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綠科科技
Greentech

GREENTECH TECHNOLOGY INTERNATIONAL LIMITED

綠科科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00195)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The board (the “Board”) of directors (the “Directors”) of Greentech Technology International Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2023, together with the comparative figures for the previous financial year ended 31 December 2022, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Continuing operations			
Revenue	3	820,875	931,380
Cost of sales		<u>(524,835)</u>	<u>(523,847)</u>
Gross profit		296,040	407,533
Other income	4	4,770	3,010
Administrative expenses		(58,709)	(50,117)
Other expenses		(11,215)	(5,898)
Other gains and losses	5	(9,300)	44,384
Finance costs	6	(5,223)	(4,553)
Impairment on financial investment at amortised cost		(26,257)	(1,252)
Share of results of an associate		<u>(1,025)</u>	–
Profit before taxation		189,081	393,107
Taxation	7	<u>(86,283)</u>	<u>(129,597)</u>
Profit for the year	8	102,798	263,510
Discontinued operation			
Loss for the year from discontinued operation		–	<u>(635)</u>
Profit for the year		<u>102,798</u>	<u>262,875</u>
Profit (loss) for the year attributable to owners of the Company			
– from continuing operations		68,390	216,750
– from discontinued operation		–	<u>(635)</u>
Profit for the year attributable to owners of the Company		<u>68,390</u>	<u>216,115</u>
Profit for the year attributable to non-controlling interests from continuing operations		<u>34,408</u>	<u>46,760</u>
		<u>102,798</u>	<u>262,875</u>

	Notes	2023 HK\$'000	2022 HK\$'000
Earnings per share	9		
From continuing and discontinued operations			
Basic (HK cents)		5.0	15.8
Diluted (HK cents)		<u>5.0</u>	<u>15.8</u>
From continuing operations			
Basic (HK cents)		5.0	15.9
Diluted (HK cents)		<u>5.0</u>	<u>15.9</u>
Profit for the year		<u>102,798</u>	<u>262,875</u>
Other comprehensive income (expense) for the year:			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		3,322	(55,426)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		61	6
Reclassification of cumulative translation reserve upon disposal of foreign operation		<u>–</u>	<u>(23)</u>
Other comprehensive income (expense) for the year		<u>3,383</u>	<u>(55,443)</u>
Total comprehensive income for the year		<u>106,181</u>	<u>207,432</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		71,112	163,215
Non-controlling interests		<u>35,069</u>	<u>44,217</u>
		<u>106,181</u>	<u>207,432</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company			
– from continuing operations		71,112	163,873
– from discontinued operation		–	(658)
Non-controlling interests			
– from continuing operations		<u>35,069</u>	<u>44,217</u>
		<u>106,181</u>	<u>207,432</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		773,829	554,990
Right-of-use assets		52,894	26,796
Exploration and evaluation assets		396,033	408,177
Financial investment at amortised cost		23,806	–
Deposits		21,771	21,315
Investment in an associate		–	64
		<u>1,268,333</u>	<u>1,011,342</u>
Current assets			
Inventories		114,143	68,129
Trade receivables	<i>10</i>	55,002	20,540
Financial investment at amortised cost		–	49,414
Other receivables, prepayments and deposits		25,732	23,843
Equity security at fair value through profit or loss (“FVTPL”)		–	6
Tax recoverable		–	31,852
Cash and cash equivalents		201,253	189,779
		<u>396,130</u>	<u>383,563</u>
Current liabilities			
Trade payables	<i>11</i>	71,182	48,419
Other payables and accruals		133,456	108,882
Lease liabilities		21,707	14,662
Tax payable		87,173	–
Dividend payable to a non-controlling shareholder of a subsidiary		–	14,123
		<u>313,518</u>	<u>186,086</u>
Net current assets		<u>82,612</u>	<u>197,477</u>
Total assets less current liabilities		<u><u>1,350,945</u></u>	<u><u>1,208,819</u></u>

