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**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)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The board (the “Board”) of directors (the “Directors”) of Greentech Technology International Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2021 (with comparative figures for the corresponding period in 2020) as follows:

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

*For the year ended 31 December 2021*

|   | <i>Notes</i> | <b>2021</b><br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Revenue   | 3            | <b>5,251,919</b>               | 664,300                 |
| Cost of sales   |              | <u><b>(4,805,844)</b></u>      | <u>(627,956)</u>        |
| Gross profit  |              | <b>446,075</b>                 | 36,344                  |
| Other income  | 4            | <b>476</b>                     | 1,011                   |
| Administrative expenses   |              | <b>(34,524)</b>                | (36,379)                |
| Other expenses  |              | <b>(7,594)</b>                 | (18,197)                |
| Other gains and losses  | 5            | <b>(21,043)</b>                | 459                     |
| Impairment loss under expected credit loss<br>model on other receivable                   |              | –                              | (2,600)                 |
| Finance costs   | 6            | <b>(18,582)</b>                | (5,602)                 |
| Reversal of impairment loss recognised on<br>property, plant and equipment                |              | –                              | 18,811                  |
| Reversal of impairment loss recognised on<br>exploration and evaluation assets            |              | <u><b>257,078</b></u>          | <u>9,256</u>            |
| Profit before taxation  |              | <b>621,886</b>                 | 3,103                   |
| Taxation  | 7            | <u><b>(197,696)</b></u>        | <u>(13,594)</u>         |
| Profit (loss) for the year  | 8            | <b>424,190</b>                 | (10,491)                |
| Other comprehensive (expense) income for the year   |              |                                |                         |
| <i>Item that will not be reclassified to profit or loss:</i>                              |              |                                |                         |
| Exchange differences on translation from<br>functional currency to presentation currency  |              | <b>(37,259)</b>                | 43,798                  |
| <i>Items that may be reclassified subsequently to<br/>profit or loss:</i>                 |              |                                |                         |
| Exchange differences arising on translation<br>of foreign operations                      |              | <b>(4)</b>                     | (60)                    |
| Reclassification of cumulative translation<br>reserve upon disposal of foreign operations |              | <u>–</u>                       | <u>(3,657)</u>          |
| Other comprehensive (expense) income for the year   |              | <u><b>(37,263)</b></u>         | <u>40,081</u>           |
| Total comprehensive income for the year   |              | <u><b>386,927</b></u>          | <u>29,590</u>           |

|  | <i>Note</i> | <b>2021</b><br><b><i>HK\$'000</i></b> | 2020<br><i>HK\$'000</i> |
|--|-------------|---------------------------------------|-------------------------|
| Profit (loss) for the year attributable to:              |             |                                       |                         |
| Owners of the Company                                    |             | <b>349,815</b>                        | (25,663)                |
| Non-controlling interests                                |             | <u><b>74,375</b></u>                  | <u>15,172</u>           |
|  |             | <u><b>424,190</b></u>                 | <u>(10,491)</u>         |
| Total comprehensive income for the year attributable to: |             |                                       |                         |
| Owners of the Company                                    |             | <b>313,533</b>                        | 15,804                  |
| Non-controlling interests                                |             | <u><b>73,394</b></u>                  | <u>13,786</u>           |
|  |             | <u><b>386,927</b></u>                 | <u>29,590</u>           |
| Earnings (loss) per share                                |             |                                       |                         |
| Basic ( <i>HK cents</i> )                                | <i>9</i>    | <u><b>5.1</b></u>                     | <u>(0.4)</u>            |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2021*

|   | <i>Notes</i> | <b>2021</b><br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| <b>Non-current assets</b>   |              |                                |                         |
| Property, plant and equipment                                     |              | <b>417,299</b>                 | 344,237                 |
| Right-of-use assets   |              | <b>23,440</b>                  | 30,028                  |
| Exploration and evaluation assets                                 |              | <b>422,711</b>                 | 183,822                 |
| Deposits  |              | <b>20,815</b>                  | 21,968                  |
|   |              | <b>884,265</b>                 | 580,055                 |
| <b>Current assets</b>   |              |                                |                         |
| Inventories   |              | <b>68,330</b>                  | 195,557                 |
| Trade receivables   | <i>10</i>    | <b>83,368</b>                  | 45,086                  |
| Advance payments to a supplier                                    | <i>11</i>    | –                              | 93,449                  |
| Other receivables, prepayments and deposits                       |              | <b>17,462</b>                  | 12,169                  |
| Equity security at fair value through profit or loss (“FVTPL”)    |              | <b>7</b>                       | –                       |
| Tax recoverable   |              | –                              | 21,182                  |
| Derivative financial instruments                                  |              | <b>941</b>                     | 584                     |
| Bank balances and cash  |              | <b>267,051</b>                 | 102,662                 |
|   |              | <b>437,159</b>                 | 470,689                 |
| <b>Current liabilities</b>  |              |                                |                         |
| Trade payables  | <i>12</i>    | <b>38,674</b>                  | 32,699                  |
| Other payables and accruals                                       |              | <b>106,548</b>                 | 117,909                 |
| Shareholders’ borrowings  |              | <b>66,078</b>                  | 296,256                 |
| Lease liabilities   |              | <b>11,183</b>                  | 9,543                   |
| Tax payable   |              | <b>63,998</b>                  | –                       |
| Derivative financial instruments                                  |              | <b>1,923</b>                   | –                       |
| Dividend payable to a non-controlling shareholder of a subsidiary |              | <b>31,564</b>                  | 6,976                   |
|   |              | <b>319,968</b>                 | 463,383                 |
| Net current assets  |              | <b>117,191</b>                 | 7,306                   |
| Total assets less current liabilities                             |              | <b>1,001,456</b>               | 587,361                 |

