GREEN INTERNATIONAL
Holdings Limited
格林國際控股有限公司

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Green International Holdings Limited (the "**Company**") announces the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2023, together with the comparative figures for the year 2022, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Revenue	4	**48,831**	47,236
Direct costs and operating expenses		**(20,003)**	(21,089)
Gross profit		**28,828**	26,147
Other incomes, gains and losses, net	5	**7,445**	2,779
Selling expenses		**(13,270)**	(12,647)
Administrative expenses		**(21,989)**	(23,821)
Impairment loss of trademark user right and technical know-how		**(4,369)**	(1,295)
Impairment loss of property, plant and equipment		**(1,387)**	(651)
Impairment loss of right-of-use assets		**(2,340)**	(1,039)
Finance costs	6	**(2,278)**	(3,330)
Loss before income tax	7	**(9,360)**	(13,857)
Income tax credit	8	**569**	43
Loss for the year		**(8,791)**	(13,814)
Loss for the year attributable to:			
— Equity holders of the Company		**(10,626)**	(13,229)
— Non-controlling interests		**1,835**	(585)
		(8,791)	(13,814)
Loss per share for loss for the year attributable to the equity holders of the Company			
— Basic and diluted (HK cents per share)	9	**(1.61)**	(2.00)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	HK$'000	*HK$'000*
Loss for the year	**(8,791)**	(13,814)
Other comprehensive expense, net of tax		
— Exchange differences arising during the year	**(763)**	(966)
Total comprehensive expenses for the year	**(9,554)**	(14,780)
Total comprehensive expenses for the year attributable to:		
— Equity holders of the Company	**(11,283)**	(14,064)
— Non-controlling interests	**1,729**	(716)
	(9,554)	(14,780)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**25,777**	9,459
Right-of-use assets		**24,556**	45,302
Trademark user right and technical know-how		**5,850**	10,219
Prepayments		**–**	3,912
		56,183	68,892
Current assets			
Inventories		**5,726**	7,689
Trade receivables	*11*	**3,058**	2,855
Prepayments, deposits and other receivables		**4,408**	7,459
Bank balances and cash		**66,826**	81,742
		80,018	99,745
Total assets		**136,201**	168,637
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	*14*	**131,979**	131,979
Reserves		**(90,815)**	(79,792)
		41,164	52,187
Non-controlling interests		**2,448**	2,348
Total equity		**43,612**	54,535

	Notes	**2023** HK$'000	2022 HK$'000
LIABILITIES			
Non-current liabilities			
Bonds payables		**–**	5,366
Lease liabilities		**27,453**	49,754
Deferred tax liabilities		**585**	1,021
		28,038	56,141
Current liabilities			
Trade payables	*12*	**3,639**	4,599
Contract liabilities		**140**	189
Accruals and other payables	*13*	**44,604**	40,589
Bonds payables		**5,860**	–
Lease liabilities		**10,267**	12,581
Tax payable		**41**	3
		64,551	57,961
Total liabilities		**92,589**	114,102
Total equity and liabilities		**136,201**	168,637
Net current assets		**15,467**	41,784
Total assets less current liabilities		**71,650**	110,676

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 March 2006 as an exempted company with limited liability. Its registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1–1111, Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in 2006. Its parent company is Jumbo Faith International Limited ("**Jumbo Faith**"), which is wholly owned by Ms. Zhou Cuiqiong, mother of Mr. Yu Zhoujie (an executive Director and the Chairman of the Company).

The Group was principally engaged in provision of (i) health and medical services; and (ii) beauty and wellness products and related services.

These consolidated financial statements are presented in Group's functional currency, Hong Kong dollars ("**HK$**"), which is also the Company functional currency, and all values are rounded to the nearest thousand ("**HK$'000**"), except when otherwise indicated.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) relating to the preparation of consolidated financial statements.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.2 Application of New and Amendments to Hong Kong Financial Reporting Standards

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**") for the first time, which are mandatorily effective for their annual reporting period commencing 1 January 2023 for the preparation of consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to 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 HKAS1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, 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 and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the Year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies.

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;

(ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

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

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") — Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Company and its subsidiary are operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre- transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

Based on management's assessment, the change has had no material impact on the Group's financial positions and performance.

2.3 New and Amendments to HKFRS in issued but not yet effective

Amendments to HKFRS 10 And HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

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

3. REVENUE AND SEGMENT INFORMATION

The Group primarily operates in Hong Kong and the People's Republic of China (the "**PRC**"). The Group's operating businesses are structured and managed separately according to the nature of their operations and the products or services they provide. Each of the Group's business units represents a strategic business unit that offers products or services which are subject to risks and returns that are different from those of the other business units. The Group's business units are as follows:

(a) the health and medical segment, which is engaged in the operation of health and medical related businesses of its hemodialysis center and hospital; and

(b) the beauty and wellness segment, which is engaged in selling of beauty and wellness products and related services.

Operating segments are identified for financial reporting purposes in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board has been identified as the Group's chief operating decision-maker.

Inter-segment revenue is eliminated on consolidation. Inter-segment sales and transfers are transacted according to the relevant prevailing market prices.