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Capital and reserves			
Share capital	<i>12</i>	34,150	34,150
Reserves		970,571	895,154
		<hr/>	<hr/>
Equity attributable to owners of the Company		1,004,721	929,304
Non-controlling interests		86,788	51,719
		<hr/>	<hr/>
Total equity		1,091,509	981,023
		<hr/>	<hr/>
Non-current liabilities			
Lease liabilities		25,871	10,893
Deferred tax liabilities		90,899	142,289
Provision for rehabilitation		142,666	74,614
		<hr/>	<hr/>
		259,436	227,796
		<hr/>	<hr/>
		1,350,945	1,208,819
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands on 22 January 2008. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Group are exploration, development and mining of tin and copper bearing ores in the Renison underground mine in Australia (the “Mining Operations”).

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

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are effective for the current year

In the current year, the Company and its subsidiaries (the “Group”) have applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

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

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the net amounts received and receivable for tin concentrate sold in the normal course of business, net of sales related taxes. All of the Group's revenue is recognised at a point in time when the goods has been delivered. Following the delivery, the customer has full discretion over the manner of distribution and bears the risk of obsolescence and loss in relation to the goods.

The Group has provisionally priced sales where the contract terms for the Group's tin concentrate sales allow for a price adjustment based on a final assay of the goods determined after discharge. The period between provisional invoicing and quotation period completion is approximately 45 days for tin concentrate. The Group re-estimates the fair value of the final sales price adjustment with reference to forward market prices. Any adjustments to the final price are recognised as revenue.

The Group recognises revenue at an amount representing the Group's best estimate for the expected final consideration based on the most recently determined estimate of product assays. Based on the past experiences on the quantity and quality delivered, the Group assesses the likelihood of significant reversals to ensure revenue is only recognised to the extent that it is highly probable that significant reversal will not occur.

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

Segment information

The executive directors of the Company have been identified as the chief operating decision makers. The Group has discontinued the trading of mineral products operation during the year ended 31 December 2022, accordingly, the executive directors consider the Mining Operations held under the joint operation is the principal operation of the Group and represents one single segment. Segment information is no longer reported to the executive directors of the Company for resources allocation.

The executive directors of the Company focus on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is reviewed. Accordingly, no operating segment information is presented. Segment revenue and results from continuing operations are therefore the same as those presented in the consolidated statement of profit or loss and other comprehensive income.

Geographical information

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

	Revenue from external customers from		Non-current assets	
	continuing operations		as at	
	Year ended		31 December	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Australia	820,875	931,380	1,211,115	978,823
Hong Kong	-	-	11,641	11,204
	<u>820,875</u>	<u>931,380</u>	<u>1,222,756</u>	<u>990,027</u>

Information about major customer

	Year ended 31 December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Yunnan Tin Australia TDK Resources Pty Limited ("YTATR") ¹	<u>820,875</u>	<u>931,380</u>

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

4. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Continuing operations		
Interest income	4,751	2,914
Government grants	–	96
Others	19	–
	<u>4,770</u>	<u>3,010</u>

5. OTHER GAINS AND LOSSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Continuing operations		
Fair value gain of derivative financial instruments	–	23,036
Fair value loss of equity security at FVTPL	–	(1)
Impairment on investment in an associate	(6,155)	(1,175)
Loss on disposal of property, plant and equipment	(329)	(96)
Net foreign exchange (loss) gain	(2,816)	20,690
Others	–	1,930
	<u>(9,300)</u>	<u>44,384</u>

6. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Continuing operations		
Interests on lease liabilities	4,527	1,267
Unwinding of discount on provision for rehabilitation	696	838
Interests on shareholders' borrowings	–	2,448
	<u>5,223</u>	<u>4,553</u>

7. TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Continuing operations		
Current tax charge		
– Australian Company Tax	136,373	89,994
Deferred tax (credit) charge	<u>(50,090)</u>	<u>39,603</u>
	<u>86,283</u>	<u>129,597</u>

Under Australian tax law, the tax rate used for the year is 30% (2022: 30%) on taxable profits on Australian incorporated entities.