|  | <b>2021</b>            | 2020            |
|--|------------------------|-----------------|
|  | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Capital and reserves                         |                        |                 |
| Share capital                                | <b>34,150</b>          | 34,150          |
| Reserves                                     | <b>728,087</b>         | 414,554         |
|  | <hr/>                  | <hr/>           |
| Equity attributable to owners of the Company | <b>762,237</b>         | 448,704         |
| Non-controlling interests                    | <b>35,749</b>          | (6,081)         |
|  | <hr/>                  | <hr/>           |
| Total equity                                 | <b>797,986</b>         | 442,623         |
|  | <hr/>                  | <hr/>           |
| Non-current liabilities                      |                        |                 |
| Lease liabilities                            | <b>11,401</b>          | 13,119          |
| Deferred tax liabilities                     | <b>110,224</b>         | 61,744          |
| Provision for rehabilitation                 | <b>81,845</b>          | 69,875          |
|  | <hr/>                  | <hr/>           |
|  | <b>203,470</b>         | 144,738         |
|  | <hr/>                  | <hr/>           |
|  | <b>1,001,456</b>       | 587,361         |
|  | <hr/> <hr/>            | <hr/> <hr/>     |

## NOTES

*For the year ended 31 December 2021*

### 1. GENERAL

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 of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Group are exploration, development and mining of tin and copper bearing ores in Australia (“Mining Operations”) and trading of gold products in Hong Kong.

The Company’s functional currency is Australian Dollars (“AUD”). The 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 consolidated financial statements.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Company and its subsidiaries (the “Group”) have applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

|  |  |
|--|--|
| Amendment to HKFRS 16  | Covid-19-Related Rent Concessions        |
| Amendments to HKFRS 9, HKAS 39,<br>HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 |

The Group has early applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021.

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board (the “Agenda Decision”) issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except as described below, the application of the amendments to HKFRSs and the Agenda Decision in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

## **2.1 Impacts on application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions and early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021**

The Group has applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions for the first time and early applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 in the current year retrospectively. The amendments introduce a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions that occurred as a direct consequence of the Covid-19 pandemic that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases (“HKFRS 16”) if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application has had no impact to the opening retained profits at 1 January 2021. During the year, certain lessor agreed to reduce lease payments on motor vehicle license. The Group has derecognised the part of lease liabilities that have been extinguished using the discount rate originally applied to the lease respectively, resulting in a decrease in lease liabilities of HK\$60,000, which have been recognised as variable lease payments in profit or loss for the current year.

## 2.2 Impacts on application of the agenda decision of the Committee – Cost necessary to sell inventories (HKAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The application of the Committee’s agenda decision has had no material impact on the Group’s financial positions and performance.

### *New and amendments to HKFRSs in issue but not yet effective*

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

|  |  |
|--|--|
| HKFRS 17   | Insurance Contracts and the related Amendments <sup>2</sup>  |
| Amendments to HKFRS 3                                  | Reference to the Conceptual Framework <sup>1</sup>   |
| Amendments to HKFRS 10<br>and HKAS 28                  | Sale or Contribution of Assets between an Investor and<br>its Associate or Joint Venture <sup>3</sup>                                  |
| Amendments to HKAS 1                                   | Classification of Liabilities as Current or<br>Non-current and related amendments to<br>Hong Kong Interpretation 5 (2020) <sup>2</sup> |
| Amendments to HKAS 1<br>and HKFRS Practice Statement 2 | Disclosure of Accounting Policies <sup>2</sup>   |
| Amendments to HKAS 8                                   | Definition of Accounting Estimates <sup>2</sup>  |
| Amendments to HKAS 12                                  | Deferred Tax related to Assets and Liabilities arising<br>from a Single Transaction <sup>2</sup>                                       |
| Amendments to HKAS 16                                  | Property, Plant and Equipment – Proceeds before<br>Intended Use <sup>1</sup>   |
| Amendments to HKAS 37                                  | Onerous Contracts – Cost of Fulfilling a Contract <sup>1</sup>   |
| Amendments to HKFRSs                                   | Annual Improvements to HKFRSs 2018-2020 <sup>1</sup>   |

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2022.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2023.
- <sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

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

### **3. REVENUE AND SEGMENT INFORMATION**

#### **Revenue**

Revenue represents the net amounts received and receivable for (i) tin concentrate and (ii) gold products sold in the normal course of business, net of sales related taxes. All of the Group's revenue is recognised at a point in time when the goods has been delivered to the customers' specific location. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling goods and bears the risk of obsolescence and loss in relation to the goods. The categories for disaggregation of revenue are consistent with the segment information disclosure as below.

The performance obligation of all contracts with customers have an original expected duration of one year or less, therefore the Group applies the practical expedient of HKFRS 15 which allows the Group not to disclose the information of the transaction price allocated to the remaining performance obligation for contracts with customers.

#### **Segment information**

The executive directors of the Company have been identified as the chief operating decision makers ("CODM"). The executive directors consider the (i) exploration, development and mining of tin and copper bearing ores in the Renison underground mine in Australia, held under the joint operation, and (ii) trading of gold products are the principal activities of the Group. Segment information is reported to the executive directors of the Company for resources allocation.

## Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

|   | <b>Mining<br/>Operations</b><br><i>HK\$'000</i> | <b>Trading of<br/>gold products</b><br><i>HK\$'000</i> | <b>Consolidated</b><br><i>HK\$'000</i> |
|---|---|--|--|
| For the year ended 31 December 2021                                     |   |  |  |
| <b>Segment revenue</b>  | <u>979,884</u>                                  | <u>4,272,035</u>                                       | <u>5,251,919</u>                       |
| <b>Segment profit</b>   | <u>648,597</u>                                  | <u>5,541</u>   | 654,138                                |
| Unallocated other income  |   |  | 68                                     |
| Corporate administrative expenses                                       |   |  | (21,560)                               |
| Other expenses  |   |  | (7,594)                                |
| Unallocated other gains and losses                                      |   |  | 509                                    |
| Unallocated finance costs   |   |  | <u>(3,675)</u>                         |
| <b>Profit before taxation</b>   |   |  | <u><u>621,886</u></u>                  |
| For the year ended 31 December 2020                                     |   |  |  |
| <b>Segment revenue</b>  | <u>433,113</u>                                  | <u>231,187</u>   | <u>664,300</u>                         |
| <b>Segment profit (loss)</b>  | <u>45,886</u>                                   | <u>(417)</u>   | 45,469                                 |
| Unallocated other income  |   |  | 764                                    |
| Corporate administrative expenses                                       |   |  | (23,916)                               |
| Other expenses  |   |  | (18,197)                               |
| Unallocated other gains and losses                                      |   |  | 5,173                                  |
| Impairment loss under expected credit loss<br>model on other receivable |   |  | (2,600)                                |
| Unallocated finance costs   |   |  | <u>(3,590)</u>                         |
| <b>Profit before taxation</b>   |   |  | <u><u>3,103</u></u>                    |

Segment profit (loss) represents the profit generated (loss incurred) from each segment without allocation of certain other income, corporate administrative expenses, other expenses, certain other gains and losses, certain finance costs that are not directly relevant to the operating and reportable segments and impairment loss under expected credit loss model on other receivable. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

|                                 | <b>Mining<br/>Operations</b><br><i>HK\$'000</i> | <b>Trading of<br/>gold products</b><br><i>HK\$'000</i> | <b>Consolidated</b><br><i>HK\$'000</i> |
|---------------------------------|---|--|--|
| <b>Segment assets</b>           |   |  |  |
| <b>As at 31 December 2021</b>   |   |  |  |
| Segment assets                  | 1,296,603                                       | 4,582  | 1,301,185                              |
| Other assets                    |   |  | <u>20,239</u>                          |
| <b>Consolidated assets</b>      |   |  | <b><u>1,321,424</u></b>                |
| <b>As at 31 December 2020</b>   |   |  |  |
| Segment assets                  | 786,773   | 233,513  | 1,020,286                              |
| Other assets                    |   |  | <u>30,458</u>                          |
| <b>Consolidated assets</b>      |   |  | <b><u>1,050,744</u></b>                |
| <b>Segment liabilities</b>      |   |  |  |
| <b>As at 31 December 2021</b>   |   |  |  |
| Segment liabilities             | 361,247   | 743  | 361,990                                |
| Other liabilities               |   |  | <u>161,448</u>                         |
| <b>Consolidated liabilities</b> |   |  | <b><u>523,438</u></b>                  |
| <b>As at 31 December 2020</b>   |   |  |  |
| Segment liabilities             | 235,289   | 233,642  | 468,931                                |
| Other liabilities               |   |  | <u>139,190</u>                         |
| <b>Consolidated liabilities</b> |   |  | <b><u>608,121</u></b>                  |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, right-of-use assets, other receivables, prepayments and deposits, bank balances and cash for corporate use and equity security at FVTPL; and
- all liabilities are allocated to operating segments other than certain other payables and accruals, lease liabilities and a shareholder's borrowing that are for corporate use.

### Other segment information

For the year ended 31 December 2021

|  | <b>Mining<br/>Operations<br/><i>HK\$'000</i></b> | <b>Trading<br/>of gold<br/>products<br/><i>HK\$'000</i></b> | <b>Unallocated<br/><i>HK\$'000</i></b> | <b>Consolidated<br/><i>HK\$'000</i></b> |
|--|--|---|--|---|
| Amounts included in the measure<br>of segment profit or loss or<br>segment assets: |  |   |  |   |
| Addition to non-current assets   | 197,583  | –   | 858                                    | 198,441                                 |
| Depreciation   | (108,644)  | –   | (1,717)                                | (110,361)                               |
| Reversal of impairment loss<br>recognised on exploration<br>and evaluation assets  | <u>257,078</u>                                   | <u>–</u>  | <u>–</u>                               | <u>257,078</u>                          |

For the year ended 31 December 2020

|  | Mining<br>Operations<br><i>HK\$'000</i> | Trading<br>of gold<br>products<br><i>HK\$'000</i> | Unallocated<br><i>HK\$'000</i> | Consolidated<br><i>HK\$'000</i> |
|--|---|---|--------------------------------|---------------------------------|
| Amounts included in the measure<br>of segment profit or loss or<br>segment assets: |   |   |                                |                                 |
| Addition to non-current assets   | 95,681                                  | –   | 24                             | 95,705                          |
| Depreciation   | (71,766)                                | –   | (2,267)                        | (74,033)                        |
| Reversal of impairment loss<br>recognised on property,<br>plant and equipment      | 18,811                                  | –   | –                              | 18,811                          |
| Reversal of impairment loss<br>recognised on exploration<br>and evaluation assets  | 9,256                                   | –   | –                              | 9,256                           |
| Impairment loss under expected<br>credit loss model on<br>other receivable         | –                                       | –   | (2,600)                        | (2,600)                         |
|  | <u>–</u>                                | <u>–</u>  | <u>(2,600)</u>                 | <u>(2,600)</u>                  |

