



**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



**INTERIM REPORT 2023**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors:

Mr. Lo Kam Wing, *JP (Chairman)*  
Mr. Luo Xian Ping  
Mr. Ho Wai Hung

#### Independent Non-executive Directors:

Mr. Tam Chun Wa  
Mr. Man Kwok Leung  
Ms. Jiang Zhihua

### AUDIT COMMITTEE

Mr. Tam Chun Wa (*Chairman*)  
Mr. Man Kwok Leung  
Ms. Jiang Zhihua

### REMUNERATION COMMITTEE

Mr. Tam Chun Wa (*Chairman*)  
Mr. Man Kwok Leung  
Ms. Jiang Zhihua

### NOMINATION COMMITTEE

Mr. Lo Kam Wing, *JP (Chairman)*  
Mr. Tam Chun Wa  
Ms. Jiang Zhihua

### COMPANY SECRETARY

Mr. Ng Chi Keung

### AUDITOR

Mazars CPA Limited

### LEGAL ADVISER

Conyers Dill & Pearman

### PRINCIPAL BANKER

Chiyu Banking Corporation Limited  
Bank of Communications Co., Ltd. (Hong Kong branch)  
OCBC Wing Hang Bank Limited  
Bank of China (Hong Kong) Limited

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HEAD OFFICE PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 7712, 77/F., The Center  
99 Queen's Road Central  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shop 1712-1716,  
17/F Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

### STOCK CODE

979

### WEBSITE

<http://www.hk-greenenergy.com>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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For the six months ended 31 December 2023



	Note	Six months ended 31 December	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
<b>Revenue</b>	4	<b>38,625</b>	44,404
Other income		149	1,191
Changes in inventories of finished goods		356	951
Purchases of goods and consumables		(20,925)	(35,071)
Transportation costs		(7,362)	(3,080)
Staff costs	6	(7,192)	(9,006)
Depreciation for property, plant and equipment		(734)	(1,048)
Depreciation for right-of-use assets		(1,012)	(630)
Net exchange gain (loss)		34	(745)
(Loss) Gain on disposal of property, plant and equipment	6	(33)	617
Other operating expenses		(4,927)	(5,000)
Finance costs		(143)	(15)
<b>Loss before taxation</b>	6	<b>(3,164)</b>	(7,432)
Taxation	7	10	(10)
<b>Loss for the period from continuing operations</b>		<b>(3,154)</b>	(7,442)
<b>Discontinued operations:</b>			
Loss for the period from discontinued operations		–	(2,234)
<b>Loss for the period</b>		<b>(3,154)</b>	(9,676)
<b>Other comprehensive income for the period, net of tax</b>			
<i>Items that may be/are reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of financial statements of foreign operations		210	411
<b>Other comprehensive income for the period</b>		<b>210</b>	411
<b>Total comprehensive loss for the period</b>		<b>(2,944)</b>	(9,265)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Note	Six months ended 31 December	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
<b>Loss for the period attributable to:</b>			
Owners of the Company			
– continuing operations		(4,574)	(8,130)
– discontinued operations		–	(1,340)
		<u>(4,574)</u>	<u>(9,470)</u>
Non-controlling interests			
– continuing operations		1,420	688
– discontinued operations		–	(894)
		<u>1,420</u>	<u>(206)</u>
		<u><u>(3,154)</u></u>	<u><u>(9,676)</u></u>
<b>Total comprehensive loss for the period attributable to:</b>			
Owners of the Company			
– continuing operations		(4,320)	(7,659)
– discontinued operations		–	(1,340)
		<u>(4,320)</u>	<u>(8,999)</u>
Non-controlling interests			
– continuing operations		1,376	628
– discontinued operations		–	(894)
		<u>1,376</u>	<u>(266)</u>
		<u><u>(2,944)</u></u>	<u><u>(9,265)</u></u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Basic and diluted loss per share</b>			
– continuing operations	9	(0.39)	(0.72)
– discontinued operations	9	–	(0.11)
		<u>(0.39)</u>	<u>(0.83)</u>
– total continuing operations and discontinued operations		<u><u>(0.39)</u></u>	<u><u>(0.83)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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As at 31 December 2023



	Note	As at 31 December 2023 (Unaudited) HK\$'000	As at 30 June 2023 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		16,540	17,120
Right-of-use assets		4,661	5,673
Prepayments, deposits and other receivables	13	1,784	1,764
		<u>22,985</u>	<u>24,557</u>
<b>Current assets</b>			
Inventories	10	865	1,221
Trade receivables	11	2,483	2,787
Loan and interest receivables	12	2,066	2,165
Prepayments, deposits and other receivables	13	16,032	5,108
Bank balances and cash		26,821	14,849
		<u>48,267</u>	<u>26,130</u>
<b>Current liabilities</b>			
Trade payables	14	375	111
Accruals and other payables		3,681	6,039
Lease liabilities		1,876	1,939
Tax payables		370	370
		<u>6,302</u>	<u>8,459</u>
<b>Net current assets</b>		<u>41,965</u>	<u>17,671</u>
<b>Total assets less current liabilities</b>		<u>64,950</u>	<u>42,228</u>
<b>Non-current liabilities</b>			
Lease liabilities		2,894	3,787
<b>Net assets</b>		<u>62,056</u>	<u>38,441</u>
<b>Equity</b>			
Share capital	15	135,631	113,631
Reserves		(70,804)	(72,244)
Equity attributable to owners of the Company		64,827	41,387
Non-controlling interests		(2,771)	(2,946)
<b>Total equity</b>		<u>62,056</u>	<u>38,441</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