8. PROFIT FOR THE YEAR

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Continuing operations		
Profit for the year has been arrived at after charging:		
Auditor's remuneration	2,210	2,210
Cost of inventories recognised as an expense	524,835	523,847
Depreciation of property, plant and equipment	49,589	37,018
Depreciation of right-of-use assets	13,067	12,060
Staff costs (including directors' emoluments)		
– Salaries and other benefits	160,484	154,605
– Contributions to retirement benefit schemes	13,373	12,804
– Share-based payment expenses	4,305	3,852
	<u>178,162</u>	<u>171,261</u>

9. EARNINGS PER SHARE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share from:		
Continuing operations		
– Profit for the year attributable to the owners of the Company from continuing operations	<u>68,390</u>	<u>216,750</u>
Discontinued operation		
– Loss for the year attributable to the owners of the Company from discontinued operation	<u>–</u>	<u>(635)</u>
Continuing and discontinued operations		
– Profit for the year attributable to the owners of the Company	<u><u>68,390</u></u>	<u><u>216,115</u></u>
	2023 '000	2022 '000
Number of shares		
Number of ordinary shares for the purpose of basic and diluted earnings per share	<u><u>1,366,000</u></u>	<u><u>1,366,000</u></u>

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

Basic and diluted loss per share for the discontinued operation for the year ended 31 December 2022 is HK0.1 cent per share.

10. TRADE RECEIVABLES

Trade receivables arose from sales of tin concentrate. Trade receivables as at 1 January 2022 amounted to HK\$83,368,000.

For sales of tin concentrate, the Group allows a credit period of 3 working days for 85% of the provisional value upon the delivery of goods (at the point when control of goods is transferred to customer) and issue of provisional invoices. For the remaining 15%, the Group allows a credit period of 10 working days after the issue of final invoice, which is derived based on the mutual agreement on grade and weights of tin concentrates with the customer and the adjustments on the final sales prices based on the market price of tin. It normally takes around 1 to 2 months after delivery of goods for the issue of final invoice. The Group's trade receivables are aged 0-30 days based on invoice date at the end of the reporting period.

As at 31 December 2023, the Group did not hold any collateral or other credit enhancements to cover its credit risks associated with the trade receivables classified as financial assets at FVTPL. Accordingly, its carrying amount of HK\$55,002,000 (2022: HK\$20,540,000) represents the maximum exposure to credit risk at 31 December 2023.

As at 31 December 2023 and 2022, the carrying amounts of the Group's trade receivables were all denominated in USD, currency other than the functional currency of the respective group entity.

11. TRADE PAYABLES

The following is an aged analysis of the Group's trade payables presented based on the invoice date and other payables at the end of the reporting period:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0-30 days	43,889	48,419
31-60 days	26,918	–
61-90 days	375	–
	<u>71,182</u>	<u>48,419</u>

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

12. SHARE CAPITAL

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

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 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.

13. DIVIDENDS

The Directors do not recommend any payment of final dividend (2022: NIL).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Total production volume of tin metal of the Renison underground mine in 2023 was 9,532 tonnes (2022: 8,404 tonnes), representing an increase of approximately 13.42%. YTPAH, an indirect non-wholly owned subsidiary of the Company holding 50% interest in the Renison underground mine, was entitled to 4,766 tonnes of tin metal (2022: 4,202 tonnes) available for sale.

For the year ended 31 December 2023, revenue from continuing operations of the Group witnessed a 11.9% decrease to approximately HK\$820,875,000 (2022: approximately HK\$931,380,000). The Group's audited consolidated profit for the year attributable to the Company's shareholders from continuing operations amounted to approximately HK\$68,390,000 (2022: approximately HK\$216,750,000). The Group has recorded a decrease in profit as compared with the year 2022 and such decrease was mainly attributable to the combined effect of a decrease in average tin price, increase in administrative and other expenses in current year, the absence of fair value gain of financial instrument in 2023 (2022: approximately HK\$23,036,000) and the net foreign exchange gain of approximately HK\$20,690,000 in 2022 while the Group recorded a net foreign exchange loss of approximately HK\$2,816,000 for the year ended 31 December 2023.

