



綠科科技
Greentech

Greentech Technology International Limited

綠科科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00195)

INTERIM REPORT

2022

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Corporate Information

Board of Directors

Executive Directors

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

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

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

Mr. LI Zheng

Mr. SIM Tze Jye

Independent Non-executive Directors

Datin Sri LIM Mooi Lang

Mr. KIM Wooryang

Mr. CHAN Tin Kwan, Bobby

Company Secretary

Mr. HUNG Yuk Miu, HKICPA

Authorised Representatives

Ms. XIE Yue

Mr. HUNG Yuk Miu

Principal Bankers

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

Auditor

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

Registered Office

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

Principal Place Of Business In Hong Kong

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

Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited
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P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
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16 Harcourt Road
Hong Kong

Stock Code

00195

Company Website

www.green-technology.com.hk

Management Discussion and Analysis

Market Review

After more than two years since the outbreak of Coronavirus Disease 2019 (“COVID-19”) pandemic in January 2020, the COVID-19 pandemic continued to persist and pose significant challenges to the operating environment for our business. Nevertheless, during the year, the pandemic has come under control with the successful implementation of mass COVID-19 vaccination programs and there were signs of recovery in the global economy.

Tin prices recorded highs in March 2022 when the London Metal Exchange (“LME”) cash contracts temporarily touched USD50,050 per tonne as commodities markets reacted to uncertainty caused by the Russo-Ukrainian War and its potential impact on global supply chains. However, prices have since retreated to around USD27,000 per tonne on a combination of profit taking, concerns about the impact of renewed COVID-19 lockdowns in China on demand and expectations that high inflation and rapidly rising interest rates will slow the global economy.

With the effective control of the COVID-19 pandemic and the improved economy, demand for tin has been increasing due to its vast applications in the increasingly popular electric vehicles, and the increasing demand for electronic appliances as well as semiconductor chips. It is expected the long-term trend for global tin price will be positive due to increasing demand for solar panels.

From January to May 2022, the tin consumption in China reached 78,400 tonnes (January to May 2021: 61,101 tonnes), representing an increase of 28.3%. According to the LME, tin price fluctuated during the period. Tin price rose to its highest in the first half of 2022 at USD50,050 per metric ton and retreated to its lowest point of USD27,050 per metric ton in June 2022. For the six months ended 30 June 2022, the average tin price was USD40,210 per metric ton (30 June 2021: USD28,295 per metric ton), representing an increase of approximately 42.1% year-on-year.

Business Review

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

Total production volume of tin metal in the Renison underground mine during the first half of 2022 was 4,631 tonnes (first half of 2021: 3,623 tonnes), representing a year-on-year increase of approximately 27.8%. YT Parksong Australia Holding Pty Limited (“YTPAH”), an indirect non-wholly owned subsidiary of the Group, holds 50% interest in the Renison underground mine, was entitled to 2,316 tonnes of tin metal (first half of 2021: 1,811 tonnes) available for sale.

Apart from the tin mining operation, the Group has commenced its tin trading business in March 2022.

Business Review (Continued)

For the six months ended 30 June 2022, the Group witnessed a 70.0% decrease in its revenue to HK\$895,697,000, but the gross profit of the Group for the period was HK\$402,904,000 (six months ended 30 June 2021: gross profit of HK\$163,167,000). The increase in gross profit was attributable to (i) an increase in production volume and (ii) significant increase in tin price during the period. During the period, the Group carried on with the resource definition drilling program at the Renison underground mine to discover potential tin resources. The Group continued to explore the Bell 50 area, and the ongoing exploration work has also confirmed the high-grade Area 5 extension to the Bell 50 area. As of 30 June 2022, the total Renison measured, indicated and inferred resource was 18.25 million metric tons at 1.65% grade of ore. The enhancement in contained tin within the Renison underground mine facilitated the Group with more room to upgrade production volume.

Prospect

Looking forward, the Group will continue to conduct drilling campaign on ore grade control and resources defining in Area 5, Leatherwood Trend Huon North within the Renison underground mine and will also recommence an updated definitive feasibility study on the Renison Tailings Retreatment Project (“Rentails”), in order to excavate high-grade ore from the area and re-processing and recovery of tin and copper from the historical tailings at Renison over 13 years. In addition, to bolster the production volume of tin metals and strive for better returns, the Group will carry on with its development in other areas within the Renison underground mine, including Bell 50 area located at the bottom of Area 5 and Hasting Area located at the major footwall fault zone between the high-grade Area 5 and Leatherwood areas.

With the launch of mass COVID-19 vaccination programs and some countries adopting “living with COVID-19” policies, global economic activities are resuming progressively, and the International Monetary Fund expects the global economic growth rate to be 3.6% in 2022 and 2023.

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

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

Prospect (Continued)

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

In respect of the gold trading business of the Group commenced in December 2020, the Group entered into a service agreement with an agent which provides sourcing and processing services in respect of kilobar gold with 99.9% purity for a term from 3 December 2020 to 31 December 2022. However, due to gold price instability in 2022, the Group has temporarily suspended the gold trading business during the reporting period. The management of the Group will constantly review the performance of the gold trading business.

The global economy faces a gloomy outlook as it is under downward pressure caused by the COVID-19 pandemic and the US-China trade dispute. Amidst an incredibly challenging environment, the Group is determined to maintain a safe, healthy and orderly business operation, while optimizing and tapping into the potential of existing resources and projects, in hopes of strengthening its competitiveness. Meanwhile, the Group will continue to identify quality investment opportunities that will generate considerable profit in the long term, in order to bring better returns to its shareholders and investors.

Litigation

HCA 1357/2011

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

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

Under the Statement of Claim, Mr. Chan alleged that GPL and the Company have breached the Parksong S&P Agreement by failing to make payment of AUD15,143,422 (equivalent to approximately HK\$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”).

