L)	24.89%
賽伯樂綠科(深圳)投資管理有限公司 (Note 4)	Interest of controlled corporation	340,000,000(L)	24.89%
Zhu Min (Note 4)	Interest of controlled corporation	340,000,000(L)	24.89%
杭州悠然科技有限公司 (Note 4)	Interest of controlled corporation	340,000,000(L)	24.89%
賽伯樂投資集團有限公司 (Note 3)	Interest of controlled corporation	340,000,000(L)	24.89%
Cybernaut Greentech Investment Holding (HK) Limited (i.e. Cybernaut) (Notes 2, 3 and 4)	Beneficial owner	340,000,000(L)	24.89%
Fu Jingqi (Note 5)	Beneficial owner	160,000,000(L) 160,000,000(S)	11.71% 11.71%

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (Continued)

Long position in the shares of the Company (Continued)

Notes:

- (1) The letter "L" denotes the long position in the shares of the Company and the letter "S" denotes the short position in the shares of the Company.
- (2) Ren Ming Hong controlled 100% of the equity interest in Amazing Express International Limited, which controlled 100% of the equity interest in Excel Jumbo International Limited. Excel Jumbo International Limited controlled 50% of the equity interest in Cybernaut. Therefore, Ren Ming Hong, Amazing Express International Limited and Excel Jumbo International Limited were deemed to be interested in 1,700,000,000 shares in the Company held by Cybernaut.
- (3) Yu Tao controlled 99% of the equity interest in 新余銘沃投資管理中心, which controlled 99% of the equity interest in 上海港美信息科技中心. 上海港美信息科技中心 controlled 50% of the equity interests in Cybernaut. Therefore, Yu Tao, 新余銘沃投資管理中心 and 上海港美信息科技中心 were deemed to be interested in 1,700,000,000 shares in the Company held by Cybernaut.
- (4) Zhu Min controlled 90% of the equity interest in 杭州悠然科技有限公司, which controlled 91% of the equity interest in 賽伯樂投資集團有限公司. 賽伯樂投資集團有限公司 controlled 75% of the equity interest in 北京賽伯樂綠科投資管理有限公司. 北京賽伯樂綠科投資管理有限公司 controls 95% of the equity interest in 賽伯樂綠科(上海)投資管理有限公司, which controlled 50% of the equity interest in 杭州賽旭通投資管理有限公司, 杭州賽旭通投資管理有限公司 controlled 1% of the equity interest in 上海港美信息科技中心. Furthermore, 北京賽伯樂綠科投資管理有限公司 controlled 95% of the equity interest in 賽伯樂綠科(深圳)投資管理有限公司, which held 1% of the equity interest in 新余銘沃投資管理中心. 新余銘沃投資管理中心 controlled 99% of the equity interest in 上海港美信息科技中心. 上海港美信息科技中心 controlled 50% of the equity interests in Cybernaut. Therefore, Zhu Min, 杭州悠然科技有限公司, 賽伯樂投資集團有限公司, 北京賽伯樂綠科投資管理有限公司, 賽伯樂綠科(上海)投資管理有限公司, 杭州賽旭通投資管理有限公司 and 賽伯樂綠科(深圳)投資管理有限公司 were deemed to be interested in 1,700,000,000 shares in the Company held by Cybernaut.
- (5) The then existing 800,000,000 ordinary shares of the Company are charged by Ms. Fu Jingqi in favour of Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P as security for the performance by Ms. Fu Jingqi of her obligations under the Sale and Purchase Agreement. After the Share Consolidation became effective on 27 June 2022, the said 800,000,000 shares charged in favour of Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P as security were adjusted to 160,000,000 Consolidated Shares.

As the Share Consolidation had taken effect on 27 June 2022, adjustments were made to the number of shares of the Company falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the Scheme and the Listing Rules. As at 30 June 2023, there were 340,000,000 shares of the Company (after the Share Consolidation) held by Cybernaut.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (Continued)

Long position in the shares of the Company (Continued)

Save as disclosed above, as at 30 June 2023, as far as the Directors were aware, no other persons, other than a Director and the chief executive of the Company, or entities, had any interests or short positions in any shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of the Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Review of Interim Report

The audit committee of the Board (the "Audit Committee") has reviewed the Group's interim results for the six months ended 30 June 2023. The Audit Committee comprises all of the three independent non-executive directors ("INEDs"), namely Datin Sri Lim Mooi Lang, Mr. Kim Wooryang and Ms. Peng Wenting.