### Geographical information

Information about the Group's revenue from external customers is presented based on the location of the operations of the relevant subsidiaries. Information about the Group's non-current assets (excluding financial assets) is presented based on the geographical location of the assets.

|           | Revenue from external customers |                         | Non-current assets      |                         |
|-----------|---------------------------------|-------------------------|-------------------------|-------------------------|
|           | Year ended 31 December          |                         | As at 31 December       |                         |
|           | 2021<br><i>HK\$'000</i>         | 2020<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
| Australia | 979,884                         | 433,113                 | 860,000                 | 557,266                 |
| Hong Kong | 4,272,035                       | 231,187                 | 3,450                   | 566                     |
| Vietnam   | –                               | –                       | –                       | 255                     |
|           | <u>5,251,919</u>                | <u>664,300</u>          | <u>863,450</u>          | <u>558,087</u>          |

## Information about major customers

|   | Year ended 31 December |                 |
|---|------------------------|-----------------|
|   | 2021                   | 2020            |
|   | <i>HK\$'000</i>        | <i>HK\$'000</i> |
| Yunnan Tin Australia TDK Resources Pty Limited (“YTATR”) <sup>1</sup> | 979,884                | 433,113         |
| Customer A <sup>2</sup>   | 4,272,035              | 231,187         |
|   | 4,272,035              | 231,187         |

<sup>1</sup> Revenue from sales of tin concentrate in the Mining Operations. YTATR is a subsidiary of the non-controlling shareholder of a subsidiary of the Company.

<sup>2</sup> Revenue from sales of gold products.

## 4. OTHER INCOME

|                                   | 2021            | 2020            |
|-----------------------------------|-----------------|-----------------|
|                                   | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Interest income                   | 21              | 257             |
| Covid-19-related rent concessions | 60              | –               |
| Government grants ( <i>Note</i> ) | –               | 754             |
| Others                            | 395             | –               |
|                                   | 476             | 1,011           |

*Note:* During the year ended 31 December 2020, the Group recognised government grants of HK\$754,000 in respect of COVID-19-related subsidies. These amounts have been recognised as other income upon receipt, and there was no unfulfilled condition attached to these government grants at the end of the reporting period.

## 5. OTHER GAINS AND LOSSES

|  | 2021            | 2020            |
|--|-----------------|-----------------|
|  | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Fair value (loss) gain of derivative financial instruments         | (31,024)        | 584             |
| Fair value loss of equity security at FVTPL                        | (5)             | –               |
| Gain on disposal of subsidiaries                                   | 1,800           | 3,572           |
| (Loss) gain on disposal of property, plant and equipment           | (3)             | 3,001           |
| Gain on derecognition of right-of-use assets and lease liabilities | –               | 92              |
| Net foreign exchange gain (loss)                                   | 7,744           | (6,491)         |
| Others   | 445             | (299)           |
|  | (21,043)        | 459             |

## 6. FINANCE COSTS

|   | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Interests on lease liabilities                        | 1,307                   | 918                     |
| Unwinding of discount on provision for rehabilitation | 202                     | 182                     |
| Interests on shareholders' borrowings                 | <u>17,073</u>           | <u>4,502</u>            |
|   | <u><b>18,582</b></u>    | <u><b>5,602</b></u>     |

## 7. TAXATION

|                          | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|--------------------------|-------------------------|-------------------------|
| The taxation comprises:  |                         |                         |
| Current tax charge       |                         |                         |
| – Australian Company Tax | 143,390                 | 11,686                  |
| – Hong Kong Profits Tax  | 743                     | –                       |
| Deferred tax charge      | <u>53,563</u>           | <u>1,908</u>            |
|                          | <u><b>197,696</b></u>   | <u><b>13,594</b></u>    |

Under Australian tax law, the tax rate used for the year is 30% (2020: 30%) on taxable profits on Australian incorporated entities.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

## 8. PROFIT (LOSS) FOR THE YEAR

|  | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Profit (loss) for the year has been arrived at after charging: |                         |                         |
| Auditor's remuneration   | 2,120                   | 2,045                   |
| Cost of inventories recognised as an expense                   | 4,805,844               | 627,956                 |
| Covid-19-related rent concessions                              | 60                      | –                       |
| Depreciation of property, plant and equipment                  | 99,699                  | 63,308                  |
| Depreciation of right-of-use assets                            | 10,662                  | 10,725                  |
| Staff costs (including directors' emoluments)                  |                         |                         |
| – Salaries and other benefits                                  | 144,411                 | 124,933                 |
| – Contributions to retirement benefit schemes                  | 10,898                  | 8,949                   |
|  | <b>155,309</b>          | <b>133,882</b>          |

## 9. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share attributable to the owners of the Company is based on the following data:

|   | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Profit (loss) for the purposes of basic earnings (loss) per share:              |                         |                         |
| – Profit (loss) for the year attributable to owners of the Company              | <b>349,815</b>          | <b>(25,663)</b>         |
|   | <b>2021</b>             | <b>2020</b>             |
|   | <b><i>Number of</i></b> | <b><i>Number of</i></b> |
|   | <b><i>shares</i></b>    | <b><i>shares</i></b>    |
| Number of ordinary shares for the purpose of basic earnings (loss)<br>per share | <b>6,830,000,000</b>    | <b>6,830,000,000</b>    |

No diluted earnings (loss) per share is presented as there were no dilutive potential ordinary shares during both years.