During the year, the Group carried on the resource definition drilling program at the Renison underground mine to discover new potential tin resources. The Group continued to explore the Bell 50 area, and the ongoing exploration work has also confirmed the high-grade Area 5 extension to the Bell 50 area. As of 31 December 2023, the total Renison measured, indicated and inferred resource was 20,040,000 metric tons at 1.54% grade of ore. The enhancement in contained tin within the Renison underground mine facilitated the Group with more room to upgrade production volume.

PROSPECT

Going forward in 2024, the Group will continue to conduct drilling campaign on ore grade control and resources defining in Area 5, Leatherwood Trend, Huon North, Lower Federal, Central Federal Bassets within the Renison underground mine, in order to excavate high-grade ore from the area. In addition, the Group will carry on with its development in other areas within the Renison underground mine, including Bell 50 area located at the bottom of Area 5, to bolster the production volume of tin metals and strive for better returns.

Regarding the tin market, the fast-growing development of new energy vehicles, smart manufacturing and 5G-related electronics have provided new impetus to tin applications. There is a worldwide shortage of semiconductor components, which has curtailed the production of electronic goods, smartphones, computers and electric vehicles. As tin can be used as a replacement for lead in solder for connecting electronic circuits, a new global demand for tin and solder-using equipment will emerge. Furthermore, Indonesia plans to ban the export of tin ingots and the government of Myanmar took measures to ban the export of unprocessed ore, which may result in the supply chain disruption. Therefore, the tin price is expected to gradually increase in 2024.

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

Looking forward, the global economies may continue to be hit hard by the monetary policy imposed by the Federal Reserve and the ongoing challenges for the macro-economic environment. The Group will pay close attention to the impacts of the monetary policy and the macro-economic environment on its operating and financial conditions, and take the appropriate measures accordingly. Meanwhile, the Group will adopt a prudent yet forward-looking development approach and strive for continuous improvement through seizing market opportunities, and will also enhance its competitiveness by refining mine management and enhancing production efficiency, thus delivering better returns to the shareholders and investors and to achieve sustainable business growth and to generate values over the longer term and the strategy for delivering the Group’s objective.

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

FINANCIAL REVIEW

Revenue

The Group's audited consolidated revenue from continuing operations for the year ended 31 December 2023 amounted to approximately HK\$820,875,000 (2022: approximately HK\$931,380,000), a decrease of approximately 11.9% from that of last year. The decrease in the Group's revenue was primarily attributable to a decrease in average tin price.

Cost of sales

Cost of sales mainly included direct material costs, direct labour costs, manufacturing overhead absorbed during the production process of our products and service fee for processing the materials purchased. Cost of sales from continuing operations was approximately HK\$524,835,000 for the year ended 31 December 2023 (2022: approximately HK\$523,847,000), representing approximately 63.9% of the revenue from continuing operations for the year 2023 (2022: 56.2%).

Gross profit

The Group had a gross profit of approximately HK\$296,040,000 (2022: approximately HK\$407,533,000) with gross profit margin of approximately 36.1% for the year ended 31 December 2023 (2022: 43.8%). The decrease in gross profit was mainly due to the net effect of the decrease in revenue and the cost of sales remained relatively stable during the year.

Administrative expenses

Administrative expenses from continuing operations, which represented approximately 7.2% of the Group's revenue from continuing operations, increased by approximately 17.1% from approximately HK\$50,117,000 for the year ended 31 December 2022 to approximately HK\$58,709,000 for the year ended 31 December 2023, mainly due to increase in administrative staff costs.