Corporate Governance

In the opinion of the Directors, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2023.

Event after the reporting period

There has been no significant event affecting the Group after the six months ended 30 June 2023 and up to the date of this report.

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2023.

By the Order of the Board
Greentech Technology International Limited
Tan Sri Dato' KOO Yuen Kim
P.S.M., D.P.T.J. J.P
Chairman

Hong Kong, 30 August 2023

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

**TO THE BOARD OF DIRECTORS OF
GREENTECH TECHNOLOGY INTERNATIONAL LIMITED**
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Greentech Technology International Limited (the “Company”) and its subsidiaries set out on pages 34 to 52, which comprise the condensed consolidated statement of financial position as of 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong
30 August 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

		Six months ended	
		30.6.2023	30.6.2022
		HK\$'000	HK\$'000
	Notes	(unaudited)	(unaudited) (restated)
Continuing operations			
Revenue	3	392,086	710,869
Cost of sales		(302,733)	(311,632)
Gross profit		89,353	399,237
Other income		2,371	860
Other gains and losses	5	(2,044)	45,030
Other expenses		(2,849)	(2,583)
Administrative expenses		(28,672)	(20,852)
Finance costs	6	(1,451)	(2,798)
Profit before tax		56,708	418,894
Taxation	7	(27,660)	(129,789)
Profit for the period	8	29,048	289,105
Discontinued operation			
Loss for the period from a discontinued operation	21	–	(1,528)
Profit for the period		29,048	287,577
Profit (loss) for the period attributable to owners of the Company			
– from continuing operations		20,303	239,986
– from discontinued operation		–	(1,528)
Profit for the period attributable to owners of the Company		20,303	238,458
Profit for the period attributable to non-controlling interests from continuing operations		8,745	49,119
		29,048	287,577

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2023 (Continued)

	Notes	Six months ended	
		30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited) (restated)
Earnings per share	10		
From continuing and discontinued operations			
Basic and diluted (HK cents)		1.5	17.5
From continuing operations			
Basic and diluted (HK cents)		1.5	17.6
Profit for the period		29,048	287,577
Other comprehensive (expense) income for the period:			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		(21,804)	(49,132)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		24	6
Other comprehensive expense for the period		(21,780)	(49,126)
Total comprehensive income for the period		7,268	238,451
Total comprehensive (expense) income attributable to:			
Owners of the Company			
– from continuing operations		(152)	194,415
– from discontinued operation		–	(1,541)
Non-controlling interests			
– from continuing operations		7,420	45,577
		7,268	238,451

Condensed Consolidated Statement of Financial Position

As at 30 June 2023

		30.6.2023 HK\$'000 (unaudited)	31.12.2022 HK\$'000 (audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	11	584,365	554,990
Right-of-use assets	11	37,848	26,796
Exploration and evaluation assets	11	398,954	408,177
Deposits		21,254	21,315
Investment in an associate		64	64
		1,042,485	1,011,342
Current assets			
Inventories		81,585	68,129
Trade receivables	12	16,758	20,540
Financial investment at amortised cost	13	38,496	49,414
Other receivables, prepayments and deposits		23,631	23,843
Equity security at fair value through profit or loss ("FVTPL")		–	6
Amount due from an associate		2,016	–
Tax recoverable		13,428	31,852
Cash and cash equivalents		209,434	189,779
		385,348	383,563
Current liabilities			
Trade payables	14	55,489	48,419
Other payables and accruals		123,803	108,882
Lease liabilities		17,029	14,662
Dividend payable to a non-controlling shareholder of a subsidiary		14,123	14,123
		210,444	186,086
Net current assets		174,904	197,477
Total assets less current liabilities		1,217,389	1,208,819

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2023 (Continued)