## 10. TRADE RECEIVABLES

|   | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade receivables arising from sales of tin concentrate | <u>83,368</u>           | <u>45,086</u>           |

Balance of trade receivables as at 1 January 2020 was HK\$17,866,000.

For 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. The following is an ageing analysis of trade receivables presented based on final invoice date at the end of the reporting period.

|           | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|-----------|-------------------------|-------------------------|
| 0–30 days | <u>83,368</u>           | <u>45,086</u>           |

No credit period was allowed for sales of gold products. Payment has to be made on the day when the good transfer to the customer.

As at 31 December 2021, the Group did not hold any collateral or other credit enhancements to cover its credit risks associated with the trade receivables classified as financial assets at FVTPL. Accordingly, its carrying amount of HK\$83,368,000 (2020: HK\$45,086,000) represents the maximum exposure to credit risk at 31 December 2021.

As at 31 December 2021 and 2020, the carrying amounts of the Group's trade receivables were all denominated in USD, currency other than the functional currency of the respective group entity.

## 11. ADVANCE PAYMENTS TO A SUPPLIER

As at 31 December 2020, the Group has advance payments to a supplier for purchase of gold of approximately HK\$93,449,000.

## 12. TRADE PAYABLES

An aged analysis of the Group's trade payables based on the invoice date at the end of the reporting period is as follows:

|           | 2021<br><i>HK\$'000</i> | 2020<br><i>HK\$'000</i> |
|-----------|-------------------------|-------------------------|
| 0–30 days | <u>38,674</u>           | <u>32,699</u>           |

The average credit period granted by creditors is 30 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

## 13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2021 nor has any dividend been proposed by the directors of the Company since the end of the reporting period (2020: nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group's performance during the year was mainly affected by tin price, Australian dollars and United States dollars exchange rate and production efficiency.

Total production volume of tin metal of the Renison underground mine in 2021 was 8,452 tonnes (2020: 7,798 tonnes), representing a year-on-year increase of approximately 8.4%. YT Parksong Australia Holding Pty Limited ("YTPAH"), an indirect non-wholly owned subsidiary of the Company holding 50% interest in the Renison underground mine, was entitled to 4,226 tonnes of tin metal (2020: 3,899 tonnes) available for sale.

For the year ended 31 December 2021, revenue of the Group witnessed a 691% increase to approximately HK\$5,251,919,000 (2020: approximately HK\$664,300,000). The Group's audited consolidated profit for the year attributable to the Company's shareholders amounted to approximately HK\$349,815,000 (2020: consolidated loss of approximately HK\$25,663,000). The Group has recorded a turnaround from loss to profit as compared with year 2020 and such turnaround was mainly attributable to the substantial increase in average tin price and the improved production efficiency, and the reversal of impairment loss recognised on exploration and evaluation assets of the Renison underground mine.

During the year, 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 31 December 2021, the total Renison measured, indicated and inferred resource was 18,230,000 metric tons at 1.65% grade of ore. The contained tin decreased by 8.5% to 110,000 metric tons, marking an increase of 9.7% of the measured and indicated resources, and an increase of 1% of the average grade of ore year-on-year (after deducting mining depletion). The enhancement in contained tin within the Renison underground mine facilitated the Group with more room to upgrade production volume.

Apart from the tin mining operation, the Group commenced its gold trading business in December 2020. The gold trading business has gradually expanded in 2021.

## PROSPECT

Going forward in 2022, the Group will continue to conduct drilling campaign on ore grade control and resources defining in Area 5, Leatherwood Trend Huon North within the Renison underground mine, in order to excavate high-grade ore from the area. In addition, 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, to bolster the production volume of tin metals and strive for better returns.

Regarding the tin market, the fast-growing development of new energy vehicles, smart manufacturing and 5G-related electronics have provided new impetus to tin applications. There is a worldwide shortage of semiconductor components that has curtailed the production of electronic goods, smartphones, computers and electric vehicles. As tin can be used as a replacement for lead in solder for connecting electronic circuits, which will create new global demand for tin and solder-using equipment. Besides, the work-from-home movement has seen consumers purchasing more electronics in order to get online. Furthermore, COVID-19 has resulted in the unprecedented supply chain disruption and the global logistics challenges and port congestion. This has also resulted in a significant growth in global demand for tin concentrates since the second half of 2020. Therefore, the tin price has gradually increased since the second half of 2020.

The Group seeks to forge ahead with its business cooperation with 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.

Looking forward, the global economies may continue to be hit hard by the COVID-19 pandemic, posing challenges for the macro-economic environment. The Group will pay close attention to the impacts of COVID-19 pandemic on its operating and financial conditions, and take the appropriate measures accordingly. Meanwhile, the Group will adopt a prudent yet forward-looking development approach and strive for continuous improvement through seizing market opportunities, and will also enhance its competitiveness by refining mine management and enhancing production efficiency, thus delivering better returns to the shareholders and investors.

Meanwhile, the Group will explore further development opportunities by expanding different business lines. We believe that further business diversification will drive the sustainable development of the Group and thus create greater value for our shareholders and investors.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's audited consolidated revenue for the year ended 31 December 2021 amounted to approximately HK\$5,251,919,000 (2020: approximately HK\$664,300,000), a significant increase of approximately 691% from that of last year. The significant increase in the Group's revenue was primarily attributable to an increase in production volume and the significant increase in tin price during the year and the introduction of the trading of gold products of the Group which contributed approximately HK\$4,272,035,000 revenue of the Group.