Finance costs

Finance costs from continuing operations represented approximately 0.6% of the Group's revenue from continuing operations in this year, increased by approximately 14.7% from approximately HK\$4,553,000 for the year ended 31 December 2022 to approximately HK\$5,223,000 for the year ended 31 December 2023. The increase was mainly due to the increase in interest expenses in finance leases.

Profit for the year attributable to owners of the Company

The Group's audited consolidated profit attributable to owners of the Company from continuing operations amounted to approximately HK\$68,390,000 (2022: approximately HK\$216,750,000). The significant decrease in profit was primarily attributable to the combined effect of a decrease in average tin price resulting in decrease in revenue, increase in administrative and other expenses in current year, the absence of fair value gain of financial instrument in 2023 (2022: approximately HK\$23,036,000) and the net foreign exchange gain of approximately HK\$20,690,000 in 2022 while the Group recorded a net foreign exchange loss of approximately HK\$2,816,000 for the year ended 31 December 2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group financed its operations through internally generated cash flows and borrowings. As at 31 December 2023, the Group did not have any bank facilities but had lease liabilities of approximately HK\$47,578,000 (2022: approximately HK\$25,555,000). The gearing ratio of the Group, calculated as a ratio of total liabilities to total assets, was 34.4% as at 31 December 2023 (2022: 29.7%).

As at 31 December 2023, the Group had net current assets of approximately HK\$82,612,000 (2022: approximately HK\$197,477,000). Current ratio as at 31 December 2023 was 1.26 (2022: 2.06). The cash and cash equivalents of the Group as at 31 December 2023 was approximately HK\$201,253,000 (2022: approximately HK\$189,779,000).

CHARGES OF ASSETS

As at 31 December 2023, machineries with carrying values of approximately HK\$43,756,000 (2022: HK\$19,542,000) were pledged to secure the outstanding finance leases.

CONTINGENT LIABILITIES

As at 31 December 2023, except for the litigation as set out in the litigation section of this announcement, the Group did not have any significant contingent liabilities.

CAPITAL AND OTHER COMMITMENTS

The Group had capital and other commitments amounted to HK\$46,032,000 as at 31 December 2023 (2022: HK\$64,892,000) which are expected to be funded by internal resources of the Group.

SIGNIFICANT INVESTMENTS

For the year ended 31 December 2023, capital expenditure of the Group for property, plant and equipment, and mine properties and development amounted to approximately HK\$286,168,000 (31 December 2022: HK\$226,853,000). As at 31 December 2023, the Group did not hold equity securities listed in Hong Kong (2022: HK\$6,000).

MATERIAL ACQUISITION AND DISPOSAL

During the year ended 31 December 2023, the Company did not have any significant acquisition and disposal of subsidiaries, associates and joint ventures.

SHARE OPTION SCHEME

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

1. Participants

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

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

As at the date of this announcement, the Company had a total of 136,600,000 Shares available for issue under the New Share Option Scheme (representing 10% of the issued Shares as at the date of this announcement). As at 31 December 2023 and the date of this announcement, the total number of shares of the Company issuable upon exercise of the options granted is 28,686,000 Shares (representing 2.1% of the issued Shares as at 31 December 2023 and the date of this announcement).

The number of options available for grant under the scheme mandate of the New Share Option Scheme as at 1 January 2023 and 31 December 2023 is 107,914,000 Shares and 107,914,000 Shares, respectively. No service provider sublimit is fixed under the New Share Option Scheme.