	Attributable to owners of the Company									
	Reserves							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Exchange reserve	General reserve	Accumulated losses	Total reserves			
HK\$'000 (Note 15)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 July 2022 (audited)	113,631	415,011	56,897	4,407	71	(539,451)	(63,065)	50,566	(7,446)	43,120
Loss for the period	-	-	-	-	-	(9,470)	(9,470)	(9,470)	(206)	(9,676)
<b>Other comprehensive income (loss)</b>										
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	471	-	-	471	471	(60)	411
<b>Total comprehensive income (loss)</b>	-	-	-	471	-	-	471	471	(60)	411
<b>Total comprehensive income (loss) for the period</b>	-	-	-	471	-	(9,470)	(8,999)	(8,999)	(266)	(9,265)
<b>Balance at 31 December 2022 (unaudited)</b>	<b>113,631</b>	<b>415,011</b>	<b>56,897</b>	<b>4,878</b>	<b>71</b>	<b>(548,921)</b>	<b>(72,064)</b>	<b>41,567</b>	<b>(7,712)</b>	<b>33,855</b>
Balance at 1 July 2023 (audited)	113,631	415,011	56,897	4,262	71	(548,485)	(72,244)	41,387	(2,946)	38,441
Loss for the period	-	-	-	-	-	(4,574)	(4,574)	(4,574)	1,420	(3,154)
<b>Other comprehensive income (loss)</b>										
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	254	-	-	254	254	(44)	210
<b>Total comprehensive income (loss) for the period</b>	-	-	-	254	-	(4,574)	(4,320)	(4,320)	1,376	(2,944)
<b>Transactions with owners</b>										
<i>Contributions and distributions</i>										
Issue of share capital	22,000	5,760	-	-	-	-	5,760	27,760	-	27,760
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,201)	(1,201)
	22,000	5,760	-	-	-	-	5,760	27,760	(1,201)	26,559
<b>Balance at 31 December 2023 (unaudited)</b>	<b>135,631</b>	<b>420,771</b>	<b>56,897</b>	<b>4,516</b>	<b>71</b>	<b>(553,059)</b>	<b>(70,804)</b>	<b>64,827</b>	<b>(2,771)</b>	<b>62,056</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 31 December 2023

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	Note	Six months ended 31 December	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss before taxation			
– continuing operations		(3,164)	(7,432)
– discontinued operations		–	(2,234)
		<b>(3,164)</b>	<b>(9,666)</b>
Adjustments for:			
Interest income		(135)	(90)
Interest expenses		143	17
Amortisation for intangible assets		–	50
Depreciation of property, plant and equipment		734	1,361
Depreciation of right-of-use assets		1,012	763
Net exchange loss		–	347
Loss (Gain) on disposal of property, plant and equipment	6	33	(617)
		<b>(1,377)</b>	<b>(7,835)</b>
<b>Operating cash flows before movements in working capital</b>			
Changes in working capital:			
Inventories		356	514
Trade receivables		316	528
Loan and interest receivables		200	(2,000)
Prepayments, deposits and other receivables		(10,911)	(337)
Trade payables		265	(2,814)
Accruals and other payables		(2,353)	5,091
Contract liabilities		–	(2,911)
		<b>(13,504)</b>	<b>(9,764)</b>
<b>Cash used in operations</b>			
Income tax refunded (paid)		10	(10)
		<b>(13,494)</b>	<b>(9,774)</b>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 31 December 2023

	Six months ended 31 December	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<b>INVESTING ACTIVITIES</b>		
Interest received	34	90
<b>Net cash from investing activities</b>	<b>34</b>	<b>90</b>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(143)	(17)
Dividend paid to non-controlling interests	(1,201)	–
Net proceeds from issue of share capital	27,760	–
Repayment of principal amount of lease liabilities	(956)	(453)
<b>Net cash from (used in) financing activities</b>	<b>25,460</b>	<b>(470)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>12,000</b>	<b>(10,154)</b>
Effect of foreign exchange rate changes	(28)	(242)
Cash and cash equivalents at the beginning of the reporting period	14,849	33,566
<b>Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash</b>	<b>26,821</b>	<b>23,170</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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For the six months ended 31 December 2023

**1. GENERAL INFORMATION**

Green Energy Group Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the 2023 interim report of the Company.

The principal activity of the Company is investment holdings. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are engaged in trading of waste construction materials and provision of construction material processing services, trading and processing of recyclable oil / biodiesel, trading of plastic recycling / metal scrap materials and provision of plastic processing services and provision and arrangement of credit financing.

In the opinion of the directors of the Company (the “Directors”), the Company’s parent is New Glory Business Corporation which was incorporated in the British Virgin Islands and the ultimate parent is Marvel Express Limited which was incorporated in the British Virgin Islands.

The Company’s functional currency is Hong Kong dollars (“HK\$”) and the condensed consolidated financial statements are presented in HK\$ as the Company’s shares are listed on the Stock Exchange.

**2. BASIS OF PREPARATION**

The unaudited condensed consolidated financial statements for the six months ended 31 December 2023 have been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and comply with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

**3. PRINCIPAL ACCOUNTING POLICIES**

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis and do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 30 June 2023.

The accounting policies and the methods of computation adopted in the unaudited condensed consolidated financial statements for the six months ended 31 December 2023 are consistent with those applied in preparing the Group’s annual financial statements for the year ended 30 June 2023.

In the current period, the Group has applied for the first time, the following new / revised to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, that are relevant to the Group, which are mandatory effective for the annual period beginning on or after 1 July 2023 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1	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
HKFRS 17	Insurance Contracts
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

The adoption of these amendments to HKFRSs and HKASs does not have any significant impact on the condensed consolidated financial statements.