		30.6.2023 HK\$'000 (unaudited)	31.12.2022 HK\$'000 (audited)
	<i>Notes</i>		
Capital and reserves			
Share capital	15	34,150	34,150
Reserves		897,354	895,154
Equity attributable to owners of the Company		931,504	929,304
Non-controlling interests		59,139	51,719
Total equity		990,643	981,023
Non-current liabilities			
Lease liabilities		17,754	10,893
Deferred tax liabilities		139,103	142,289
Provision for rehabilitation		69,889	74,614
		226,746	227,796
		1,217,389	1,208,819

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Special reserve HK\$'000 (note a)	Share-based payments reserve HK\$'000	Other reserve HK\$'000 (note b)	(Accumulated losses) retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2022 (audited)	34,150	950,427	(136,252)	7,800	-	(1,280)	(92,608)	762,237	35,749	797,986
Profit for the period	-	-	-	-	-	-	238,458	238,458	49,119	287,577
Exchange differences on translation from functional currency to presentation currency	-	-	(45,590)	-	-	-	-	(45,590)	(3,542)	(49,132)
Exchange differences arising on translation of foreign operations	-	-	6	-	-	-	-	6	-	6
Total comprehensive (expense) income for the period	-	-	(45,584)	-	-	-	238,458	192,874	45,577	238,451
Recognition of equity-settled share-based payments	-	-	-	-	1,136	-	-	1,136	-	1,136
At 30 June 2022 (unaudited)	34,150	950,427	(181,836)	7,800	1,136	(1,280)	145,850	956,247	81,326	1,037,573
At 1 January 2023 (audited)	34,150	950,427	(189,152)	7,800	3,852	(1,280)	123,507	929,304	51,719	981,023
Profit for the period	-	-	-	-	-	-	20,303	20,303	8,745	29,048
Exchange differences on translation from functional currency to presentation currency	-	-	(20,479)	-	-	-	-	(20,479)	(1,325)	(21,804)
Exchange differences arising on translation of foreign operations	-	-	24	-	-	-	-	24	-	24
Total comprehensive (expense) income for the period	-	-	(20,455)	-	-	-	20,303	(152)	7,420	7,268
Recognition of equity-settled share-based payments	-	-	-	-	2,352	-	-	2,352	-	2,352
At 30 June 2023 (unaudited)	34,150	950,427	(209,607)	7,800	6,204	(1,280)	143,810	931,504	59,139	990,643

Note a: Special reserve is arisen from the reorganisation in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Note b: Other reserve represented the difference between the considerations paid for acquisition of additional interest in a subsidiary in prior years and the carrying amount of non-controlling interests (being the proportionate share of the carrying amount of the net assets of that subsidiary).

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Six months ended	
	30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited)
Operating cash flows before movements in working capital	143,587	458,985
Increase in inventories	(15,271)	(231,235)
Other movements in working capital	28,682	50,283
Tax paid	(9,603)	(159,347)
Net cash generated from operating activities	147,395	118,686
Interest received	1,705	68
Purchase of property, plant and equipment	(97,187)	(115,513)
Payments for exploration and evaluation assets	(11,466)	(5,580)
Advance to an associate	(2,016)	–
Proceeds from disposal of equity security at FVTPL	6	–
Proceeds on disposal of property, plant and equipment	–	1,657
Investment in financial asset at amortised cost	–	(48,648)
Net cash used in investing activities	(108,958)	(168,016)
Interest paid	(1,451)	(651)
Repayment of a shareholder's borrowing	–	(1,389)
Shareholder's borrowing raised	–	234,396
Repayment of lease liabilities	(9,227)	(6,747)
Dividend paid to a non-controlling shareholder of a subsidiary	–	(31,564)
Net cash (used in) generated from financing activities	(10,678)	194,045
Net increase in cash and cash equivalents	27,759	144,715
Effect of foreign exchange rate changes	(8,104)	(16,887)
Cash and cash equivalents at 1 January	189,779	267,051
Cash and cash equivalents at 30 June	209,434	394,879
Cash and cash equivalents	209,434	394,879

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

1. General Information and Basis of Preparation

Greentech Technology International Limited (the “Company”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands on 22 January 2008. The shares of the Company are listed on the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the interim report.

The Company acts as an investment holding company and provides corporate management services to its subsidiaries. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are exploration, development and mining of tin and copper bearing ores in Australia through a joint operation.