Litigation (Continued)

HCA 1357/2011 (Continued)

GPL and the Company denied Mr. Chan's Claim and have made counterclaim against Mr. Chan for his breach of the respective terms and/or guarantees and/or warranties in the Parksong S&P Agreement. GPL and the Company filed their Defence and Counterclaim on 11 October 2011 which has subsequently been amended ("GPL and the Company D&C"). Under GPL and the Company D&C, GPL and the Company sought to, amongst others, claim against Mr. Chan by way of counterclaim and set-off and stated that GPL has suffered loss and damage by reason of the following: (1) Mr. Chan has failed to make a payment to GPL in settlement of payables under the Parksong S&P Agreement ("Payables") (apart from the amount of AUD476,393 under (2) below); (2) GPL and the Company are disputing that Mr. Chan is entitled to claim the amount of AUD3,048,387 forming part of the Receivables and claim Mr. Chan for the sum of AUD476,393 forming part of the Payables in respect of cut-off of called cash payment as at the Completion Date ("Called Sum Issue"); (3) Mr. Chan has prepared 3 sets of documents which showed a conflicting picture as to who was the owner of an advanced sum of AUD16.3 million ("AUD16.3 Million Issue") to Yunnan Tin Hong Kong (Holding) Group Co. Ltd. ("Yunnan Tin HK"), a majority-owned subsidiary of Parksong, before the completion of the acquisition; and/or further the said advanced sum of AUD16.3 million may be an amount owed to one of its shareholder, Yunnan Tin Group (Holding) Company Limited ("Yunnan Tin PRC"), by Yunnan Tin HK which is not recorded in the relevant accounts (and thus amounting to an additional amount under the Payables (as defined above)) which Mr. Chan is liable to compensate GPL for the said advanced sum of AUD16.3 million; (4) Mr. Chan unilaterally caused an Australian subsidiary of Yunnan Tin HK, YT Parksong Australia Holding Pty Limited, to enter into a tin concentrate package purchase underwriting agreement and a management agreement with Yunnan Tin Australia TDK Resources Pty Ltd. for the period of the life of the mine on 1 December 2010, without the consent of GPL ("December Agreement Issue"); and (5) the claimed sum of AUD5,496,266 due to production shortfall of contained tin in concentrate from the mine in Australia for the first anniversary after the Completion Date and compensation for each of the second and third anniversaries ("Production Shortfall Issue"). On 23 December 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\$146,000,000 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.

Litigation (Continued)

HCA 1357/2011 (Continued)

For the Production Shortfall Issue, compensation is based on Mr. Chan's production guarantee of 6,500 tonnes of contained tin in concentrate for each of the three anniversaries from the Completion Date under the Parksong S&P Agreement. The actual figures of tin production shortfall were confirmed to be approximately 1,520.8 tonnes, 340.6 tonnes and 487.5 tonnes (totaling 2,348.9 tonnes). GPL stated the claim for compensation for the 3-anniversary production shortfall is in the sum of approximately AUD 5,496,266 (approximately HK\$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 was amended on 26 July 2018) in HCA 1357 Action ("Yunnan Tin PRC D&C") under which Yunnan Tin PRC counterclaims against each of Mr. Chan, Parksong, Yunnan Tin HK and GPL for damages and/or the sum of AUD16.3 million and/or to join in a re-assignment of the sum of AUD16.3 million to Yunnan Tin PRC and/or rectification of accounts of Yunnan Tin HK to recognise the sum of AUD16.3 million as being due to Yunnan Tin PRC. From May 2018 to March 2019, Mr. Chan, Parksong, Yunnan Tin HK and GPL also filed its respective defence(s) to Yunnan Tin PRC's counterclaim; Parksong, Yunnan Tin HK and GPL also made further counterclaims against Mr. Chan.

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

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

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

Litigation (Continued)

HCA 3132/2016

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

HCA 492/2017

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

Financial Review

Revenue

The Group's unaudited consolidated revenue for the six months ended 30 June 2022 amounted to approximately HK\$895,697,000 (30 June 2021: approximately HK\$2,990,434,000), representing a decrease of 70.0% when compared to the same period of last year. The significant decrease in the Group's revenue was primarily attributable to the combined effect of (i) an increase in production volume and significant increase in tin price during the reporting period, (ii) the temporary suspension of the gold trading business of the Group which contributed approximately HK\$2,573,119,000 to the Group's revenue during the six months ended 30 June 2021, and (iii) the introduction of tin trading business of the Group during the six month ended 30 June 2022 which contributed approximately HK\$184,828,000 to the Group's revenue during the reporting period.

Cost of sales

Cost of sales includes mainly direct material costs, direct labour costs and manufacturing overhead absorbed during the production of our products and the cost of tin ingots. It was approximately HK\$492,793,000 for the six months ended 30 June 2022 (30 June 2021: approximately HK\$2,827,267,000), representing approximately 55.0% of the revenue recorded in that period (last period: approximately 94.5%).

Gross profit

The Group had a gross profit of approximately HK\$402,904,000 (30 June 2021: gross profit of approximately HK\$163,167,000) with gross profit margin at 45.0% for the six months ended 30 June 2022 (30 June 2021: gross profit margin at 5.5%).

Administrative expenses

Administrative expenses represented approximately 2.3% (30 June 2021: 0.6%) of the Group's revenue. Administrative expenses increased from approximately HK\$16,534,000 for the six months ended 30 June 2021 to HK\$20,913,000 for the six months 30 June 2022, mainly due to an increase in administrative staff costs.

Finance costs

Finance costs represented approximately 0.8% (30 June 2021: 0.3%) of the Group's revenue in this period. Finance costs decreased from approximately HK\$9,162,000 for the six months ended 30 June 2021 to approximately HK\$7,051,000 for the six months ended 30 June 2022, The decrease was mainly due to a decrease in shareholders' borrowings.

Liquidity, Financial Resources and Capital Structure

The Group financed its operations through internally generated cash flows and shareholders' borrowings. As at 30 June 2022, the Group did not have any bank facilities but had lease liabilities of approximately HK\$28,854,000 (31 December 2021: approximately HK\$22,584,000) and shareholders' borrowings of approximately HK\$306,481,000 (31 December 2021: approximately HK\$66,078,000) of which approximately HK\$66,836,000 (31 December 2021: approximately HK\$66,078,000) is an unsecured loan from Cybernaut Greentech Investment Holding (HK) Limited ("Cybernaut"), a substantial shareholder of the Company, guaranteed by Mr. Xie Haiyu ("Mr. Xie"), 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. Interest on overdue balances is determined based on the 3-month Hong Kong Interbank Offered Rate plus 2% per annum and is accrued on a daily basis. Prior to the date of this interim report, the total outstanding amount of principal and interest has been fully repaid. The shareholders' borrowings also included an unsecured loan of approximately HK\$239,645,000 (31 December 2021: Nil) from a substantial shareholder and executive director of the Company ("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 with a maturity date of 2 March 2023. The gearing ratio of the Group, calculated as a ratio of total liabilities to total assets, was 40.4% as at 30 June 2022 (31 December 2021: 39.6%).

As at 30 June 2022, the Group had net current assets of approximately HK\$347,331,000 (31 December 2021: approximately HK\$117,191,000). Current ratio as at 30 June 2022 was 1.72 (31 December 2021: 1.37). The bank and cash balance of the Group as at 30 June 2022 was approximately HK\$394,879,000 (31 December 2021: approximately HK\$267,051,000).

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

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

The Company and certain subsidiaries of the Company have bank balances, trade receivables, advance payments to a supplier, other payables and accruals, other receivables and deposits, shareholders' borrowings, sales and purchases denominated in foreign currencies which expose the Group to foreign currency risk. As the price of tin may fluctuate greatly, the Group is also subject to tin price exposure.