**Future changes in HKFRSs:**

The Group has not early adopted any new / revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 July 2023. The directors are in the process of assessing the possible impact of the future adoption of these new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group’s results and financial position.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

## 4. REVENUE

Revenue derived from the principal activities of the Group is disaggregated and recognised during the period as follows:

	Six months ended 31 December	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
<b>Continuing operations</b>		
<b>Revenue from contracts with customers within HKFRS 15</b>		
<i>Recognised at a point in time:</i>		
Trading of recyclable oil / biodiesel	35,315	41,045
Trading of waste construction materials	1,640	1,374
Trading of plastic recycling / metal scrap materials	5	60
	<b>36,960</b>	<b>42,479</b>
<i>Recognised over time:</i>		
Provision of construction materials processing services	330	692
Provision of plastic processing services	1,234	1,167
	<b>1,564</b>	<b>1,859</b>
<b>Interest income calculated using the effective interest method</b>		
Loan interest income	101	66
Total revenue from continuing operations	<b>38,625</b>	<b>44,404</b>
<b>Discontinued operations</b>		
<b>Revenue from contracts with customers within HKFRS 15</b>		
<i>Recognised at a point in time:</i>		
Sales of healthcare products	–	212
<i>Recognised over time:</i>		
Provision of clinical health services and laboratory diagnostic services	–	1,542
Total revenue from discontinued operations	<b>–</b>	<b>1,754</b>
	<b>38,625</b>	<b>46,158</b>

The revenue from contracts with customers within HKFRS 15 is based on fixed price.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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For the six months ended 31 December 2023



## 5. SEGMENTS INFORMATION

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") for the purposes of resources allocation and performance assessment, the Group is currently organised into the following reportable segments:

Continuing reportable segments:

Waste construction materials and processing services	Trading of waste construction materials and provision of construction materials processing services
Renewable energy	Trading and processing of recyclable oil / biodiesel
Plastic recycling / metal scrap	Trading of plastic recycling / metal scrap materials and provision of plastic processing services
Money lending	Provision and arrangement of credit financing

Discontinued reportable segment:

Healthcare	Provision of healthcare services and sales of healthcare products
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Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Reportable segment results exclude interest income and corporate income and expenses from the Group's profit / loss before taxation. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

Segment assets include all assets with the exception of corporate assets, including bank balances and cash, certain other receivables and other assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities include trade payables, accruals and other payables and other liabilities directly attributable to the business activities of operating segments, and exclude corporate liabilities and provision for income tax.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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For the six months ended 31 December 2023



5. SEGMENT INFORMATION (Continued)  
Segment assets and segment liabilities  
At 31 December 2023

	Continuing operations				Total (Unaudited) HK\$'000
	Waste construction materials and processing services (Unaudited) HK\$'000	Renewable energy (Unaudited) HK\$'000	Plastic recycling / metal scrap (Unaudited) HK\$'000	Money lending (Unaudited) HK\$'000	
<b>Assets</b>					
Segment assets	<u>9,647</u>	<u>24,382</u>	<u>11,939</u>	<u>2,191</u>	48,159
Unallocated bank balances and cash					21,219
Unallocated other corporate assets					<u>1,874</u>
Consolidated total assets					<u>71,252</u>
<b>Liabilities</b>					
Segment liabilities	<u>1,493</u>	<u>4,444</u>	<u>465</u>	<u>-</u>	6,402
Unallocated other corporate liabilities					<u>2,794</u>
Consolidated total liabilities					<u>9,196</u>

As at 30 June 2023

	Continuing operations				Total (Audited) HK\$'000
	Waste construction materials and processing services (Audited) HK\$'000	Renewable energy (Audited) HK\$'000	Plastic recycling / metal scrap (Audited) HK\$'000	Money lending (Audited) HK\$'000	
<b>Assets</b>					
Segment assets	<u>9,542</u>	<u>13,544</u>	<u>12,952</u>	<u>2,278</u>	38,316
Unallocated bank balances and cash					10,028
Unallocated other corporate assets					<u>2,343</u>
Consolidated total assets					<u>50,687</u>
<b>Liabilities</b>					
Segment liabilities	<u>1,871</u>	<u>4,922</u>	<u>369</u>	<u>-</u>	7,162
Unallocated other corporate liabilities					<u>5,084</u>
Consolidated total liabilities					<u>12,246</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

## 6. LOSS BEFORE TAXATION

	Six months ended 31 December	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
This is stated after charging (crediting):		
<b>Continuing operations</b>		
Staff costs (including directors' remuneration):		
– Salaries and allowances	6,708	8,407
– Retirement benefit – defined contribution scheme	484	599
Total staff costs	<u>7,192</u>	<u>9,006</u>
Amortisation of intangible assets	–	50
Legal and professional fee	1,027	1,054
Repair and maintenance	753	893
Lease charges on short-term leases	1,068	661
Utilities expenses	749	1,073
Loss (Gain) on disposal of property, plant and equipment	<u>33</u>	<u>(617)</u>
<b>Discontinued operations</b>		
Staff costs (including directors' remuneration):		
– Salaries and allowances	–	882
– Retirement benefit – defined contribution scheme	–	39
Total staff costs	<u>–</u>	<u>921</u>
Legal and professional fee	–	580
Repair and maintenance	–	51
Lease charges on short-term leases	–	494
Utilities expenses	<u>–</u>	<u>25</u>

## 7. TAXATION

	Six months ended 31 December	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<b>Continuing operations</b>		
Current tax:		
Hong Kong profits tax		
– current period	–	10
– over provision in prior periods	(10)	–
	<u>(10)</u>	<u>10</u>
People's Republic of China ("PRC") Enterprise Income Tax ("EIT")	–	–
	<u>(10)</u>	<u>10</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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For the six months ended 31 December 2023



## 7. TAXATION (Continued)

Hong Kong profits tax has not been made as the Group incurred a loss for taxation purpose for the six months ended 31 December 2023 (six months ended 31 December 2022: Hong Kong profits tax was calculated at 16.5% on the estimated profits for the six months ended 31 December 2022 after deduction of tax concession).