Segment results are presented as operating profit or loss.

3.1 Revenue of the Group, together with the analysis of the revenue by segments and geographical regions are as follows:

	Health and medical business	**Beauty and wellness business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
For the year ended 31 December 2023			
The PRC			
— At a point in time	**31,212**	**17,619**	**48,831**

	Health and medical business	Beauty and wellness business	Total
	HK$'000	*HK$'000*	*HK$'000*
For the year ended 31 December 2022			
The PRC			
— At a point in time	31,806	15,430	47,236

The geographic location analysis of revenue is allocated based on the geographic location of customers and the operating geographic location of the health and medical business and beauty and wellness business. For the years ended 31 December 2023 and 2022, no single customer's revenue accounted for more than 10% of the Group's total revenue.

3.2 Results by operating segments are as follows:

	2023	2022
	HK$'000	*HK$'000*
Health and medical business *(Note (i))*	**6,897**	658
Beauty and wellness business *(Note (ii))*	**(7,510)**	(2,399)
Total net operating loss by operating segments	**(613)**	(1,741)
Unallocated corporate expenses, net	**(7,934)**	(7,610)
Net reversal/(allowance) of expected credit loss on other receivables	**1,465**	(1,176)
Finance costs	**(2,278)**	(3,330)
Loss before income tax	**(9,360)**	(13,857)
Income tax credit	**569**	43
Loss for the year	**(8,791)**	(13,814)

Notes:

(i) For the year ended 31 December 2023, other gain of approximately HK$5,066,000 (2022: HK$Nil) was included within the health and medical business segment.

(ii) For the year ended 31 December 2023, impairment loss of trademark user right and technical know-how, property, plant and equipment and right-of-use assets of approximately HK$4,369,000 (2022: HK$1,295,000), HK$1,387,000 (2022: HK$651,000) and HK$2,340,000 (2022: HK$1,039,000) respectively were included within the beauty and wellness business segment.

3.3 Other segment information are as follows:

	2023	2022
	HK$'000	*HK$'000*
Amounts included in the measure of segment results:		
Depreciation and amortization:		
— Health and medical business	**5,234**	5,215
— Beauty and wellness business	**3,428**	4,441
	8,662	9,656
— Unallocated	**960**	1,005
	9,622	10,661
Addition to non-current assets:		
— Health and medical business	**23,653**	5,417
— Beauty and wellness business	**207**	83
	23,860	5,500
— Unallocated	**1,867**	1,184
	25,727	6,684

The non-current assets include property, plant and equipment and right-of-use assets.

3.4 Total assets of the Group by operating segments and geographical regions are as follows:

	Health and medical business	**Beauty and wellness business**	**Unallocated corporate assets**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
As at 31 December 2023				
Hong Kong	**–**	**–**	**68,672**	**68,672**
The PRC	**51,964**	**15,565**	**–**	**67,529**
Segment total assets	**51,964**	**15,565**	**68,672**	**136,201**

	Health and medical business *HK$'000*	Beauty and wellness business *HK$'000*	Unallocated corporate assets *HK$'000*	Total *HK$'000*
As at 31 December 2022				
Hong Kong	–	–	81,655	81,655
The PRC	57,604	29,378	–	86,982
Segment total assets	57,604	29,378	81,655	168,637

3.5 Non-current assets of the Group (excluding financial instruments) by operating segments and geographical regions are as follows:

	Health and medical business ***HK$'000***	**Beauty and wellness business** ***HK$'000***	**Unallocated corporate assets** ***HK$'000***	**Total** ***HK$'000***
As at 31 December 2023				
Hong Kong	**–**	**–**	**1,102**	**1,102**
The PRC	**44,242**	**10,839**	**–**	**55,081**
Segment total non-current assets	**44,242**	**10,839**	**1,102**	**56,183**

	Health and medical business *HK$'000*	Beauty and wellness business *HK$'000*	Unallocated corporate assets *HK$'000*	Total *HK$'000*
As at 31 December 2022				
Hong Kong	–	–	188	188
The PRC	46,149	22,555	–	68,704
Segment total non-current assets	46,149	22,555	188	68,892

4. REVENUE

The revenue of the Group is represented by the revenue generated by the health and medical business and beauty and wellness business.

An analysis of revenue by type of service is as follows:

	2023	2022
	HK$'000	*HK$'000*
Health and medical business	**31,212**	31,806
Beauty and wellness business	**17,619**	15,430
Total revenue recognised at a point in time	**48,831**	47,236

All of the Group's revenue from contracts with customers are generated in the PRC where the goods or services are sold or rendered. All revenue contracts are for the period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contacts is not disclosed.

5. OTHER INCOMES, GAINS AND LOSSES, NET

	2023	2022
	HK$'000	*HK$'000*
Bank interest income	**2,624**	960
Government subsidies *(Note (a))*	**422**	693
Sundry income	**1,007**	198
Other gain *(Note (b))*	**5,066**	–
Gain on lease modification	**1,659**	–
Rental concession	**–**	947
Loss on disposal of property, plant and equipment	**(3,333)**	(19)
	7,445	2,779

Notes:

(a) During the year ended 31 December 2023, the Group recognized government grant of approximately HK$422,000 which was derived from the government tax policy in PRC. During the year ended 31 December 2022, the Group recognized government grant of approximately HK$693,000 in respect of COVID-19 related subsidies which is related to Employee Support Scheme provided by Hong Kong Government and government tax policy in PRC.