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

The Group currently does not maintain a hedging policy in respect of foreign currency nor tin price. However, the management monitors foreign exchange exposure and tin price exposure and will consider hedging such exposures should the need arise. During the period ended 30 June 2022, the Group used foreign exchange forward contracts to partially eliminate the currency risk exposure of the Group and used tin futures and forward contracts to partially reduce the tin price risk exposure of the Group.

Charges of assets

As at 30 June 2022, machineries with carrying values of approximately HK\$20,741,000 (31 December 2021: HK\$20,453,000) were pledged to secure outstanding finance leases.

Contingent Liabilities

As at 30 June 2022, except for the litigation as set out in the litigation section of this report, the Group did not have any significant contingent liabilities.

Capital and Other Commitments

The Group had HK\$33,727,000 capital and other commitments as at 30 June 2022 (31 December 2021: HK\$106,010,000) which are expected to be funded by internal resources of the Group.

Significant Investments

For the six months ended 30 June 2022, capital expenditure of the Group for property, plant and equipment and exploration and evaluation assets amounted to approximately HK\$134,125,000 (31 December 2021: HK\$197,583,000). As at 30 June 2022, the Group held equity securities listed in Hong Kong with a fair value of approximately HK\$7,000 (31 December 2021: HK\$7,000).

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2022 (30 June 2021: Nil).

Material Acquisition and Disposal

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

Future Plans for Material Investments and Capital Assets

As at 30 June 2022, the Group does not have any plans for material investments and capital assets.

Share Option Scheme

On 16 June 2021, the Company adopted a new share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group.

As the Share Consolidation had taken effect on 27 June 2022, adjustments were made to the exercise price and the number of shares of the Company falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the Scheme and the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“Listing Rules”). During the six months ended 30 June 2022, the Company has granted share options to subscribe for an aggregate of 143,430,000 then existing ordinary shares of the Company with par value of HK\$0.005 each (before the Share Consolidation) under the Scheme to two directors and other employee, subject to vesting. As at 30 June 2022, there were options for 28,686,000 shares (after Share Consolidation) valid and outstanding under the Scheme, the details of which are as follows:

Grantee	Date of grant	Exercise price (HK\$)	As at		Number of share options			As at 30.6.2022
			1.1.2022	Granted	Exercised	Lapsed	Cancelled	
Executive directors								
Ms. Xie Yue	14.04.2022	0.935	-	13,660,000	-	-	-	13,660,000
Dr. Hsu Jing-Sheng	14.04.2022	0.935	-	13,660,000	-	-	-	13,660,000
Other Employee								
Other Employee	14.04.2022	0.935	-	1,366,000	-	-	-	1,366,000

The above options shall be exercisable during the Option Period (i.e a period of 10 years from the date of grant) in four tranches as set out below:

1. as to 10% of such options for the first tranche, at any time from the date falling on first anniversary of the date of grant till the end of the Option Period (both days inclusive);
2. as to 30% of such options for the second tranche, at any time from the date falling on third anniversary of the date of grant till the end of the Option Period (both days inclusive);
3. as to 30% of such options for the third tranche, at any time from the date falling on fourth anniversary of the date of grant till the end of the Option Period (both days inclusive); and
4. as to 30% of such options for the fourth tranche, at any time from the date falling on fifth anniversary of the date of grant till the end of the Option Period (both days inclusive).

Please refer to Note 23 of the Notes to the condensed consolidated financial statements for further details of the share options granted and the Scheme.

Employees and Remuneration Policy

As at 30 June 2022, the Group employed approximately 335 employees (31 December 2021: 322). Total staff costs for the period ended 30 June 2022 was approximately HK\$82,604,000 (30 June 2021: approximately HK\$74,369,000). The Group's remuneration policy, bonus and salary are based on achievements and performance of the employees. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and state-managed retirement benefit schemes in the PRC and Vietnam. The employees for mining operations are employed by Bluestone Mines Tasmania Joint Venture Pty Limited ("BMTJV") on behalf of YTPAH and Bluestone Mines Tasmania Pty Limited ("BMT"). These employees of BMTJV and the employees of YTPAH are members of a state-managed retirement benefit scheme in Australia (Superannuation fund). The Group continues to provide training facilities to the staff to enhance their knowledge of industry quality standards.

Mines Information

Renison Tin Project

Renison Mine located in Tasmania is one of the major hard rock tin mines in the world and is Australia's largest primary tin producer. Tin mining has been carried out at or near Renison since alluvial tin was discovered in 1890. Over its 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 was 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 of the JV, were formed by both parties on a 50:50 basis. In March 2011, the Company acquired the entire interest in 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, consisting 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 'Barmincio' 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 with 'Barmincio' to 30 April 2016. From 1 May 2016, BMTJV started to its own operation of mining activities.

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

Renison Tin Project (Continued)

Drilling Data

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

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

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

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

Sampling/Assaying

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

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

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.

Renison Tin Project (Continued)

Geology/Geological Interpretation

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

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

Database

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

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

Estimation and modelling techniques

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

Renison Tin Project (Continued)

Estimation and modelling techniques (Continued)

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

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

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

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

Tonnage estimates are in 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.

Renison Tin Project (Continued)

Classification (Continued)

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

Estimated Tin and Copper Reserves and Resources

For the six months ended 30 June 2022, 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 Rentals as at 30 June 2022

PROJECT	TIN			COPPER		
	Tonnes ('000)	Grade (%Sn)	Sn Metal (t)	Tonnes ('000)	Grade (%Cu)	Cu Metal (t)
Measured						
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
Sub-total	25,666	0.53	136,170	25,666	0.22	57,214
Indicated						
Renison Bell	13,900	1.65	230,600	13,900	0.19	26,400
Rentails	–	–	–	–	–	–
Sub-total	13,900	1.65	230,600	13,900	0.19	26,400
Inferred						
Renison Bell	2,470	1.59	39,100	2,470	0.23	5,600
Rentails	–	–	–	–	–	–
Sub-total	2,470	1.59	39,100	2,470	0.23	5,600
Total Resources						
Renison Bell	18,250	1.65	301,500	18,250	0.20	36,500
Rentails	23,886	0.44	104,370	23,886	0.22	52,714
Total I.M.R	42,136	0.96	405,870	42,136	0.21	89,214

Renison Tin Project (Continued)**Estimated Tin and Copper Reserves and Resources (Continued)**

During the six months ended 30 June 2022, 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 reporting period. 4,631 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 the Rentals Project.