### **Cost of sales**

Cost of sales mainly included direct material costs, direct labour costs, manufacturing overhead absorbed during the production process of our products and service fee for processing the materials purchased. It was approximately HK\$4,805,844,000 for the year ended 31 December 2021 (2020: approximately HK\$627,956,000), representing approximately 91.5% of the revenue for the year 2021 (2020: 94.5%).

### **Gross profit**

The Group had a gross profit of approximately HK\$446,075,000 (2020: approximately HK\$36,344,000) with gross profit margin of 8.5% for the year ended 31 December 2021 (2020: 5.5%). The increase in gross profit was mainly due to the improved profit margin as the sales volume and tin price increased and the cost of sales regarding the sales of tin concentrates decreased during the year.

### **Administrative expenses**

Administrative expenses, which represented approximately 0.7% of the Group's revenue, decreased by approximately 5.1% from approximately HK\$36,379,000 for the year ended 31 December 2020 to approximately HK\$34,524,000 for the year ended 31 December 2021, mainly due to decrease in administrative staff costs.

### **Finance costs**

Finance costs represented approximately 0.4% of the Group's revenue in this year, increased by approximately 232% from approximately HK\$5,602,000 for the year ended 31 December 2020 to approximately HK\$18,582,000 for the year ended 31 December 2021. The increase in finance costs was mainly due to the increase in interest in lease liabilities and shareholders' borrowings.

## **Profit (loss) for the year attributable to owners of the Company**

The Group's audited consolidated profit attributable to owners of the Company amounted to approximately HK\$349,815,000 (2020: loss of approximately HK\$25,663,000). The turnaround from loss to profit was primarily attributable to an increase in average tin price and the improved production efficiency and the reversal of impairment loss recognised on exploration and evaluation assets of the Renison underground mine.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group financed its operations through internally generated cash flows and borrowings. As at 31 December 2021, the Group did not have any bank facilities but had lease liabilities of approximately HK\$22,584,000 (2020: approximately HK\$22,662,000) and shareholders' borrowings of approximately HK\$66,078,000 (2020: approximately HK\$296,256,000) of which approximately HK\$66,078,000 (2020: approximately HK\$62,614,000) is an unsecured loan guaranteed by Mr. Xie Haiyu, a former shareholder of the Company, and is interest-bearing at a fixed rate of 8% per annum with a maturity date of 31 March 2020 and an interest on overdue balances are determined based on 3-month Hong Kong Interbank Offered Rate plus 2% per annum and is accrued on a daily basis. As at the date of this announcement, the Company is in the course of negotiation with the lender to extend the maturity date of the loan. The shareholders' borrowings as at 31 December 2020 also included an unsecured loan of approximately HK\$233,642,000 from an existing shareholder and executive director Tan Sri Dato' KOO Yuen Kim P.S.M., D.P.T.J. J.P; and is interest-bearing at a fixed rate of 6% per annum which has fully repaid on 23 December 2021. The gearing ratio of the Group, calculated as a ratio of total liabilities to total assets, was 39.6% as at 31 December 2021 (2020: 57.8%).

As at 31 December 2021, the Group had net current assets of approximately HK\$117,191,000 (2020: approximately HK\$7,306,000). Current ratio as at 31 December 2021 was 1.37 (2020: 1.0). The bank and cash balance of the Group as at 31 December 2021 was approximately HK\$267,051,000 (2020: approximately HK\$102,662,000).

## **CHARGES OF ASSETS**

As at 31 December 2021, machineries with carrying values of approximately HK\$20,453,000 (2020: HK\$29,180,000) were pledged to secure the outstanding finance leases.

## **CONTINGENT LIABILITIES**

As at 31 December 2021, except for the litigations as set out in the litigation section of this announcement, the Group did not have any significant contingent liabilities.

## **CAPITAL AND OTHER COMMITMENTS**

The Group had capital and other commitments amounted to HK\$106,010,000 as at 31 December 2021 (2020: HK\$44,659,000) which are expected to be funded by internal resources of the Group.

## **SIGNIFICANT INVESTMENTS**

For the year ended 31 December 2021, capital expenditure of the Group for property, plant and equipment, right-of-use assets and exploration and evaluation assets amounted to approximately HK\$197,583,000 (31 December 2020: HK\$72,756,000). As at 31 December 2021, the Group held equity securities listed in Hong Kong with fair value of approximately HK\$7,000 (2020: Nil).

## **MATERIAL ACQUISITION AND DISPOSAL**

During the year ended 31 December 2021, the Company did not have any significant acquisition and disposal of subsidiaries, associates and joint ventures.

## **SHARE OPTION SCHEME**

On 21 October 2008, the Company adopted a share option scheme (the “Scheme”) for the purpose of providing incentives or rewards to eligible participants who contribute to the success of the Group.

The Scheme expired on 21 October 2018, there was no share option granted or outstanding before the expiration of the Scheme.

The shareholders of the Company passed a resolution at the extraordinary general meeting on 16 June 2021 to adopt a new share option scheme (the “New Share Option 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 the date of this announcement, no option has been granted under the New Share Option Scheme after its adoption.

The total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme of our Group shall not in aggregate exceed 10% of the Shares in issue as at the date on which the resolution for adopting the New Share Option Scheme was passed, such 10% limit represents 683,000,000 Shares while such 10% limit may be refreshed with the sanction of an ordinary resolution by the shareholders of the Company.

As at the date of this announcement, the Company had a total of 683,000,000 Shares available for issue under the New Share Option Scheme (representing 10% of the issued Shares as at the date of this announcement).