The income tax provision of the Group in respect of operations in Germany is calculated at the rate of 30% (six months ended 31 December 2022: 30%) on the estimated assessable profits for the six months ended 31 December 2023, based on the existing legislation, interpretations and practices in respect thereof. No provision for income tax of Germany has been made as the Group incurred a loss for taxation purpose for the six months ended 31 December 2023 and 2022.

The PRC EIT in respect of the Group's operations in Mainland China is calculated at the rate of 25% (six months ended 31 December 2022: 25%) on the estimated assessable profits for the six months ended 31 December 2023, based on the existing legislation, interpretations and practices in respect thereof. No provision for the PRC EIT has been made as the Group incurred a loss for taxation purpose for the six months ended 31 December 2023 and 2022 or its estimated assessable profits for the period were wholly absorbed by unrelieved tax losses brought forward from previous years.

No recognition of the potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential deferred tax assets is uncertain.

## 8. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 31 December 2023 (six months ended 31 December 2022: HK\$Nil).

## 9. LOSS PER SHARE

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

	Six months ended 31 December	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
<b>Loss for the period attributable to owners of the Company for the purpose of basic loss per share</b>		
– continuing operations	(4,574)	(8,130)
– discontinued operations	–	(1,340)
	<u>(4,574)</u>	<u>(9,470)</u>
 Weighted average number of ordinary shares in issue for basic loss per share calculation ('000)	 <u>1,181,743</u>	 <u>1,136,308</u>

Diluted loss per share are the same as the basic loss per share as there are no dilutive potential ordinary shares in existence for the six months ended 31 December 2023 and 2022.

## 10. INVENTORIES

	As at 31 December 2023 (Unaudited) HK\$'000	As at 30 June 2023 (Audited) HK\$'000
Plastic materials	25	25
Recyclable oil	840	1,194
Waste construction materials	–	2
	<u>865</u>	<u>1,221</u>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

## 11. TRADE RECEIVABLES

	As at 31 December 2023 (Unaudited) HK\$'000	As at 30 June 2023 (Audited) HK\$'000
Trade receivables	<u>2,483</u>	<u>2,787</u>

The Group allows a credit period within 30 days (30 June 2023: within 30 days) to its customers. At the end of the reporting period, the ageing analysis of trade receivables (net allowance of expected credit losses) by invoice date is as follows:

	As at 31 December 2023 (Unaudited) HK\$'000	As at 30 June 2023 (Audited) HK\$'000
0 – 90 days	1,845	2,770
91 – 180 days	221	15
181 – 365 days	415	–
Over 365 days	<u>2</u>	<u>2</u>
	<u>2,483</u>	<u>2,787</u>

## 12. LOAN AND INTEREST RECEIVABLES

	As at 31 December 2023 (Unaudited) HK\$'000	As at 30 June 2023 (Audited) HK\$'000
Loan and interest receivables from a former non-controlling shareholder of a subsidiary	<u>2,066</u>	<u>2,165</u>

In September 2022, the Group grant a loan of HK\$2,000,000 to the former non-controlling shareholder of a subsidiary. The loan is secured by fourteen motor vehicles, interest bearing at a fixed rate of 10% per annum and repayable in September 2023. Upon the maturity of the loan, the Group agreed to extend the loan and the corresponding interest receivables for one year. As at 31 December 2023, the market value of the collateral of the loan was approximately HK\$4,400,000 (30 June 2023: HK\$4,800,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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For the six months ended 31 December 2023



## 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December 2023 (Unaudited) HK\$'000	As at 30 June 2023 (Audited) HK\$'000
Prepayments	771	466
Trade deposits paid	9,745	2,808
Due from a former non-controlling shareholder of a subsidiary	4,839	589
Consideration receivable for disposal of property, plant and equipment	597	1,131
Other deposits and receivables	1,864	1,878
	<hr/>	<hr/>
	17,816	6,872
Less: Non-current portion	(1,784)	(1,764)
	<hr/>	<hr/>
Current portion	16,032	5,108
	<hr/> <hr/>	<hr/> <hr/>

Note:

All prepayments, deposits paid and other receivables are expected to be recovered or recognised as expense within one year except for deposits, for security and rental of HK\$1,784,000 (30 June 2023: HK\$1,764,000), which is expected to be recovered more than one year.

Included in other deposits and receivables was a deposit of EUR104,363 (equivalent to HK\$911,000) (30 June 2023: EUR104,363 (equivalent to HK\$901,000)) to guarantee the operation of the Group's subsidiary in Germany, which is held by a director of the Group's subsidiary, Mr. Yip Wai Leung, Jerry, on behalf of the Group.

Included in trade deposits paid was a deposit of HK\$5,520,000 (30 June 2023: HK\$2,808,000) paid to a former non-controlling shareholder of a subsidiary. The remaining trade deposits of HK\$4,225,000 (30 June 2023: HK\$Nil) was paid to an independent third party supplier for the renewable energy business.

The consideration receivable shall be recovered within 3 months after the delivery of the machine.

## 14. TRADE PAYABLES

	As at 31 December 2023 (Unaudited) HK\$'000	As at 30 June 2023 (Audited) HK\$'000
Trade payables	375	111
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

## 14. TRADE PAYABLES (Continued)

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 31 December 2023 (Unaudited) HK\$'000	As at 30 June 2023 (Audited) HK\$'000
0 – 90 days	<u>375</u>	<u>111</u>

The credit period on purchases of goods is within 30 days (30 June 2023: within 30 days). The Group monitors and maintains a level of cash equivalents sufficient to ensure that all payables are within the credit time frame.