Operating Costs for the six months ended 30 June 2022

	HK\$'000
Mining costs	90,741
Processing costs	57,099
Royalty	38,114
Transportation	2,846
Depreciation	60,482
Others	62,350
Total	311,632

Finance costs for the six months ended 30 June 2022

	HK\$'000
Interests on leases liabilities	437

For the six months ended 30 June 2022, a total of approximately HK\$134,125,000 capital expenditure was incurred for exploration, development, or production activities.

Renison Tin Project (Continued)

Estimated Tin and Copper Reserves and Resources (Continued)

Updated Reserve Estimates for Renison underground mine and Rentals as at 30 June 2022

PROJECT	Cut-off %	TIN			COPPER		
		Tonnes ('000)	Grade (%Sn)	Sn Metal (t)	Tonnes ('000)	Grade (%Cu)	Cu Metal (t)
Proved Reserves¹							
Renison Bell	0.70%	1,397	1.50	20,900	1,397	0.21	3,000
Rentails	–	–	–	–	–	–	–
Sub-total	–	1,397	1.50	20,900	1,397	0.21	3,000
Probable Reserves¹							
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
Sub-total	–	28,750	0.65	188,100	28,750	0.22	63,100
Total Mining Reserves¹							
Renison Bell	0.70%	7,837	1.40	110,000	7,837	0.19	16,000
Rentails	–	22,310	0.44	99,000	22,310	0.23	51,000
Total	–	30,147	0.69	209,000	30,147	0.22	67,000

Note 1: Proven and probable reserves have been calculated as a ratio of the mining reserves proven and probable reserves of 2022. 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), MAusIMM. Mr. Carter is a full-time employee of BMTJV and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Renison Underground Mine

The Renison underground mine is one of 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 where the bulk of the workforce resides.

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 tonne metal bins which are trucked to Burnie for containerizing and export.

Conventional up and down-hole longhole stoping methods are utilized at Renison. 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 80km 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 the re-opening of Mount Bischoff within the considerable future. 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 that a significant capital requirement is required before the value of Rentails can be unlocked, the Company had not assigned any value to 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.

Other Information

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

Neither the Company nor any of its subsidiaries was purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2022.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and to the knowledge of the Board, the Board confirms that the Company has maintained a sufficient public float as required under the Listing Rules during the period ended 30 June 2022.

Breach of Loan Agreement

An unsecured loan (the "Loan") granted to the Group by Cybernaut, a substantial shareholder of the Company holding approximately 24.89% of the entire issued share capital of the Company as at the date of this report, matured on 31 March 2020. The Loan is guaranteed by Mr. Xie and is an interest-bearing loan at a fixed rate of 8% per annum. Interest on overdue balances is determined based on 3-month Hong Kong Interbank Offered Rate plus 2% per annum and is accrued on a daily basis. Prior to the date of this interim report, the total outstanding amount of principal and interest of the Loan has been fully repaid.

Continued Connected Transaction

Tin concentrates supply

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

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

The revenue under the Tin Supply Contract for the six months ended 30 June 2022 amounted to approximately HK\$710,869,000.

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

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

Trading of gold products

Greentech Technology International Development Limited (“Greentech Development”), a wholly-owned subsidiary of the Company, entered into a service agreement on 3 December 2020 and a first addendum to the service agreement on 30 April 2021 (together, the “Service Agreement”) with Perfect Hexagon Limited (“Agent”) where the Agent would provide sourcing and processing services in respect of kilobar gold with 99.9% purity for a term from 3 December 2020 to 31 December 2022. The Agent would assist Greentech Development to secure a gold supplier (who would be an independent third party) and Greentech Development would be responsible to make the payment directly to the selected supplier. The Agent would be responsible for ensuring the kilobar gold delivered by the supplier was of merchantable quality and conform to the specification and quantities set out in each purchase order. The Agent would charge a total service fee of USD5.20 per troy ounce for processing the kilobar gold for Greentech Development. The Agent is owned as to 40.12% by Tan Sri Dato’ Koo Yuen Kim P.S.M., D.P.T.J. J.P, the Chairman, an executive Director and a substantial shareholder of the Company, and is therefore an associate of Tan Sri Dato’ Koo Yuen Kim P.S.M., D.P.T.J. J.P and hence a connected person of the Company. The remaining 59.88% interest in the Agent is owned by Mr. Sim Tze Shiong and Mr. Tan Jyh Yaong as to 29.94% each. Mr. Sim Tze Shiong is the brother of Mr. Sim Tze Jye, an executive Director while Mr. Tan Jyh Yaong, to the best knowledge of the Directors, having made all reasonable enquiries, is an independent third party not connected with the Company or its connected persons. The annual caps of the service fee payable by Greentech Development to the Agent for the term of the Service Agreement is subject to annual caps of USD263,314 (equivalent to approximately HK\$2,040,684) for the period from 3 December 2020 to 31 December 2020 and USD2,457,600 (equivalent to approximately HK\$19,046,400) for each of the financial years ending on 31 December 2021 and 2022.

There was no service fee under the Service Agreement for the six months ended 30 June 2022 as the management has temporarily suspended the gold trading business during the period (30 June 2021: approximately HK\$7,349,000).

For details, please refer to the announcements of the Company dated 3 December 2020, 7 December 2020 and 30 April 2021.

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

As at 30 June 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules, were as follows:

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

Long position in the shares of the Company

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

Notes:

- On 17 July 2020, (a) Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P and Ms. Fu Jingqi entered into a sale and purchase agreement ("Sale and Purchase Agreement") to (i) transfer the then existing 800,000,000 ordinary shares of the Company to Ms. Fu Jingqi at the consideration of HK\$160,000,000, which was satisfied by a promissory note issued by Ms. Fu Jingqi; and (ii) impose obligations and restrictions on Ms. Fu Jingqi to her use, retention and/or disposal of the said 800,000,000 shares; and (b) Ms. Fu Jingqi executed a legal charge over, among others, the said 800,000,000 shares in favour of Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P as security. After the Share Consolidation becoming effective on 27 June 2022, the said 800,000,000 shares charged in favour of Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P as security were adjusted to 160,000,000 Consolidated Shares.
- These interests in underlying shares represent interests in options granted on 14 April 2022 under the Scheme. Please refer to Note 23 of the Notes to the condensed consolidated financial statements for further details of the share option granted.