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

The Company’s functional currency is Australian Dollars (“AUD”). The condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) as the directors of the Company consider that HK\$ is the appropriate presentation currency for the convenience of the users of the condensed consolidated financial statements.

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

2. Principal Accounting Policies (Continued)

Application of new and amendments to HKFRSs

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

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

3. Revenue

Revenue represents the net amounts received and receivable for tin concentrate sold in the normal course of business, net of sales related taxes. All of the Group's revenue is recognised at point in time when the goods has been delivered to the customers' specific location.

4. Segment Information

The executive directors of the Company have been identified as the chief operating decision makers ("CODM"). As set out in note 21, the Group has discontinued the trading of mineral products operation during the year ended 31 December 2022, accordingly, the executive directors consider the Mining Operations held under the joint operation is the principal operation of the Group and represents one single segment. Segment information is no longer reported to the executive directors of the Company for resources allocation. Segment revenue and results from continuing operations are therefore the same as those presented in the condensed consolidated statement of profit or loss and other comprehensive income.

5. Other Gains and Losses

	Six months ended	
	30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited) (restated)
Continuing operations		
Fair value gain of derivative financial instruments	–	22,871
Net foreign exchange gain	9,772	21,237
(Loss) gain on disposal of property, plant and equipment	(33)	1,631
Impairment loss under expected credit loss model for financial investment at amortised cost (note 13)	(11,750)	(544)
Others	(33)	(165)
	(2,044)	45,030

6. Finance Costs

	Six months ended	
	30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited) (restated)
Continuing operations		
Interests on leases liabilities	936	651
Unwinding of discount on provision for rehabilitation	515	–
Interest on shareholders' borrowings	–	2,147
	1,451	2,798

7. Taxation

	Six months ended	
	30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited) (restated)
Continuing operations		
Current tax charge – Australian Company Tax	27,638	104,118
Deferred tax charge	22	25,671
	27,660	129,789

Under Australian tax law, the tax rate used for both interim periods is 30% on taxable profits on Australian incorporated entities.

8. Profit for the Period

	Six months ended	
	30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited) (restated)
Continuing operations		
Profit for the period has been arrived at after charging:		
Cost of inventories recognised as an expense	302,733	311,632
Depreciation of property, plant and equipment	69,404	59,423
Depreciation of right-of-use assets	7,340	5,581
Short-term lease payments	39	65
Staff costs and directors' emoluments (including equity-settled share-based payments of HK\$2,352,000 (six months ended 30 June 2022: HK\$1,136,000))	82,947	82,604

9. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

10. Earnings Per Share

The calculation of basic earnings per share attributable to the owners of the Company for each of the six months ended 30 June 2023 and 2022 is based on the following data:

	Six months ended	
	30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited) (restated)
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share from:		
Continuing operations		
– Profit for the period attributable to the owners of the Company from continuing operations	20,303	239,986
Discontinued operation		
– Loss for the period attributable to the owners of the Company from discontinued operation	–	(1,528)
Continuing and discontinued operations		
– Profit for the period attributable to the owners of the Company	20,303	238,458
	'000	'000
Number of ordinary shares for the purpose of basic and diluted earnings per share	1,366,000	1,366,000

10. Earnings Per Share (Continued)

The computation of diluted earnings per share does not assume the exercise of all of the Company's share options as the exercise price of those options was higher than the average market price for both reporting periods.

The weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share for the six months ended 30 June 2022 has been adjusted to reflect the impact of the share consolidation on 27 June 2022.

Basis and diluted loss per share for the discontinued operation for the six months ended 30 June 2022 is HK0.1 cent per share (six months ended 30 June 2023: N/A).

11. Property, Plant and Equipment, Right-of-use Assets and Exploration and Evaluation Assets

Property, plant and equipment

During the six months ended 30 June 2023, the Group had additions to the property, plant and equipment amounted to approximately HK\$97,187,000 (six months ended 30 June 2022: HK\$115,513,000).

Exploration and evaluation assets

During the six months ended 30 June 2023, the Group had additions to the exploration and evaluation assets amounted to approximately HK\$11,466,000 (six months ended 30 June 2022: HK\$5,580,000).