## 15. SHARE CAPITAL

	As at 31 December 2023 (Unaudited)		As at 30 June 2023 (Audited)	
	Number of shares '000	Share capital HK\$'000	Number of shares '000	Share capital HK\$'000
<b>Ordinary shares of HK\$0.10 each</b>				
<i>Authorised:</i>				
At the beginning and the end of the reporting period	<u>4,000,000</u>	<u>400,000</u>	<u>4,000,000</u>	<u>400,000</u>
<i>Issued and fully paid:</i>				
At the beginning of the reporting period	1,136,308	113,631	1,136,308	113,631
Issue of share capital (note)	<u>220,000</u>	<u>22,000</u>	–	–
<b>At the end of the reporting period</b>	<u>1,356,308</u>	<u>135,631</u>	<u>1,136,308</u>	<u>113,631</u>

Note:

On 9 November 2023, the Company entered into a placing agreement (the "Placing Agreement") with a placing agent pursuant to which the Company had conditionally agreed to place, through the placing agent on a best effort basis, up to 220,000,000 placing shares of the Company at a placing price of HK\$0.128 per placing share to not less than six placees who are professional, institutional or other investors. On 24 November 2023, the placing shares were allotted and issued pursuant to the general mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 24 November 2022. The market value of the shares on the issue date was HK\$0.136 per ordinary share. The issued share capital of the Company was increased to HK\$135,630,818 by allotting 220,000,000 placing shares of HK\$0.128 each for cash, to provide for additional working capital. These shares rank pari passu with the existing shares in all respects.

## 16. COMPARATIVE FIGURES

The re-presentation of comparative information is attributable to the discontinued operations, where necessary, to conform to the basis of presentation and the classification adopted in the current period.



## BUSINESS REVIEW

During the period ended 31 December 2023, the Group has principally engaged in (a) renewable energy business, (b) waste construction materials and processing service, (c) plastic recycling/metal scrap business and (d) money lending business, upon the disposal of healthcare business which has been discontinued to operate in June 2023.

## CONTINUING OPERATIONS

### Renewable Energy Business

The Group has begun to focus its development on trading of recyclable oil/biodiesel since 2017. The recyclable oil is in the nature of used cooking oil which could be further used as one of the components in refining biodiesel, one of the renewable energy commonly used.

The operation of the renewable energy business is accredited with an International Sustainability and Carbon Certificate ("ISCC") according to the Renewable Energy Directive 2018/2001/EU (RED II) of the European Parliament. The Group handles the customers' product specification and discuss product specification with the raw material suppliers, as well as inspects their raw material quality.

The Group has well-established network and partnership in the fields of used cooking oil and biodiesel, which in turn allows the Group to secure constant supply for the operations of the Renewable Energy as well as timely fulfill the demands from the customers. The Group is able to (i) source suitable raw material suppliers in accordance with specified product specification and identify suitable providers; (ii) review customers' requirements with the raw material suppliers; (iii) inspect and assure raw material quality; (iv) follow up on reprocessing and logistics arrangement; (v) the operations are conducted in accordance with the procedural requirements of the ISCC; (vi) serve as a significant bridge in between both ends to accommodate credit requirements arising from timing difference of credit period in the supply chain; and (vii) provide confidence to the customers regarding the quality of products as the Group possesses ISCC certifications which are world-wide recognized, and help them to meet the requirements set in the Renewable Energy Directive 2018/2001/EU (RED II) and Fuel Quality Directive 2009/30/EC.

Further, the consulting and brokerage firms in relation to wasted-based feedstock and biofuels have been acting as important intermediaries in the industry who will provide valuable market information and foreign customer bases to the market players in the renewable energy business segment. The Group has established solid relationship with various reputable and sizeable consulting and brokerage firms, such as Olyx B.V., Nexus-brokerage and Greenea, for several years which has continuously facilitated the Group to approach and secure a number of new customers.

### (I) Products

The Group primarily purchases/collects used cooking oils, recyclable oil and/or biodiesel as well as palm oil mill effluent methyl ester in the PRC and Hong Kong, which have been reprocessed according to the quality specification required by different customers, and sells them as feedstock to overseas and PRC buyers for the trading/production of biodiesel and/or for use in other industrial applications.

### (II) Customers

The customers mainly comprise feedstock suppliers and recyclers who are engaged in the trading of recyclable waste cooking oils, palm oil mill effluent methyl ester and/or production of biodiesel in European countries, South East Asia and the PRC.

### (III) Suppliers

The recyclable oil and/or biodiesel are supplied by waste oil collectors in Hong Kong and the PRC; and palm oil mill effluent methyl ester are sourced from suppliers in South East Asia and the PRC through the business partner. The Group is also sourcing used cooking oil directly from suppliers with its own collection trucks in Hong Kong.

## CONTINUING OPERATIONS (continued)

### Renewable Energy Business (continued)

#### New development in renewable energy business since 2022:

(i) **Expansion of operating team**

The Group has recruited additional new staff with relevant experiences in the trading and collection of used cooking oils in the Hong Kong market to join the operating team (including the sourcing team). The expanded team has reinforced the Group's capability to reach its new and potential customers as well as advance its sourcing abilities.

(ii) **Commencement of operation of the Group's own storage and processing factory**

The Group has successfully set up its own storage and processing factory at an industrial site in Hong Kong and obtained the relevant licences to store and process the used cooking oils. The Group has the necessary processing machineries and storage facilities for the used cooking oils, including but not limited to those which are to be collected by the Group's own used cooking oil collection trucks.