3. Maximum entitlement of each participant

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

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

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

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

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

6. Basis of determining the exercise price

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

7. Life of the New Share Option Scheme

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

As 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”) had taken effect on 27 June 2022, adjustments were made to the exercise price and the number of shares of the Company falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the New Share Option Scheme and the Listing Rules. During the year ended 31 December 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 New Share Option Scheme to two Directors and other employee (“Share Option(s)”), subject to vesting. As at 31 December 2023, there were Share Options for 28,686,000 shares (after Share Consolidation) valid and outstanding under the New Share Option Scheme, the details of which are as follows:

Name or category of participants	Date of Grant	At 1 January 2023	Granted during the year	Number of share options			At 31 December 2023	Vesting & exercise period	Exercise price (HK\$)
				Exercised during the year	Lapsed/ expired during the year	Cancelled/ forfeited during the year			
Directors									
Ms. Xie Yue	14 April 2022	13,660,000	-	-	-	-	13,660,000	(Note b)	0.935
Dr. Hsu Jing-Sheng (resigned on 29 February 2024)	14 April 2022	13,660,000	-	-	-	-	13,660,000	(Note b)	0.935
Other Employee									
Other Employee (Note a)	14 April 2022	1,366,000	-	-	-	-	1,366,000	(Note b)	0.935
In aggregate		<u>28,686,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,686,000</u>		
Exercisable at									
31 December 2023							2,868,600		
31 December 2022							-		

Notes:

- (a) Being a full-time employee of the Company.
- (b) 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:
- as to 10% of such options for the first tranche, at any time from the date falling on first anniversary of the date of grant till the end of the Option Period (both days inclusive);

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

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

As no option has been granted during the year ended 31 December 2023, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 December 2023 divided by the weighted average number of shares of the relevant class in issue for the year ended 31 December 2023 is nil.

The estimated fair value of the Share Options granted under the New Share Option Scheme during the year ended 31 December 2023, calculated using the binomial lattice model as at the Date of Grant of the options was approximately HK\$16,416,000.

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

Share price (adjusted for Share Consolidation)	HK\$0.935
Exercise price (adjusted for Share Consolidation)	HK\$0.935
Expected volatility	57.17%
Expected dividend yield	0%
Risk-free interest rate	2.52%

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

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group employed approximately 347 employees (2022: 341). Total staff costs for the year ended 31 December 2023 was HK\$178,162,000 (2022: HK\$171,261,000). The Group implemented its remuneration policy, bonus and salary based on achievements and performance of the employees. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and state-managed retirement benefit scheme in the People's Republic of China (the "PRC"). The employees for mining operation are employed by Bluestone Mines Tasmania Joint Venture Pty Limited ("BMTJV") on behalf of YTPAH and Bluestone Mines Tasmania Pty Limited ("BMT"). These employees of BMTJV and the employees of YTPAH are members of a state-managed retirement benefit scheme in Australia (Superannuation fund). The Group continues to provide training facilities to the staff to enhance knowledge of industry quality standards.

MINES INFORMATION

Renison Tin Project

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

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

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

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

Drilling Data

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

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

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

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

Sampling/Assaying

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

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

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

Geology/Geological Interpretation

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

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

Database

Drillhole data is stored in a geological database, acQuire Technology Solutions, based on the Sequel Server platform which is currently considered “industry standard”.

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

Estimation and modelling techniques

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

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

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

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

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

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

Tonnage estimates are dry tonnes.

Cut-Off Grade

The resource reporting cut-off grade is 0.65% Sn at Renison underground mine based on economic assessment and current operating and market parameters.

Metallurgical and Mining Assumptions

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

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

Classification

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

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

Estimated Tin and Copper Reserves and Resources

For the year ended on 31 December 2023, 219 underground core holes were drilled, mostly NQ2, at a total of 50,272 meters. In addition, 12 surface exploration core holes were drilled at a total of 6,475 meters. Drilling had effectively increased the amount of indicated resources and probable reserves.