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. An option may be accepted by a participant within 21 days from the date of the offer of grant of the option (the “Offer Date”). Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the New Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for Shares under the New Share Option Scheme shall, subject to any adjustments made pursuant to the New Share Option Scheme, be a price determined by the Directors, but shall be at least the highest of (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share. A nominal consideration of HK\$1.00 is payable to the Company on acceptance of the grant of an option.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2021, the Group employed approximately 322 employees (2020: 335). Total staff costs for the year ended 31 December 2021 was HK\$155,309,000 (2020: HK\$133,882,000). The Group implemented its remuneration policy, bonus and salary 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 scheme in the PRC and Vietnam. The employees for mining operation 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 knowledge of industry quality standards.

## **MINE 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 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:

### ***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 fluorescence. This preparation has been proven to be appropriate for the style of mineralization being considered.

Quality assurance/quality control is ensured during the sub-sampling stage process via the use of the systems of an independent NATA/ISO accredited laboratory contractor.

### ***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 Leapfrog and Surpac.

After validating the drillhole data to be used in the estimation, interpretation of the orebody is undertaken in three dimensional orebody wireframe.

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 0.70% 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.

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 year ended 31 December 2021, 254 core holes with NQ2 for 56,153 meters of core holes in total have been drilled for exploration purpose and the drilling program had effectively increased the amount of indicated resources and probable reserves.

**Updated Resource Estimates for Renison underground mine and Rentails as at 31 December 2021**

| PROJECT                | TIN              |                |                 | COPPER           |                |                 |
|------------------------|------------------|----------------|-----------------|------------------|----------------|-----------------|
|                        | Tonnes<br>(’000) | Grade<br>(%Sn) | Sn Metal<br>(t) | Tonnes<br>(’000) | Grade<br>(%Cu) | Cu Metal<br>(t) |
| <b>Measured</b>        |                  |                |                 |                  |                |                 |
| Renison Bell           | 1,780            | 1.79           | 31,800          | 1,780            | 0.25           | 4,500           |
| Rentails               | 23,886           | 0.44           | 104,370         | 23,886           | 0.22           | 52,714          |
| <b>Sub-total</b>       | <b>25,666</b>    | <b>0.53</b>    | <b>136,170</b>  | <b>25,666</b>    | <b>0.22</b>    | <b>57,214</b>   |
| <b>Indicated</b>       |                  |                |                 |                  |                |                 |
| Renison Bell           | 13,990           | 1.65           | 230,600         | 13,990           | 0.19           | 26,400          |
| Rentails               | –                | –              | –               | –                | –              | –               |
| <b>Sub-total</b>       | <b>13,990</b>    | <b>1.65</b>    | <b>230,600</b>  | <b>13,990</b>    | <b>0.19</b>    | <b>26,400</b>   |
| <b>Inferred</b>        |                  |                |                 |                  |                |                 |
| Renison Bell           | 2,470            | 1.59           | 39,100          | 2,470            | 0.23           | 5,600           |
| Rentails               | –                | –              | –               | –                | –              | –               |
| <b>Sub-total</b>       | <b>2,470</b>     | <b>1.59</b>    | <b>39,100</b>   | <b>2,470</b>     | <b>0.23</b>    | <b>5,600</b>    |
| <b>Total Resources</b> |                  |                |                 |                  |                |                 |
| Renison Bell           | 18,240           | 1.65           | 301,500         | 18,240           | 0.20           | 36,500          |
| Rentails               | 23,886           | 0.44           | 104,370         | 23,886           | 0.22           | 52,714          |
| <b>Total I.M.R</b>     | <b>42,126</b>    | <b>0.96</b>    | <b>405,870</b>  | <b>42,126</b>    | <b>0.21</b>    | <b>89,214</b>   |

During the year under review, an extensive exploration and resources development drilling campaign targeting underground targets was conducted over Renison underground mine. 1,928 meters of capital development and 2,236 meters of operating development were advanced during the year. 8,452 tonnes of tin metal were produced from Renison underground mine and 0 tonne from Mount Bischoff, and processed ores averaged 1.41% Sn. No development or recovery production activities were carried out for Rentails Project.

***Operating Expenses for the year ended 31 December 2021***

***HK\$'000***

|                  |                       |
|------------------|-----------------------|
| Mining costs     | 191,946               |
| Processing costs | 111,032               |
| Royalty          | 52,235                |
| Transportation   | 2,981                 |
| Depreciation     | 108,644               |
| Others           | 87,216                |
| <b>Total</b>     | <b><u>554,054</u></b> |

***Finance costs for the year ended 31 December 2021***

***HK\$'000***

|                                 |              |
|---------------------------------|--------------|
| Interests on leases liabilities | <u>1,098</u> |
|---------------------------------|--------------|

For the year ended 31 December 2021, a total of approximately HK\$184,937,000 capital expenditure was incurred for property, plant and equipment, right-of-use assets and exploration and evaluation assets. The details of the expenditure are shown below:

***Capital Expenditure for the year ended 31 December 2021***

***HK\$'000***

|  |                |
|--|----------------|
| Property, Plant and Equipment, Right-of-Use Assets and Exploration and Evaluation Assets | <u>197,583</u> |
|--|----------------|