(iii) **Collection of used cooking oils in Hong Kong with the Group's own fleet of trucks**

The Group has set up its own fleet of cooking oil collection trucks in Hong Kong and begins to collect used cooking oils in Hong Kong with its own capability. The Group has also recruited outsourcing partner to collect used cooking oils in order to meet the logistic requirements. The Group will further expand its own collection fleet when the economy shows gradual recovery.

At the same time, the Group has been actively building up its local supplier network, and have entered into contracts with food and beverages providers in Hong Kong which provides the Group the exclusive rights to collect used cooking oils.

### Waste Construction Materials and Processing Service

The Group has commenced the waste construction materials and processing service business since 2007. With more than a decade of operating history, the Group's waste construction materials and processing service in Germany has established stable operation as well as long-term relationships with its business partners and customers in the local market.

(I) **Products**

The Group collects and recycles construction waste material and asphalt, and resells the recovered and/or recycled materials for a profit. Besides, the Group also performs processing service and mixing service according to formulas and proportion as provided by customers.

(II) **Customers**

The customers mainly comprise local construction companies, government authorities and individual customers in Germany.

(III) **Suppliers**

The Group primarily sources construction waste material and asphalt from various construction companies and construction waste collectors in Germany.



## CONTINUING OPERATIONS (continued)

### Plastic Recycling/Metal Scrap Business

The Group has commenced its plastic recycling business in Germany since 2016. The Group had also started the business of high-grade plastic recycling and processing in Japan in June 2020, but the processing operation had been ceased since April 2022 due to the continuing shortage of feedstock supply under the prolonged pandemic. Besides, the Group was also engaged in the trading of metal scrap, but it was inactive now.

#### (I) **Products**

The Group's plastic recycling business represents the recycling (sorting, washing and shredding) of plastic materials. The operations are basically divided into two streams, as follows:

##### *Processing activities:*

Plastic materials are supplied by commercial waste collectors, for which the Group charges the customers by reference to the weight of the incoming materials and bear the cost of disposal of waste arising from such recycling activities.

##### *Purchase-Recycling-Resell Activities:*

The Group purchases the plastic materials from both commercial waste collectors and plastics dealers for resale at a higher profit margin after recycling.

#### (II) **Customers**

The customers mainly comprise plastic recycling companies in Germany and member states of European Union.

#### (III) **Suppliers**

The Group has been purchasing feedstock from reputable suppliers who are engaged in, among others, environmental services and waste materials collection.

### Money Lending Business

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.

## CONTINUING OPERATIONS (continued)

### Money Lending Business (continued)

#### ***Credit assessment and loan approval process (continued)***

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.

#### ***Loan portfolio as at 31 December 2023***

As at 31 December 2023, the total loan and interest receivables of the Group amounted to approximately HK\$2,066,000 (30 June 2023: HK\$2,165,000), which consisted of loan receivable and loan interest receivable of HK\$2,000,000 (30 June 2023: HK\$2,000,000) and approximately HK\$66,000 (30 June 2023: HK\$165,000), 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. The Group has not made any provision for impairment loss on its loan and interest receivables for the six months ended 31 December 2023 (2022 corresponding period: Nil).



## DISCONTINUED OPERATIONS

### Healthcare Business

With the emergence of the COVID-19 pandemic, the Group had diversified and set up its subsidiaries in mid-November 2020 to commence the healthcare business which mainly involved the laboratory diagnostic service and clinical health service. The Group had disposed of the healthcare business on 9 June 2023 after its reassessment of the commercial viability.

### Operating Results

The revenue of the Group for the six months ended 31 December 2023 (the "Period") was approximately HK\$38.6 million (2022 corresponding period: approximately HK\$46.2 million), representing a decrease of approximately 16.5% as compared with the corresponding period of last year. The decrease in revenue was mainly resulted from the renewable energy business segment as well as the discontinued operation of the healthcare business.

The net loss attributable to the owners of the Company for the six months ended 31 December 2023 was approximately HK\$4.6 million (2022 corresponding period: approximately HK\$9.5 million), representing a decrease of 51.6% as compared with the corresponding period of last year. The net profit of the renewable energy business segment got a triple increase due to completion of the strategic shift to a high value added operations with collection and processing of used cooking oil. Moreover, the disposal of the healthcare business in June 2023 had terminated the losses from discontinued healthcare business segment, which reported a net loss of approximately HK\$2.3 million in the corresponding period of last year.

## Segment Information

### CONTINUING OPERATIONS

#### (a) *Renewable energy – trading and processing of recyclable oil/biodiesel*

The Group recorded a revenue of approximately HK\$35.3 million from the trading of recyclable oil/biodiesel for the six months ended 31 December 2023 (2022 corresponding period: approximately HK\$41.0 million) representing a decrease of approximately 13.9% as compared with the corresponding period of last year. It was mainly resulted from the weaker biofuel demand as linked to European biodiesel volatility and macroeconomic uncertainty.

Diesel demand fell when the macroeconomic picture declined. Higher interest rates had been bearish for diesel demand. European biodiesel prices plummeted since the start of 2023 due to the effects of low diesel and spot demand, poor bidding activity, imports from Asia and high rapeseed oil supply on the European biodiesel market.

In spite of the reduction in revenue, the segment got a triple increase in net profit to approximately HK\$4.2 million for the six months ended 31 December 2023 as compared with approximately HK\$1.4 million in the corresponding period in 2022. The migration to local collection and processing of used cooking oil had much increased the profit margin of the segment as compared with the initial and transitional stage in the corresponding period in 2022.

#### (b) *Waste construction materials and waste processing service*

The revenue of this business segment involves the collection and recycling of waste construction materials and the sale of recycled construction materials. The revenue arising from this sector was approximately HK\$2.0 million for the six months ended 31 December 2023 (2022 corresponding period: approximately HK\$2.1 million). The slight decrease in revenue was resulted from the keen competition in the region.