Updated Resource Estimates for Renison underground mine and Rentails as of 31 December 2023

PROJECT	TIN			COPPER		
	Tonnes (‘000)	Grade (%Sn)	Sn Metal (t)	Tonnes (‘000)	Grade (%Cu)	Cu Metal (t)
Measured						
Renison Bell	2,452	1.95	47,755	2,452	0.21	5,255
Rentails	23,886	0.44	104,370	23,886	0.22	52,714
Sub-total	26,338	0.58	152,125	26,338	0.22	57,969
Indicated						
Renison Bell	14,762	1.51	222,508	14,762	0.19	28,321
Rentails	–	–	–	–	–	–
Sub-total	14,762	1.51	222,508	14,762	0.19	28,321
Inferred						
Renison Bell	2,826	1.33	37,588	2,826	0.18	5,193
Rentails	–	–	–	–	–	–
Sub-total	2,826	1.33	37,588	2,826	0.18	5,193
Total Resources						
Renison Bell	20,040	1.54	307,851	20,040	0.19	38,769
Rentails	23,886	0.44	104,370	23,886	0.22	52,714
Total	43,926	0.94	412,221	43,926	0.21	91,483

During the year under review, an extensive exploration and resources development drilling campaign targeting underground targets was conducted over Renison underground mine. 2,954 meters of capital development and 2,327 meters of operating development were advanced during the year. 9,532 tonnes of tin metal was produced from Renison underground mine and 0 tonne from Mount Bischoff, and processed ores averaged 1.92% Sn. No development or recovery production activities were carried out for Rentails Project.

Operating Expenses for the year ended 31 December 2023

	<i>HK\$'000</i>
Mining costs	194,091
Processing costs	127,463
Royalty	39,342
Transportation	5,828
Depreciation	54,174
Others	<u>103,937</u>
Total	<u><u>524,835</u></u>

Finance costs for the year ended 31 December 2023

	<i>HK\$'000</i>
Interest on lease liabilities	<u><u>2,010</u></u>

For the year ended 31 December 2023, a total of approximately HK\$286,168,000 capital expenditure was incurred for exploration, development, or production activities. The details of the expenditure are shown below:

Capital Expenditure for the year ended 31 December 2023

	<i>HK\$'000</i>
Property, Plant and Equipment and Mine Properties & Development	<u><u>286,168</u></u>

**Updated Reserve Estimates for Renison underground mine and Rentails as at
31 December 2023**

PROJECT	TIN			COPPER			
	Cut-off %	Tonnes (’000)	Grade (%Sn)	Sn Metal (t)	Tonnes (’000)	Grade (%Cu)	Cu Metal (t)
Proved Reserves							
Renison Bell	0.65%	1,754	1.70	29,800	1,754	0.20	3,508
Rentails	-	-	-	-	-	-	-
Sub-total	-	1,754	1.70	29,800	1,754	0.20	3,508
Probable Reserves							
Renison Bell	0.65%	6,471	1.42	91,900	6,471	0.20	12,942
Rentails	-	22,313	0.44	98,900	22,313	0.23	50,700
Sub-total	-	28,784	0.66	190,800	28,784	0.22	63,642
Total Mining Reserves							
Renison Bell	0.65%	8,225	1.48	121,700	8,225	0.20	16,450
Rentails	-	22,313	0.44	98,900	22,313	0.23	50,700
Total	-	30,538	0.72	220,600	30,538	0.22	67,150

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 announcement of the matters based on his information in the form and context in which it appears.

Renison Underground Mine

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

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

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

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

Mount Bischoff

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

The Group proposed closing Mount Bischoff, which was placed into care and maintenance as the reserve had been depleted for a period of time. The Mount Bischoff closure plan currently developed with the external consultants was in line with the discussions with the regulatory authorities in late 2019. Development and submission of the closure plan is behind schedule and delayed due to the outbreak of COVID-19. Work is continuing on finalising the plan, but the submission is now not expected to occur until late 2024.

Rentails

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

Renewal of mining lease

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

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 AUD15,143,422.44 (equivalent to approximately HK\$78,340,180.12, being the alleged amount of the “Receivables” which Mr. Chan alleged is entitled under the Parksong S&P Agreement (“Mr. Chan’s Claim”).