Save as disclosed above, as at 30 June 2022, none of the Directors or chief executive of the Company had any interests or short positions in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 30 June 2022, so far as the Directors were aware, the interests and short positions of substantial shareholders (other than a Director, or the chief executive of the Company) in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long position in the shares of the Company

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

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

Long position in the shares of the Company (Continued)

Notes:

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

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

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

Long position in the shares of the Company (Continued)

Save as disclosed above, as at 30 June 2022, as far as the Directors were aware, no other persons, other than a Director and the chief executive of the Company, or entities, had any interests or short positions in any shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of the Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Adoption of New Articles of Association

In order to be in line with the latest legal and regulatory requirements, including (i) the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and (ii) the amendments made to Appendix 3 to the Listing Rules, which took effect on 1 January 2022, introducing a common set of core shareholder protection standards applicable to all listed issuers in Hong Kong, the Board has put forward to the shareholders of the Company a special resolution to adopt a new articles of association of the Company ("New Articles") in substitution for, and to the exclusion of, the existing constitution of the Company ("Existing Articles"). On 23 June 2022, a special resolution for adopting the New Articles in substitution for and to the exclusion of the Existing Articles was passed by the shareholders of the Company at the 2022 annual general meeting of the Company.

For details of the New Articles, please refer to the announcements of the Company dated 21 April 2022 and 23 June 2022 and the circular of the Company dated 22 April 2022.

Review of Interim Report

The audit committee of the Board (the "Audit Committee") has reviewed the Group's interim results for the six months ended 30 June 2022. The Audit Committee comprises all of the three independent non-executive directors ("INEDs"), namely Datin Sri Lim Mooi Lang, Mr. Kim Wooryang and Mr. Chan Tin Kwan, Bobby.

Corporate Governance

In the opinion of the Directors, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2022.

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2022.

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, 25 August 2022

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

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

Introduction

We have reviewed the condensed consolidated financial statements of Greentech Technology International Limited (the “Company”) and its subsidiaries set out on pages 32 to 58, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong
25 August 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

		Six months ended	
		30.6.2022	30.6.2021
		HK\$'000	HK\$'000
	Notes	(unaudited)	(unaudited)
Revenue	3	895,697	2,990,434
Cost of sales		(492,793)	(2,827,267)
Gross profit		402,904	163,167
Interest income		860	14
Other gains and losses	5	44,714	(1,540)
Other expenses		(2,604)	(2,468)
Impairment loss under expected credit loss ("ECL") model	6	(544)	–
Administrative expenses		(20,913)	(16,534)
Finance costs	7	(7,051)	(9,162)
Reversal of impairment loss recognised on property, plant and equipment		–	41,515
Reversal of impairment loss recognised on exploration and evaluation assets		–	18,057
Profit before tax		417,366	193,049
Taxation	8	(129,789)	(61,201)
Profit for the period	9	287,577	131,848
Other comprehensive (expense) income for the period:			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		(49,132)	(15,267)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		6	(48)
Total comprehensive income for the period		238,451	116,533

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
<i>Note</i>		
Profit for the period attributable to:		
Owners of the Company	238,458	108,922
Non-controlling interests	49,119	22,926
	287,577	131,848
Total comprehensive income for the period attributable to:		
Owners of the Company	192,874	94,064
Non-controlling interests	45,577	22,469
	238,451	116,533
	HK cents	HK cents (restated)
Earnings per share	<i>11</i>	
Basic	17.5	7.97
Diluted	17.5	N/A

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30.6.2022 HK\$'000 (unaudited)	31.12.2021 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	12	457,945	417,299
Right-of-use assets	12	29,919	23,440
Exploration and evaluation assets	12	403,716	422,711
Deposits		21,628	20,815
		913,208	884,265
Current assets			
Inventories		297,013	68,330
Trade receivables	13	36,586	83,368
Other receivables, prepayments and deposits		23,717	17,462
Equity security at fair value through profit or loss ("FVTPL")		7	7
Financial asset at amortised cost	14	48,898	–
Derivative financial instruments	15	26,663	941
Bank balances and cash		394,879	267,051
		827,763	437,159
Current liabilities			
Trade payables	16	41,035	38,674
Other payables and accruals		109,869	106,548
Shareholders' borrowings	17	306,481	66,078
Lease liabilities		14,792	11,183
Dividend payable to a non-controlling shareholder of a subsidiary		–	31,564
Derivative financial instruments	15	186	1,923
Tax payable		8,069	63,998
		480,432	319,968
Net current assets		347,331	117,191
Total assets less current liabilities		1,260,539	1,001,456

		30.6.2022 HK\$'000 (unaudited)	31.12.2021 HK\$'000 (audited)
Capital and reserves			
Share capital	<i>18</i>	34,150	34,150
Reserves		922,097	728,087
Equity attributable to owners of the Company		956,247	762,237
Non-controlling interests		81,326	35,749
Total equity		1,037,573	797,986
Non-current liabilities			
Lease liabilities		14,062	11,401
Deferred tax liabilities		129,932	110,224
Provision for rehabilitation		78,972	81,845
		222,966	203,470
		1,260,539	1,001,456

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the Company									Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Special reserve HK\$'000 (note a)	Share-based payments reserve HK\$'000	Other reserve HK\$'000 (note b)	(Accumulated losses) retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2021 (audited)	34,150	950,427	(99,970)	7,800	-	(1,280)	(442,423)	448,704	(6,081)	442,623
Profit for the period	-	-	-	-	-	-	108,922	108,922	22,926	131,848
Exchange differences on translation from functional currency to presentation currency	-	-	(14,810)	-	-	-	-	(14,810)	(457)	(15,267)
Exchange differences arising on translation of foreign operations	-	-	(48)	-	-	-	-	(48)	-	(48)
Total comprehensive (expense) income for the period	-	-	(14,858)	-	-	-	108,922	94,064	22,469	116,533
At 30 June 2021 (unaudited)	34,150	950,427	(114,828)	7,800	-	(1,280)	(333,501)	542,768	16,388	559,156
At 1 January 2022 (audited)	34,150	950,427	(136,252)	7,800	-	(1,280)	(92,608)	762,237	35,749	797,986
Profit for the period	-	-	-	-	-	-	238,458	238,458	49,119	287,577
Exchange differences on translation from functional currency to presentation currency	-	-	(45,590)	-	-	-	-	(45,590)	(3,542)	(49,132)
Exchange differences arising on translation of foreign operations	-	-	6	-	-	-	-	6	-	6
Total comprehensive (expense) income for the period	-	-	(45,584)	-	-	-	238,458	192,874	45,577	238,451
Recognition of equity-settled share-based payments	-	-	-	-	1,136	-	-	1,136	-	1,136
At 30 June 2022 (unaudited)	34,150	950,427	(181,836)	7,800	1,136	(1,280)	145,850	956,247	81,326	1,037,573