**Updated Reserve Estimates for Renison underground mine and Rentails as at 31 December 2021**

| PROJECT                                  | TIN          |                  |                | COPPER          |                  |                |                 |
|--|--------------|------------------|----------------|-----------------|------------------|----------------|-----------------|
|  | Cut-off<br>% | Tonnes<br>(’000) | Grade<br>(%Sn) | Sn Metal<br>(t) | Tonnes<br>(’000) | Grade<br>(%Cu) | Cu Metal<br>(t) |
| <b>Proved Reserves<sup>1</sup></b>       |              |                  |                |                 |                  |                |                 |
| Renison Bell                             | 0.70%        | 1,397            | 1.50           | 20,900          | 1,397            | 0.21           | 3,000           |
| Rentails                                 | –            | –                | –              | –               | –                | –              | –               |
| <b>Sub-total</b>                         | <b>–</b>     | <b>1,397</b>     | <b>1.50</b>    | <b>20,900</b>   | <b>1,397</b>     | <b>0.21</b>    | <b>3,000</b>    |
| <b>Probable Reserves<sup>1</sup></b>     |              |                  |                |                 |                  |                |                 |
| Renison Bell                             | 0.70%        | 6,440            | 1.38           | 89,100          | 6,440            | 0.19           | 12,100          |
| Rentails                                 | –            | 22,310           | 0.44           | 99,000          | 22,310           | 0.23           | 51,000          |
| <b>Sub-total</b>                         | <b>–</b>     | <b>28,750</b>    | <b>0.65</b>    | <b>188,100</b>  | <b>28,750</b>    | <b>0.22</b>    | <b>63,100</b>   |
| <b>Total Mining Reserves<sup>1</sup></b> |              |                  |                |                 |                  |                |                 |
| Renison Bell                             | 0.70%        | 7,837            | 1.41           | 110,000         | 7,837            | 0.19           | 16,000          |
| Rentails                                 | –            | 22,310           | 0.44           | 99,000          | 22,310           | 0.23           | 51,000          |
| <b>Total</b>                             | <b>–</b>     | <b>30,147</b>    | <b>0.69</b>    | <b>209,000</b>  | <b>30,147</b>    | <b>0.22</b>    | <b>67,000</b>   |

<sup>1</sup>Note: Proven and probable reserves have been calculated as a ratio of the mining reserves proven and probable reserves of 2021. Rounding of values has also been applied as in the October 2021 market release with reserve totals.

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), MAuslMM. 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 document 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 the only 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 and down-hole longhole stopping methods are utilized at Rneison. The majority of ore production was sourced from the Heemskirk, Central Federal Bassets, Area 5, Leatherwoods and Huon North Areas. Development ore was also sourced from Area 5 and Leatherwood areas. These two areas form a large part of the mine plan moving forward.

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. Development and submission of the closure plan is behind schedule and delayed due to the outbreak of COVID-19. As part of the closure planning works and increased tin price environment an assessment of the outstanding resource was re-run. This work involved re-estimation of the orebody and identification of any potential upside followed by a high-level open pit design and optimisation. This work did not identify any meaningful resource and at 2021 year end work is continuing on finalisation of the mine closure plan, with the submission expected late 2022.

## ***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. An updated feasibility study was re-commenced during 2021 to identify a clear development pathway for the Rentails resource. Work on the study is in two stages with Stage one planned for completion in mid 2022 and Stage two to be completed in 2023 at which stage BMTJV board approval and funding of the proposed development would be sought.

## ***Renewal of mining lease***

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

## **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”).

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\$85,736,000), being the alleged amount of the “Receivables” which Mr. Chan alleged is entitled under the Parksong S&P Agreement (“Mr. Chan’s Claim”).

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 AUD3,048,387.10 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 2021, 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\$152,870,000 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.

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 AUD5,496,266 (approximately HK\$31,118,000).

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 is 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.

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.

## **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.

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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the list securities of the Company during the year.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the Company's articles of association, or laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## **RETIREMENT BENEFIT SCHEMES**

Other than operating a Hong Kong Mandatory Provident Fund Scheme and participating in the state managed retirement benefit scheme in Australia, the People's Republic of China and Vietnam, the Group has not operated any other retirement benefit schemes for the Group's employees.

## **CORPORATE GOVERNANCE CODE**

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2021.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors of the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2021.

## **EVENT AFTER THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Subsequent to year ended 31 December 2021, a loan facility agreement in respect of a sum of USD100,000,000 was signed with Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P, an executive director of the Company and a shareholder with 29.48% equity interest in the Company as at 31 December 2021. The loan facility agreement was entered into on 17 January 2022 with a maturity date of one year after first withdrawal. The loan facility agreement was interest-bearing at a fixed rate of 6% per annum. The loan facility is not secured by any assets of the Group. On 3 March 2022, USD30,000,000 was drawn down.

Save as disclosed, there has been no other significant event affecting the Group after the financial year ended 31 December 2021 and up to the date of this announcement.

## **INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

## **AUDIT COMMITTEE**

The audit committee meets with the Group's senior management and external auditor regularly to review the effectiveness of the internal control systems and the interim and annual reports of the Group and reports directly to the board of Directors of the Company.

The Group's consolidated financial statements for the year ended 31 December 2021 have been reviewed by the audit committee of the Company, who are of the opinion that such statements comply with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS**

This annual results announcement is published on the website of The Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.green-technology.com.hk>). The annual report will be despatched to shareholders and will be available on the website of The Hong Kong Exchanges and Clearing Limited and the Company in due course.

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, 29 March 2022

*As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely, Tan Sri Dato' KOO Yuen Kim P.S.M., D.P.T.J., J.P (Dr. HSU Jing-Sheng as his alternate), Ms. XIE Yue, Dr. HSU Jing-Sheng, Mr. Li Zheng and Mr. SIM Tze Jye; and three independent non-executive directors, namely, Datin Sri LIM Mooi Lang, Mr. KIM Wooryang and Mr. Chan Tin Kwan Bobby.*

*Website: <http://www.green-technology.com.hk>*