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**GREEN ENERGY GROUP LIMITED**

**綠色能源科技集團有限公司\***

*(incorporated in Bermuda with limited liability)*

(Stock Code: 979)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION  
TO THE ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

Reference is made to the annual report of Green Energy Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 30 June 2023 (“**Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Annual Report.

**SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT**

In addition to the information disclosed in the Annual Report, the Company would like to provide the following supplemental information regarding the money lending business of the Group.

The Group conducts its money lending business through Noble Ample Limited (“**NAL**”), a wholly-owned subsidiary of the Company which holds a money lenders licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group generates revenue from the interest received from the loans provided by NAL to recognised and creditworthy third-party and related-party corporate and individual customers. NAL grants both secured and guaranteed loans to its customers. The capital for the money lending business of the Group is funded by the internal resources of the Group.

**Credit assessment and loan approval process**

The Group has a credit risk policy and a risk assessment policy in place for its money lending business. Prior to granting the loans to its customers, the Group will perform an independent assessment on each of the loan applications. The independent assessment includes but is not limited to background checks to verify the identity and the repayment capacity of the potential customers. To facilitate the Group’s identification check, potential customers who are individuals are required to provide their identity card or passport and residential address proof, while potential corporate customers need to

provide documents such as their certificate of incorporation, constitutional documents, latest annual return and certificate of incumbency (where applicable). The Group will assess the repayment capacity of the potential customers based on their income and/or asset proof, which include their salary or income proof, audited financial statements, management accounts and/or bank statements. In respect of loans to be secured by collaterals, the Group will assess the quality of the collaterals based on certificates in support of the ownership of the properties, title searches and valuation reports (where required). If necessary, the Group will engage independent valuers to assist in verifying the value of the collaterals against the valuations provided by the potential customers.

The management of the Group approves the loans based on the relevant financial strength and creditworthiness of the borrowers and/or the guarantors and the quality of the respective collaterals (where applicable). When determining the terms of the loans (including but not limited to the interest rates and the tenor of the loans), the Group would take a holistic view in the assessments based on the amounts of the loans, the reputation of the potential borrowers and their guarantors, the guarantees to be provided by the potential guarantors, the financial strength, repayment ability and repayment history of the potential borrowers and the quality of the assets they hold.

Before approving a loan, the Group will also review whether the proposed loan may constitute a notifiable transaction or connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules, respectively, to ensure the provision of the loan will be conducted in compliance with the applicable requirements under the Listing Rules and the applicable rules and regulations.

With respect to loans outstanding, the Group will not proactively require the borrowers to renew the loans, but it will consider to renew the loans at the request of the borrowers. Before renewing a loan, the Group will carry out an updated assessment of the current financial position and creditworthiness of the borrower in relation to the proposed terms of the loan under the renewal. In addition, the Group will also review the repayment records of the borrower before making a decision in relation to the loan renewal and the terms of the renewed loan.

### **Monitoring of loan recoverability**

Once the loan is granted, the Group will continue to conduct checks on the value of the collateral when required to ensure that there is no significant deterioration in its value over time. In addition, the Group will conduct reviews on the repayment records of the borrowers. If there is any loan with overdue principal or interest payment, the Group will put every possible effort into the loan recovery and consider the appropriate course of actions, such as sending demand letters to the borrower and engaging external legal advisors to take legal actions if necessary.

### **Loan impairment policy**

A borrower will be considered by the Group as credit-impaired if he/she/it is in default of the loan principal, or has entered bankruptcy proceedings or other financial reorganisation arrangements, or has been severely behind in the loan interest payments. The assessment of the Group's provision for impairment loss on loan and interest receivables is conducted under the Expected Credit Loss ("ECL") model in accordance with the impairment requirements of HKFRS 9 Financial Instruments issued by the HKICPA. The Group has established a loan credit risk classification system and performs credit risk management based on loan classification in one of the following three categories of internal credit rating: (i) performing (normal credit quality) which refers to the loans that have not had a significant increase in credit risk and ECL in the next 12 months will be recognised; (ii) underperforming (significant increase in credit risk) which refers to the loans that have had a significant increase in credit risk and for which the lifetime ECL will be recognised; and (iii) not performing (credit-impaired) which refers to the loans that have objective evidence of impairment and for which the lifetime ECL will be recognised. Further information on the Group's ECL model and measurement, and the movements of the provision for impairment of the Group's loan and interest receivables are disclosed in note 29(b) to the Company's audited consolidated financial statements for FY2023 contained in the Annual Report.

### **Loan portfolio as at 30 June 2023**

As at 30 June 2023, the total loan and interest receivables of the Group amounted to approximately HK\$2,165,000 (30 June 2022: Nil), which consisted of loan receivable and loan interest receivable of HK\$2,000,000 (30 June 2022: Nil) and approximately HK\$165,000 (30 June 2022: Nil), respectively, due from a corporate borrower ("**Borrower**") which was the largest borrower of the Group. The Borrower was a non-controlling shareholder of Green Strength (International) Limited ("**GSI**"), a subsidiary of the Company, until it disposed of its entire interest in GSI in April 2023. Such loan ("**Loan**") was secured by motor vehicles and a personal guarantee, had a term of one year and bore interest at the rate of 10% per annum payable at the maturity of the Loan. Upon the original maturity date of the Loan, the Group agreed with the Borrower to extend the Loan for one year. An ageing analysis of the loan and interest receivables of the Group as at 30 June 2023 is set out in note 29(b) to the Company's audited consolidated financial statements for FY2023 contained in the Annual Report. The Group has not made any provision for impairment loss on its loan and interest receivables during FY2023 (FY2022: Nil).

The Board confirms that the supplemental information provided in this announcement does not affect any other information contained in the Annual Report and, save as disclosed above, the contents of the Annual Report shall remain unchanged.

On behalf of the Board  
**Green Energy Group Limited**  
**Lo Kam Wing JP**  
*Chairman*

Hong Kong, 5 February 2024

*As at the date of this announcement, the Company has three executive Directors, namely Mr. Lo Kam Wing JP, Mr. Luo Xian Ping and Mr. Ho Wai Hung, and three independent non-executive Directors, namely Mr. Tam Chun Wa, Mr. Man Kwok Leung and Ms. Jiang Zhihua.*

\* *For identification purpose only*