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

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

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Operating cash flows before movements in working capital	458,985	184,551
Increase in inventories	(231,235)	(70,799)
Other movements in working capital	50,283	73,069
Tax paid	(159,347)	(6,300)
Net cash generated from operating activities	118,686	180,521
Interest received	68	14
Purchase of property, plant and equipment	(115,513)	(74,065)
Payments for exploration and evaluation assets	(5,580)	(5,800)
Proceeds on disposal of property, plant and equipment	1,657	134
Investment in financial asset at amortised cost	(48,648)	–
Net cash used in investing activities	(168,016)	(79,717)
Interest paid	(651)	(7,361)
Repayment of a shareholder's borrowing	(1,389)	–
Shareholder's borrowing raised	234,396	–
Repayment of lease liabilities	(6,747)	(6,022)
Dividend paid to a non-controlling shareholder of a subsidiary	(31,564)	(6,976)
Cash generated from (used in) financing activities	194,045	(20,359)
Net increase in cash and cash equivalents	144,715	80,445
Effect of foreign exchange rate changes	(16,887)	1,633
Cash and cash equivalents at 1 January	267,051	102,662
Cash and cash equivalents at 30 June		
Bank balances and cash	394,879	184,740

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

1. General Information and Basis of Preparation

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

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

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

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

2. Principal Accounting Policies

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

2. Principal Accounting Policies (Continued)

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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

2.1 Impact and accounting policies on application of Amendments to HKAS 16 Property, Plant and Equipment – Proceeds before Intended Use

2.1.1 Accounting policies

Property, plant and equipment

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss.

2.1.2 Summary of effect

The application of the amendments has had no material impact on the Group's financial position and performance.

3. Revenue

Revenue represents the net amounts received and receivable for (i) tin concentrate and (ii) mineral products (including tin ingot or gold products) sold in the normal course of business, net of sales related taxes. All of the Group's revenue is recognised at point in time when the goods has been delivered to the customers' specific location. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods. The categories for disaggregation of revenue are consistent with the segment information disclosure in note 4.

4. 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 ("Mining Operations"), held under the joint operation, and (ii) trading of mineral products to be 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 operating and reportable segments:

	Mining Operations HK\$'000 (unaudited)	Trading of mineral products HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
For the six months ended 30 June 2022			
Segment revenue	710,869	184,828	895,697
Segment profit (loss)	425,842	(1,534)	424,308
Unallocated interest income			860
Corporate administrative expenses			(12,759)
Other expenses			(2,604)
Impairment loss under ECL model			(544)
Unallocated other gains and losses			10,466
Unallocated finance costs			(2,361)
Profit before tax			417,366

4. Segment Information (Continued)

Segment revenue and results (Continued)

	Mining Operations HK\$'000 (unaudited)	Trading of mineral products HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
For the six months ended 30 June 2021			
Segment revenue	417,315	2,573,119	2,990,434
Segment profit	206,435	4,267	210,702
Unallocated interest income			7
Corporate administrative expenses			(9,740)
Other expenses			(2,468)
Unallocated other gains and losses			(3,644)
Unallocated finance costs			(1,808)
Profit before tax			193,049

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

4. Segment Information (Continued)

Segment assets and liabilities

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

	Mining Operations HK\$'000	Trading of mineral products HK\$'000	Consolidated HK\$'000
Segment assets			
As at 30 June 2022 (unaudited)			
Segment assets	1,359,755	242,843	1,602,598
Other assets			138,373
Consolidated assets			1,740,971
As at 31 December 2021 (audited)			
Segment assets	1,296,603	4,582	1,301,185
Other assets			20,239
Consolidated assets			1,321,424
Segment liabilities			
As at 30 June 2022 (unaudited)			
Segment liabilities	324,293	240,539	564,832
Other liabilities			138,566
Consolidated liabilities			703,398
As at 31 December 2021 (audited)			
Segment liabilities	361,247	743	361,990
Other liabilities			161,448
Consolidated liabilities			523,438

4. Segment Information (Continued)

Segment assets and liabilities (Continued)

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, equity securities at FVTPL and financial asset at amortised cost; 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.

5. Other Gains and Losses

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Fair value loss of equity security at FVTPL	–	(3)
Fair value gain(loss) of derivative financial instruments	22,871	(5,345)
Net foreign exchange gain	20,377	3,826
Gain(loss) on disposal of property, plant and equipment	1,631	(1)
Others	(165)	(17)
	44,714	(1,540)

6. Impairment Loss under Expected Credit Loss Model

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Impairment loss recognised on financial asset at amortised cost	(544)	–

7. Finance Costs

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Interests on leases liabilities	651	511
Interest on shareholders' borrowings	6,400	8,651
	7,051	9,162

8. Taxation

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Current tax charge		
– Australian Company Tax	(104,118)	(52,256)
– Hong Kong Profits Tax	–	(544)
	(104,118)	(52,800)
Deferred tax charge	(25,671)	(8,401)
Tax expense for the period	(129,789)	(61,201)

Under Australian tax law, the tax rate used for both interim periods is 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.

9. Profit for the Period

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Profit for the period has been arrived at after charging:		
Cost of inventories recognised as an expense	492,793	2,827,267
Depreciation of property, plant and equipment	59,423	38,388
Depreciation of right-of-use assets	5,581	3,390
Short-term lease payments	65	7
Staff costs and directors' emoluments (including equity-settled share-based payments of HK\$1,136,000 (2021: nil))	82,604	74,369

10. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

11. Earnings Per Share

The calculation of basic earnings per share attributable to the owners of the Company for each of the six months ended 30 June 2022 and 2021 is based on the following data:

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Profit for the purposes of basic and diluted earnings per share (2021: basic earnings per share)	238,458	108,922
	'000	'000 (restated)
Number of ordinary shares for the purpose of basic and diluted earnings per share (2021: basic earnings per share)	1,366,000	1,366,000

11. Earnings Per Share (Continued)

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the six months ended 30 June 2022 and 2021 has been adjusted to reflect the impact of the share consolidation on 27 June 2022.

The computation of diluted earnings per share for the six months ended 30 June 2022 does not assume the exercise of the Company's share options as they have an anti-dilutive effect.

No diluted earnings per share was presented as there were no dilutive potential ordinary shares for the six months ended 30 June 2021.

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

During the six months ended 30 June 2022, there was no indication for impairment on property, plant and equipment, right-of-use assets and exploration and evaluation assets relating to the mining operations.

For the purposes of impairment assessment as at 30 June 2021, mining-related property, plant and equipment (which mainly include the mine properties and developments, owned properties, construction in progress and machineries for the mine operation), right-of-use assets for the mine operation and exploration and evaluation assets have been considered as one cash-generating unit ("CGU of the Mining Operation") as these assets are related to the Renison underground mine.