Right-of-use assets

During the six months ended 30 June 2023, the Group had additions to the right-of-use assets amounted to approximately HK\$19,016,000 (six months ended 30 June 2022: HK\$13,032,000) and additions to the lease liabilities amounted to approximately HK\$19,016,000 (six months ended 30 June 2022: HK\$13,032,000).

12. Trade Receivables

Trade receivable arose from sales of tin concentrate, the Group allows a credit period of 3 working days for 85% of the provisional value upon the delivery of goods (at the point when control of goods is transferred to customer) and issue of provisional invoices. For the remaining 15%, the Group allows a credit period of 10 working days after the issue of final invoice, which is derived based on the mutual agreement on grade and weights of tin concentrates with the customer and the adjustments on the final sales prices based on the market price of tin. It normally takes around 1 to 2 months after delivery of goods for the issue of final invoice. At the end of the reporting period, the entire amount of the Group's trade receivables is due from a related party, Yunnan Tin Australia TDK Resources Pty Limited ("YTATR"), being a subsidiary of the non-controlling shareholder of a subsidiary of the Company.

The Group's trade receivables are aged 0-30 days based on final invoice date at the end of the reporting period.

13. Financial Investment at Amortised Cost

During the period ended 30 June 2022, the Group invested into a private fund at cost of approximately USD6,200,000 (equivalent to HK\$48,583,000). A fixed return on the investment at 6% per annum is agreed with the fund and the fund is required to be redeemed in its entirety at the end of 12 months from the date of investment. During the period ended 30 June 2023, interest income of HK\$647,000 (six months ended 30 June 2022: HK\$ HK\$792,000) was recognised in profit or loss.

As at 30 June 2023, the fund had been in default for interest payments and principal, the fund investment is therefore regarded as credit-impaired. In measuring the lifetime expected credit loss, the Group considers the expectation on the amount and timing of cash flows which take into account the value of the underlying assets in the private fund. Impairment loss of HK\$11,750,000 (six months ended 30 June 2022: HK\$544,000) was recognised in profit or loss to reflect the credit-impaired status of the amount.

14. Trade Payables

The Group's trade payables are aged 0-30 days based on the invoice date at the end of the reporting period.

15. Share Capital

	Number of shares	Share capital (HK\$'000)
Ordinary shares		
Authorised:		
At 1 January 2022 (HK\$0.005 each)	20,000,000,000	100,000
Share consolidation	(16,000,000,000)	–
At 31 December 2022 and 30 June 2023 (HK\$0.025 each)	4,000,000,000	100,000
Issued and fully paid:		
At 1 January 2022	6,830,000,000	34,150
Share consolidation	(5,464,000,000)	–
At 31 December 2022 and 30 June 2023	1,366,000,000	34,150

16. Capital Commitments

At the end of the reporting period, the Group's share of capital commitments of the 50% interest in certain mining projects ("JV Projects") located in Tasmania, Australia are as follows:

	30.6.2023 HK\$'000 (unaudited)	31.12.2022 HK\$'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of property, plant and equipment of JV Projects	43,364	51,910
Commitments on mineral tenement	13,882	12,982

17. Related Party Transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, during the six months ended 30 June 2023 and 2022, the Group had entered into the following transactions with related parties:

	Six months ended 30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited)
Sales of tin concentrate to YTATR (<i>note</i>)	392,086	710,869
Interest expense on shareholder's borrowing from Cybernaut	–	2,147
Interest expense on shareholder's borrowing from Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P	–	4,253
Consultancy fee to an associate	1,000	–

Note:

The transactions represent the revenue from sales of tin concentrate to YTATR, a company which invests in Australia mineral resource project located in Australia, and is a subsidiary of a non-controlling shareholder who has significant influence on a subsidiary of the Company.