GPL and the Company denied Mr. Chan's Claim and have made counterclaim against Mr. Chan for his breach of the respective terms and/or guarantees and/or warranties in the Parksong S&P Agreement. GPL and the Company filed their Defence and Counterclaim on 11 October 2011 which has subsequently been amended ("GPL and the Company D&C"). Under GPL and the Company D&C, GPL and the Company sought to, amongst others, claim against Mr. Chan by way of counterclaim and set-off and stated that GPL has suffered loss and damage by reason of the following: (1) Mr. Chan has failed to make a payment to GPL in settlement of payables under the Parksong S&P Agreement ("Payables") (apart from the amount of AUD476,393 under (2) below); (2) GPL and the Company are disputing that Mr. Chan is entitled to claim the amount of AUD3,048,387.10 forming part of the Receivables and claim Mr. Chan for the sum of AUD476,393 forming part of the Payables in respect of cut-off of called cash payment as at the Completion Date ("Called Sum Issue"); (3) Mr. Chan has prepared 3 sets of documents which showed a conflicting picture as to who was the owner of an advanced sum of AUD16.3 million ("AUD16.3 Million Issue") to Yunnan Tin Hong Kong (Holding) Group Co. Ltd. ("Yunnan Tin HK"), a majority-owned subsidiary of Parksong, before the completion of the acquisition; and/or further the said advanced sum of AUD16.3 million may be an amount owed to one of its shareholder, Yunnan Tin Group (Holding) Company Limited ("Yunnan Tin PRC"), by Yunnan Tin HK which is not recorded in the relevant accounts (and thus amounting to an additional amount under the Payables (as defined above)) which Mr. Chan is liable to compensate GPL for the said advanced sum of AUD16.3 million; (4) Mr. Chan unilaterally caused an Australian subsidiary of Yunnan Tin HK, YT Parksong Australia Holding Pty Limited, to enter into a tin concentrate package purchase underwriting agreement and a management agreement with Yunnan Tin Australia TDK Resources Pty Ltd. for the period of the life of the mine on 1 December 2010, without the consent of GPL ("December Agreement Issue"); and (5) the claimed sum of AUD5,496,266 due to production shortfall of contained tin in concentrate from the mine in Australia for the first anniversary after the Completion Date and compensation for each of the second and third anniversaries ("Production Shortfall Issue"). On 23 December 2021, GPL and the Company gave notice to Mr. Chan that GPL shall discontinue its counterclaim on the December Agreement Issue. On 30 January 2024, GPL and the Company agreed with Chan that GPL and the Company shall not pursue the Called Sum Issue, the Production Shortfall Issue and the Payables (other than AUD16.3 Million Issue and the sum of AUD3,244,520.24 stated under the following paragraph which Chan disputes liability but does not dispute its amount) and both Chan, GPL and the Company will bear their own costs in relation to such non-pursued issues. Therefore, the present claims of GPL and the Company are the respective sums of AUD3,244,520.24, AUD16,300,000, totaling AUD19,544,520.24 (approximately of HK\$101,078,317.15 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 AUD3,244,520.24 (but Mr. Chan disputes he is liable for it), Mr. Chan has denied the claims made in GPL and the Company D&C.

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

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

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

HCA 3132/2016

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

HCA 492/2017

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

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

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

PRE-EMPTIVE RIGHTS

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

RETIREMENT BENEFIT SCHEMES

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

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 (formerly known as Appendix 14) to the Listing Rules during the year ended 31 December 2023.

EVENT AFTER THE REPORTING PERIOD

Up to the date of this announcement, there were no significant event affecting the Group after the reporting period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors of the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2023.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

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

The Group's consolidated financial statements for the year ended 31 December 2023 have been reviewed by the audit committee of the Company, who are of the opinion that such statements comply with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS

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

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

Hong Kong, 27 March 2024

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely, Tan Sri Dato' KOO Yuen Kim P.S.M., D.P.T.J. J.P, Ms. XIE Yue, Ms. PENG Zhihong, Mr. LI Zheng and Datin CHONG Lee Hui; and three independent non-executive directors, namely, Datin Sri LIM Mooi Lang, Mr. KIM Wooryang and Ms. PENG Wenting.

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