The recoverable amount of the CGU of the Mining Operation of approximately AUD111,400,000 (equivalent to approximately HK\$649,295,000) as at 30 June 2021 was determined based on the higher of fair value less cost of disposal and value in use. The Group's management applied discounted cash flow method to assess the recoverable amount of the CGU of the Mining Operation. The discounted cash flow method was based on a discount rate of 18.9% or a pre-tax discount rate of 25.5% and cash flow projection prepared from financial forecasts approved by the directors of the Company covering the expected mine life period until the mine resources run out based on proved and probable reserves and applied a probability on the indicated resources. The discount rate was estimated by using the capital asset pricing model, with reference to the a risk free rate, which represented the 10-year Australia government bond yield, at 1.5%. The aggregate amount of reserve and resources used in the projection was 7.79 million tonnes and it was assumed the mineral reserve was mined over approximately 12.5 years at a rate of up to 0.64 million tonnes per annum. Such assumptions were based on the estimation provided by the management of the Group. The discount rate used reflected the market assessments of the time value of money and the risks specific to the cash-generating unit for which the estimates of future cash flows had not been adjusted. Other key assumptions for the calculation related to the estimation of cash inflows/outflows include AUD/United States Dollars ("USD") forward exchange rate ranging from 1:0.706 to 1:0.751, future price of tin concentrate of USD24,921 per tonne, which was benchmarked to analyst consensus forecast.

12. Property, Plant and Equipment, Right-of-use Assets and Exploration and Evaluation Assets (Continued)

As at 30 June 2021, in view of the continuous increase in the tin price, the recoverable amount of the CGU of the Mining Operation was higher than its carrying value by HK\$59,572,000. Accordingly, reversal of impairment losses on mine properties and developments and exploration and evaluation assets allocated to the CGU of the Mining Operation of approximately HK\$41,515,000 and HK\$18,057,000 respectively, which were allocated on a pro-rata basis based on the respective carrying value of mine properties and developments and exploration and evaluation assets, were recognised in profit or loss for the period ended 30 June 2021.

Property, plant and equipment

During the six months ended 30 June 2022, the Group had additions to the property, plant and equipment amounted to approximately HK\$115,513,000 (six months ended 30 June 2021: HK\$74,065,000).

Exploration and evaluation assets

During the six months ended 30 June 2022, the Group had additions to the exploration and evaluation assets amounted to approximately HK\$5,580,000 (six months ended 30 June 2021: HK\$5,800,000).

Right-of-use assets

The Group leases various motor vehicles, properties, machinery and equipment for its operations. Lease contracts are entered into for fixed term of one to four years. Certain leases of equipment were accounted for as finance leases and were pledged during the period ended 30 June 2022 and carried interest ranged from 2.7% to 6.4% (31 December 2021: 2.7% to 5.5%). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at 30 June 2022, machinery with carrying values of HK\$20,741,000 (31 December 2021: HK\$20,453,000) was pledged to secure the finance leases granted.

During the six months ended 30 June 2022, the Group had additions to the right-of-use assets amounted to approximately HK\$13,032,000 (six months ended 30 June 2021: HK\$12,836,000) and additions to the lease liabilities amounted to approximately HK\$13,032,000 (six months ended 30 June 2021: HK\$12,836,000).

13. Trade Receivables

	30.6.2022 HK\$'000 (unaudited)	31.12.2021 HK\$'000 (audited)
Trade receivables arising from sales of tin concentrate from Mining Operations	36,586	83,368

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

No credit period was allowed for sales of mineral products. Payment has to be made on the day when the goods are transferred to the customer.

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

	30.6.2022 HK\$'000 (unaudited)	31.12.2021 HK\$'000 (audited)
0-30 days	36,586	83,368

14. Financial Asset at Amortised Cost

During the period, the Group invested into a private fund at cost of approximately USD6,200,000 (equivalent to HK\$48,648,000). A fixed return on the investment at 6% per annum is agreed with the fund and the fund is required to be redeemed in its entirety at the end of 12 months from the date of investment. During the period, interest income of HK\$792,000 was recognised.

15. Derivative Financial Instruments

During the six months ended 30 June 2022, the Group entered into several foreign exchange forward contracts, tin forward contracts and tin future contracts. The Group used these derivative financial instruments to manage its foreign currency exposure arising from AUD/USD exchange rate fluctuation and revenue exposure arising from tin price fluctuation.

As of 30 June 2022, the aggregate notional amount of tin forward contracts and tin future contracts were approximately USD15,497,000 (equivalent to HK\$121,598,000) (31 December 2021: USD4,757,000 (equivalent to HK\$37,100,000)) and with contract forward price ranging from USD41,650 to USD46,300 per tonne (31 December 2021: USD32,100 to USD40,600 per tonne) of tin concentrate. The settlement dates of these contracts are from July 2022 to November 2022 (31 December 2021: from January 2022 to April 2022).

As of 30 June 2022, the notional amount of foreign exchange forward contract was approximately USD2,000,000 (equivalent to HK\$15,693,000) (31 December 2021: USD1,500,000 (equivalent to HK\$11,696,000)). The settlement date is in July 2022 (31 December 2021: January 2022).

16. 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:

	30.6.2022 HK\$'000 (unaudited)	31.12.2021 HK\$'000 (audited)
0–30 days	41,035	38,674

17. Shareholders' Borrowings

	Maturity date	Effective interest rate		30.06.2022	31.12.2021
		30.06.2022	31.12.2021	HK\$'000 (unaudited)	HK\$'000 (audited)
Cybernaut Greentech Investment Holding (HK) Limited ("Cybernaut") (Note a)	31 March 2020	11%	10%	66,836	66,078
Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P. (Note b)	2 March 2023	6%	N/A	239,645	–
				306,481	66,078

Notes:

- a The borrowing is an unsecured loan from Cybernaut, a shareholder with 24.89% (31 December 2021: 24.89%) equity interest in the Company, which is guaranteed by Mr. Xie Haiyu (the "Guarantor"), a former shareholder of the Company, and it is interest-bearing at a fixed rate of 8% per annum. The borrowing was originally with a maturity date on 31 March 2019. On 19 February 2019, the Company, Cybernaut and the Guarantor agreed to further extend the maturity date of such borrowing to 31 March 2020 with fixed interest rate of 8% per annum. As at 30 June 2022 and 31 December 2021, the outstanding loan was unsettled while no further supplementary loan extension agreement was entered into between the Company and Cybernaut. As stated in the loan agreement, interest on overdue balances is determined based on 3-month Hong Kong Interbank Offered Rate ("HIBOR") plus 2% per annum and is accrued on a daily basis as penalty in addition to the original fixed rate of 8% per annum. The accrued interests are due upon the principal repayment.

As at 30 June 2022, the carrying amount of such borrowing was HK\$66,836,000 (31 December 2021: HK\$66,078,000), which included accrued interest payable of HK\$34,246,000 (31 December 2021: HK\$32,099,000).