Segment Information (continued)  
CONTINUING OPERATIONS (continued)

(c) **Plastic recycling/metal scrap business**

The plastic recycling/metal scrap sector recorded a revenue approximately of HK\$1.2 million for the six months ended 31 December 2023 (2022 corresponding period: approximately HK\$1.2 million). 2023 presented the industry with major challenges, and prices were under enormous pressure due to weak demand. This was caused by economic stagnation across Europe, competition from primary PET as prices fell, and cheaper imports of Asian material. Recycled plastic and waste plastic prices have fallen much, while energy, personnel, and transportation costs have soared.

(d) **Money lending business**

The revenue arising from this sector was approximately HK\$0.1 million for the six months ended 31 December 2023 (2022 corresponding period: approximately HK\$0.1 million). Tight and volatile financing conditions persist amid entrenched inflation, increasingly pressuring debt-service capacity of more vulnerable borrowers. And as major economies slowed, the effects of rapid monetary tightening surfaced, and debt maturities piled up, conditions in credit markets were deteriorated. A more cautious and conservative approach had been taken on credit quality of new lending by closer monitoring and higher level of collateral requirements. The Group would restrict credit in order to preserve capital due to anticipated credit writedowns and recession risk in the market.

## DISCONTINUED OPERATIONS

### Healthcare business

The Group had disposed of the healthcare business on 9 June 2023 after its reassessment of the commercial viability.

## FINANCIAL REVIEW

### Liquidity, financial resources and cashflow

As at 31 December 2023, the Group had total current assets of approximately HK\$48.3 million (as at 30 June 2023: approximately HK\$26.1 million), including bank balances and cash of approximately HK\$26.8 million (as at 30 June 2023: approximately HK\$14.8 million) and the total current liabilities were approximately HK\$6.3 million (as at 30 June 2023: approximately HK\$8.5 million). The current ratio of the Group was approximately 7.7 (as at 30 June 2023: approximately 3.1). The Group has sufficient funds to settle its debts.

As at 31 December 2023, the Group had total assets of approximately HK\$71.3 million (as at 30 June 2023: approximately HK\$50.7 million). The Group did not have external borrowing as at 31 December 2023 and 30 June 2023, and therefore gearing ratio was not applicable.

### Use of proceeds from the placing of new shares

On 9 November 2023, the Company and the placing agent entered into the placing agreement ("Placing Agreement") pursuant to which the Company has conditionally agreed to place through the placing agent, on a best endeavour basis, in aggregate up to 220,000,000 placing shares ("Placing Shares") at the placing price of HK\$0.128 per placing share, to not less than six placees, who and whose ultimate beneficial owners are Independent Third Parties ("Placing"). The placing price of HK\$0.128 per placing share represented a discount of approximately 5.88% to the closing price of HK\$0.136 per share as quoted on the Stock Exchange on 9 November 2023.



## FINANCIAL REVIEW (continued)

### Use of proceeds from the placing of new shares (continued)

On 24 November 2023, the condition set out in the Placing Agreement has been fulfilled, and the Placing was completed in accordance with the terms and conditions of the Placing Agreement (“Completion”). An aggregate of 220,000,000 Placing Shares, representing approximately 16.22% of the issued share capital of the Company immediately after Completion, have been successfully placed at the placing price of HK\$0.128 per placing share to not less than six placees. The net proceeds from the Placing (after deduction of commission and other expenses of the Placing) are approximately HK\$27.76 million.

For the details of the Placing, please refer to the announcements of the Company dated 9 November 2023 and 24 November 2023.

The table below has summarised the planned use and actual utilization of the net proceeds of the Placing:

	Planned use of net proceeds (HK\$ million)	Used net proceeds up to 31 December 2023 (HK\$ million)	Unused net proceeds as at 31 December 2023 (HK\$ million)
Working Capital of the Group	22.21	10.16	12.05
Business development of the Group	5.55	0.0	5.55
<b>Total</b>	<b>27.76</b>	<b>10.16</b>	<b>17.60</b>

Notes: The expected timeline for utilization of the unused net proceeds will be on or before 30 June 2025.

Save as disclosed above, there were no other equity fund raising activities of the Company during the last 12 months prior to the date of this report.

### Foreign Exchange Exposure

The ordinary operations and investments of the Group are mainly in Hong Kong and Germany, with revenue and expenditures denominated in US dollars and euro. The operating results of the Group may be affected by the volatility of foreign currencies. In addition, we are exposed to foreign currency risks arising from certain bank balances which are denominated in Renminbi, US dollars and euro. The Group will review its foreign exchange exposures regularly and may consider using financial instruments to hedge against such exposures at appropriate times. As at 31 December 2023, there were no derivative financial instruments employed by the Group.

### Seasonal or Cyclical Factors

During the Period, the Group’s business operations are not significantly affected by any seasonal and cyclical factor.

### Material Acquisitions and Disposals of Subsidiaries and Associates

During the Period, the Group had no material acquisition and disposal of subsidiaries and associated companies.

### Capital Commitments

As at 31 December 2023, the Group did not have any material capital commitment (as at 30 June 2023: Nil).

### Contingent Liabilities

As at 31 December 2023, the Group did not have any material contingent liabilities (as at 30 June 2023: Nil).

## BUSINESS OUTLOOK AND FUTURE PROSPECTUS

After the economic development challenges in 2023 that included high interest rates, economic uncertainty and workforce shortages, global GDP growth is likely to slow significantly in 2024 in view of the lagging effects of tighter monetary policy and diminished consumer purchasing power in major economies.