17. Related Party Transactions (Continued)

Compensation of key management personnel

The remuneration of members of key management including directors of the Company during the period was as follows:

	Six months ended	
	30.6.2023 HK\$'000 (unaudited)	30.6.2022 HK\$'000 (unaudited)
Short-term benefits	3,305	3,334
Equity-settled share-based payments	2,352	1,136
Contributions to retirement benefit scheme	18	18
	5,675	4,488

18. Fair Value Measurements of Financial Instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Certain of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value as at		Fair value hierarchy	Valuation technique and key input(s)
	30.6.2023 HK\$'000 (unaudited)	31.12.2022 HK\$'000 (audited)		
Financial assets				
Equity security at FVTPL	–	6	Level 1	Quoted bid price in an active market
Trade receivables	16,758	20,540	Level 2	Derived from the quoted forward tin price

18. Fair Value Measurements of Financial Instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of other financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

The management of the Group considers that the carrying amounts of other financial assets and financial liabilities recorded in the consolidated statement of financial position approximate their fair values.

19. Major Non-cash Transaction

During the six months ended 30 June 2023, the Group entered into new lease agreements for two to eight years (six months ended 30 June 2022: one to four years). On the lease commencement, the Group recognised approximately HK\$19,016,000 (six months ended 30 June 2022: HK\$13,032,000) of right-of-use assets and approximately HK\$19,016,000 (six months ended 30 June 2022: HK\$13,032,000) of lease liabilities.

20. Share-based Payment Transactions

The shareholders of the Company passed a resolution at the extraordinary general meeting on 16 June 2021 to adopt a share option scheme (the "Scheme") for the purpose of granting options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The eligible participants include any eligible employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company or any of its subsidiaries and any non-executive director (including independent non-executive directors) of the Company or any of its subsidiaries.

As at 30 June 2023, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 28,686,000 (adjusted for share consolidation), representing 2.1% of the shares of the Company in issue at that date.

Options granted must be taken up within 3 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised from the date of grant of the share option to the 10th anniversary of the date of grant in accordance with the vesting schedule. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

20. Share-based Payment Transactions (Continued)

Details of specific categories of options granted on 14 April 2022 are as follows:

Vesting date	Exercise period	Number of share option (after share consolidation)	Exercise Price (after share consolidation) HK\$
14 April 2023	14 April 2023 to 13 April 2032	2,868,600	0.935
14 April 2025	14 April 2025 to 13 April 2032	8,605,800	0.935
14 April 2026	14 April 2026 to 13 April 2032	8,605,800	0.935
14 April 2027	14 April 2027 to 13 April 2032	8,605,800	0.935

The following table discloses movements of the Scheme during the period:

	Outstanding at 1 January 2022	Granted during the year	Effect of share consolidation	Outstanding at 31 December 2022 and 30 June 2023
Directors	–	136,600,000	(109,280,000)	27,320,000
Employee	–	6,830,000	(5,464,000)	1,366,000
	–	143,430,000	(114,744,000)	28,686,000

Options were granted on 14 April 2022. The estimated fair value of the options granted on 14 April 2022 is HK\$16,416,000. The closing price for the immediately preceding the date of grant is HK\$0.1808 (before share consolidation) per share.

The Group recognised the total expense of HK\$2,352,000 (six months ended 30 June 2022: HK\$1,136,000) for the six months ended 30 June 2023 in relation to share options granted by the Company.

21. Disposal of a Subsidiary

On 31 December 2022, the Group completed the disposal of the entire issued share capital in Greentech Technology International Development Limited (“Greentech Development”), the then wholly-owned subsidiary of the Company, at a cash consideration of HK\$3,200,000.

The loss for the six months ended 30 June 2022 from the discontinued trading of mineral products operation are set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income has been restated to present trading of mineral products operation as a discontinued operation.

21. Disposal of a Subsidiary (Continued)

The result of Greentech Development for the period ended 30 June 2022 is as follows:

	Six months ended 30.6.2022 HK\$'000
Revenue	184,828
Cost of sales	(181,161)
Gross profit	3,667
Other gains and losses	(860)
Other expenses	(21)
Administrative expenses	(61)
Finance costs	(4,253)
Loss before taxation	(1,528)
Taxation	–
Loss and total comprehensive expense for the period	(1,528)

During the period ended 30 June 2022, Greentech Development paid approximately HK\$226,768,000 to the Group's net operating cash flows, paid approximately HK\$7,000 in respect of investing activities and received approximately HK\$234,396,000 in respect of financing activities.

22. Approval of the Condensed Consolidated Financial Statements

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board on 30 August 2023.