- b On 17 January 2022, the Group entered into a loan facility agreement in respect of a sum of USD100,000,000 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 30 June 2022. The borrowing is unsecured, interest-bearing at a fixed rate of 6% per annum and with a maturity date of one year since the Group first draw down of such facility. On 3 March 2022, USD30,000,000 (equivalent to approximately HK\$234,396,000) was drawn down.

As at 30 June 2022, the carrying amount of such borrowing was HK\$239,645,000, which included accrued interest payable of HK\$4,253,000.

18. Share Capital

	Number of shares	Share Capital (HK\$'000)
Ordinary shares		
Authorised:		
At 1 January 2021 and 31 December 2021 (HK\$0.005 each)	20,000,000,000	100,000
Share consolidation (<i>note</i>)	(16,000,000,000)	–
At 30 June 2022 (HK\$0.025 each)	4,000,000,000	100,000
Issued and fully paid:		
At 1 January 2021 and 31 December 2021	6,830,000,000	34,150
Share consolidation (<i>note</i>)	(5,464,000,000)	–
At 30 June 2022	1,366,000,000	34,150

Note: On 27 June 2022, the Company passed a special resolution for every five issued and unissued ordinary shares of par value of HK\$0.005 each in the share capital of the Group (the "Existing Shares") be consolidated into one ordinary share of par value of HK\$0.025 each (the "Consolidated Shares") (the "Share Consolidation"), such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the constitutional documents of the Group. Upon the completion of the Share Consolidation the authorised share capital of the Group will be changed from HK\$100,000,000 divided into 20,000,000,000 Existing Shares of par value of HK\$0.005 each to HK\$100,000,000 divided into 4,000,000,000 Consolidated Shares of par value of HK\$0.025 each.

19. Capital and Other Commitments

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

	30.6.2022 HK\$'000 (unaudited)	31.12.2021 HK\$'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of property, plant and equipment of JV Projects	19,845	92,949
Commitments on mineral tenement	13,882	13,061

20. Related Party Transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, during the six months ended 30 June 2022 and 2021, the Group had entered into the following transactions with related parties:

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Sales of tin concentrate to YTATR (<i>note a</i>)	710,869	417,315
Agency fee paid to Perfect Hexagon Limited ("Perfect Hexagon") (<i>note b</i>)	–	7,349
Interest expense on shareholder's borrowing from Cybernaut (<i>note c</i>)	2,147	1,721
Interest expense on shareholder's borrowing from Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P (<i>note c</i>)	4,253	6,930

Notes:

- a The transactions represent the revenue from sales of tin concentrate to YTATR, a company which invests in Australia mineral resource project located in Australia, and is a subsidiary of a non-controlling shareholder who has significant influence on a subsidiary of the Company.
- b The transactions represent the agency fee charged by Perfect Hexagon for sourcing the supplier and processing into gold products. As at 30 June 2022, Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P being an executive director and a shareholder of the Company, holds 40.12% equity interest in Perfect Hexagon.
- c Details of trade receivables and shareholders' borrowings with related parties are set out in notes 13 and 17 respectively.

Compensation of key management personnel

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

	Six months ended	
	30.6.2022 HK\$'000 (unaudited)	30.6.2021 HK\$'000 (unaudited)
Short-term benefits	3,334	2,593
Equity-settled share-based payments	1,136	–
Contributions to retirement benefit scheme	18	15
	4,488	2,608

21. Fair Value Measurements of Financial Instruments

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

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

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

21. Fair Value Measurements of Financial Instruments (Continued)

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

	Fair value as at		Fair value hierarchy	Valuation technique and key input(s)
	30.6.2022 HK\$'000 (unaudited)	31.12.2021 HK\$'000 (audited)		
Financial assets				
Equity securities at FVTPL	7	7	Level 1	Quoted bid price in an active market
Trade receivables	36,586	83,368	Level 2	Derived from the quoted forward tin price
Derivative financial instruments				
– tin future and forward contracts	26,663	173	Level 2	Derived from the observable spot and forward tin price and credit risk of the counterparty
– foreign exchange forward contracts	–	768	Level 2	Derived from the observable spot and forward exchange rates, the yield curves of the respective currencies and credit risk of the counterparty
Financial liabilities				
Derivative financial instruments				
– tin forward contracts	–	(1,923)	Level 2	Derived from the observable spot and forward tin price and credit risk of the counterparty
– foreign exchange forward contracts	(186)	–	Level 2	Derived from the observable spot and forward exchange rates, the yield curves of the respective currencies and credit risk of the counterparty

21. Fair Value Measurements of Financial Instruments (Continued)

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

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

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

22. Major Non-cash Transaction

During the six months ended 30 June 2022, the Group entered into new lease agreements for the use of machineries and equipment for one to four years. On the lease commencement, the Group recognised approximately HK\$13,032,000 (2021: HK\$12,836,000) of right-of-use assets and approximately HK\$13,032,000 (2021: HK\$12,836,000) of lease liabilities.

23. Share-based Payment Transactions

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

As at 30 June 2022, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 28,686,000 (adjusted for share consolidation), representing 2.1% of the shares of the Company in issue at that date.

23. Share-based Payment Transactions (Continued)

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

Details of specific categories of options are as follows:

Date of grant	Vesting date	Exercise period	Number of share option (after share consolidation)	Exercise Price (after share consolidation) HK\$
14/04/2022	14/04/2023	14/04/2023-13/04/2032	2,868,600	0.935
14/04/2022	14/04/2025	14/04/2025-13/04/2032	8,605,800	0.935
14/04/2022	14/04/2026	14/04/2026-13/04/2032	8,605,800	0.935
14/04/2022	14/04/2027	14/04/2027-13/04/2032	8,605,800	0.935

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

	Outstanding at 1/1/2022	Granted during the period	Effect of share consolidation	Outstanding at 30/06/2022
Directors	–	136,600,000	(109,280,000)	27,320,000
Employee	–	6,830,000	(5,464,000)	1,366,000
	–	143,430,000	(114,744,000)	28,686,000

During the period ended 30 June 2022, options were granted on 14 April 2022. The estimated fair value of the options granted 14 April 2022 is HK\$16,664,000. The closing price for the immediately preceding the date of grant is HK\$0.1808 (before share consolidation) per share.

23. Share-based Payment Transactions (Continued)

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

	2022
Share price (adjusted for share consolidation)	HK\$0.935
Exercise price (adjusted for share consolidation)	HK\$0.935
Expected volatility	57.17%
Expected life	10 years
Risk-free rate	2.52%
Expected dividend yield	0%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 10 years with reference to market comparables. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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

24. Subsequent Event

On 28 July 2022, the Group had fully repaid the outstanding principal and interest of the shareholder's borrowing from Cybernaut.

25. Approval of the Condensed Consolidated Financial Statements

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board on 25 August 2022.