For renewable energy segment, the used cooking oil market in Asia is expected to see a revival in 2024 due to the rising demand for sustainable feedstock. However, the outlook for used cooking oil methyl ester faces uncertainty in the European Union (EU), with tightening scrutiny on Chinese biodiesel imports. On the other hand, demand for sustainable fuels is projected to grow as the world strives to meet decarbonization targets, but additional investment and continued legislative support is needed to meet projected growth.

Last year was an exceptionally difficult year for Germany's plastic recyclers, and many market players expect 2024 to prove very challenging too. The industry has its back against the wall amid weak sales and revenues. The market outlook for 2024 is clouded by uncertainty. Attacks staged by Houthi rebels on container ships in the Red Sea, which made shipping lines significantly raise freight rates and re-route their vessels around South Africa. These shipping disruptions already had an impact on the plastic recycling market.

In view of the challenges and enormous pressure on the plastic recycling business in Europe, the Group continue to reassess the business viability of the plastics recycling business in Germany in order to plan for better allocation of the group funding and resources.

With global economic activity remaining slow, financial conditions remaining tight and geopolitical tensions growing, much of the volatility is likely to remain in 2024. In addition, the pace of geoeconomic fragmentation will accelerate this year, and this is likely to stoke volatility in the global economy in the next few years. In view of the market vulnerability and weakened economies, the Group needs to build more business resilience by assessing the feasibility of restructuring of business segments as well as exploring new business opportunities to widen its revenue stream. With the previous business connection on trading of metal scrap, a new venture in iron ore business is commenced in late February 2024.

## EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2023, the Group had 35 employees (As at 30 June 2023: 37 employees) in Hong Kong, the PRC and Germany.

The Group offered competitive remuneration package as an incentive to staff for career advancement and improvements. The Company has in place a share option scheme as a mean to encourage and reward the eligible employees' (including directors of the Company) contributions to the Group's results and business development based on their individual performance.

The employees' remuneration, promotion and salary are assessed by reference to work performance, working experiences and professional qualifications and the prevailing market practice.

## INTERIM DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 31 December 2023.

## OTHER INFORMATION

## DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2023, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”).

## SUBSTANTIAL SHAREHOLDERS AND OTHER PERSON'S INTEREST

As at 31 December 2023, as recorded in the register maintained by the Company pursuant to Section 336 of the SFO, other than the interests and short positions disclosed above in respect of the Directors and the chief executive of the Company, the following persons had interests or short positions in the shares and the underlying shares of the Company:

## Substantial shareholders – long position in the shares of the Company

Name of shareholders	Capacity	Number of issued ordinary shares held	Approximate percentage of total issued share capital of the Company (Note 1)
New Glory Business Corporation	Beneficial owner	267,829,436	19.75%
Rich Bay Global Limited (“Rich Bay”) (Note 2)	Beneficial owner	147,244,000	10.86%
Superactive Asset Management Limited (“Superactive”) (Note 2)	Interest in controlled corporation	147,244,000	10.86%
Lee Chi Shing Caesar (Note 2)	Interest in controlled corporation	147,244,000	10.86%
Yeung So Lai (Note 2)	Interest in controlled corporation	147,244,000	10.86%

## Notes:

- The approximate percentage of total issued share capital calculation was based on the total number of ordinary shares of the Company in issue as at 31 December 2023, i.e. 1,356,308,176 shares.
- Based on the notices of disclosure of interests of Rich Bay, Superactive, Lee Chi Shing Caesar and Yeung So Lai filed with the Stock Exchange on 24 November 2023, such shares of the Company were held by Rich Bay, which was wholly-owned by Superactive, Superactive which was in turn owned as to 45% by Lee Chi Shing Caesar and as to 55% by Yeung So Lai. As such, each of Lee Chi Shing Caesar and Yeung So Lai was deemed to be interested in the shares of the Company held by Rich Bay by virtue of the SFO.

Save as disclosed above, as at 31 December 2023, no person (other than the Directors or the chief executive of the Company) had an interest or a short position in the shares or the underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## OTHER INFORMATION

### SHARE OPTION SCHEME

Pursuant to ordinary resolutions passed by shareholders of the Company on 27 May 2016, the Company terminated the Company's share option scheme adopted in 2006 (the "Old Share Option Scheme"), and adopted a new share option scheme (the "New Share Option Scheme"). The adoption of the New Share Option Scheme will not in any event affect the terms of the grant of the outstanding options that has already been granted under the Old Share Option Scheme and those outstanding options shall continue to be valid and subject to the provisions of the Old Share Option Scheme. As at the date of this report, no share option has been granted under New Share Option Scheme.

### CORPORATE GOVERNANCE

The Board considers that the Company has complied throughout the Period with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules, except for the deviation on the code provision C.2.1 (formerly code provision A.2.1).

Code provision C.2.1 (formerly code provision A.2.1) stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company has not appointed a chief executive officer. The role of the chief executive officer was performed by Mr. Lo Kam Wing, JP, who was the chairman of the Company during the Period. The Board believes that the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

The Board will periodically review the merits and demerits of such management structure and will adopt such appropriate measures as may be necessary in the future taking into consideration of the nature and extent of the Group's operation.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the Period.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own securities dealing code for the directors of the Company. Upon specific enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the Period.

### AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") has been set up with terms of reference in accordance with Appendix 14 of Listing Rules. The Audit Committee has reviewed the accounting principles and policies adopted by the Group with management and discussed risk management systems internal control and financial reporting matters including the review of these unaudited condensed consolidated interim results of the Company for the six months ended 31 December 2023.

### PUBLICATION OF INTERIM REPORT

The interim report is published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.hk-greenenergy.com](http://www.hk-greenenergy.com)).

By order of the Board  
**Lo Kam Wing, JP**  
Chairman

Hong Kong, 28 February 2024

\*\* The English translation of Chinese names or words are for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.