(b) Following amicable negotiation, an independent third party waived other payables of approximately HK$5,066,000 upon the termination of certain lease arrangement of certain plant and machinery of the Group.

6. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest expenses:		
— Bonds payable	**494**	469
— Other borrowing	**428**	316
— Lease liabilities	**1,356**	2,545
	2,278	3,330

7. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging/(crediting):

	2023	2022
	HK$'000	*HK$'000*
Auditor's remuneration	**1,200**	1,250
Depreciation of property, plant and equipment	**2,587**	2,514
Depreciation of right-of-use assets	**7,035**	8,147
Merchandise purchased and movements in inventories	**13,386**	15,436
Employee benefit expenses	**22,728**	22,188
Net (reversal)/allowance of expected credit loss on other receivables	**(1,465)**	1,176

8. INCOME TAX CREDIT

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The amounts of income tax credited/(debited) to the consolidated statement of profit or loss are as follows:

	2023	2022
	HK$'000	*HK$'000*
Current taxation		
PRC enterprise income tax		
— Current year	**133**	(87)
Deferred taxation	**436**	130
	569	43

No provision for Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong for the years ended 31 December 2023 and 2022.

9. LOSS PER SHARE

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

	2023	2022
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share	**(10,626)**	(13,229)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue	**659,895**	659,895
Loss per share		
Basic loss per share *(HK cents)*	**(1.61)**	(2.00)

Diluted

The basic loss per share was same as diluted loss per share as there were no potential ordinary shares in issue for both 2023 and 2022.

10. DIVIDENDS

No dividend in respect of the year ended 31 December 2023 (2022: Nil) is to be proposed at the forthcoming annual general meeting.

11. TRADE RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables	**3,058**	2,855

The Group's trade receivables generally have a credit period of 90 days. The maximum credit risk exposure at the end of the reporting period is the carrying amount of the trade receivables. The Group does not have any collateral as security. The Group formulates policies and procedures to ensure the sale of products or services to customers with appropriate credit history to minimise the credit risk.

Ageing analysis

The ageing analysis of trade receivables from businesses of health and medical services and beauty and wellness products and related services, based on invoice dates, as at 31 December 2023 and 2022 are as follows:

	2023	2022
	HK$'000	*HK$'000*
Within 30 days	**2,461**	2,220
31–60 days	**165**	192
61–90 days	**165**	117
91–180 days	**110**	135
Over 180 days	**157**	191
	3,058	2,855

Management assessed the credit quality of the trade receivables in the amount of approximately HK$2,791,000 (2022: HK$2,529,000) that are neither past due nor impaired by reference to the repayment history of those customers.

12. TRADE PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**3,639**	4,599

Ageing analysis

The ageing analysis of trade payables from businesses of health and medical services and beauty and wellness products and related services, based on invoice dates, as at 31 December 2023 and 2022 are as follows:

	2023	2022
	HK$'000	*HK$'000*
Within 30 days	**1,934**	2,154
31–60 days	**703**	1,435
61–90 days	**473**	782
91–180 days	**394**	63
Over 180 days	**135**	165
	3,639	4,599

13. ACCRUALS AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Accruals	**6,665**	5,493
Other borrowings *(Note (i))*	**7,179**	4,816
Other payables *(Note (ii))*	**30,760**	30,280
	44,604	40,589

Notes:

(i) As at 31 December 2023, the other borrowings were unsecured loans from independent third parties, unsecured, carrying interest the rate of 7.0%-7.2% (2022: 8%) and repayable on demand.

(ii) As at 31 December 2023, the payable to the lessor in respect of leased machineries in the amount of approximately HK$10,802,000 (2022: HK$14,923,000) was included in the other payables.

14. SHARE CAPITAL

Details of the movements of the share capital for the years ended 31 December 2023 and 2022 are set out as follows:

	Number of shares		Nominal value	
	2023	2022	**2023**	2022
	Number	*Number*	***HK$'000***	*HK$'000*
Authorised capital:				
As at 1 January	**1,000,000,000**	1,000,000,000	**200,000**	200,000
As at 31 December	**1,000,000,000**	1,000,000,000	**200,000**	200,000
Issued and fully paid:				
As at 1 January	**659,894,693**	659,894,693	**131,979**	131,979
As at 31 December	**659,894,693**	659,894,693	**131,979**	131,979

MANAGEMENT DISCUSSIONS AND ANALYSIS

BUSINESS REVIEW

Overview

During the year ended 31 December 2023 (the "**Year**") under review, the Group continued to be principally engaged in provision of (i) health and medical services and (ii) beauty and wellness products and related services.

Health and Medical Business

The health and medical business segment (the "**Health and Medical Business**") of the Group operates its hospital business in Hunan Province, China through Li County Phoenix Hospital Company Limited ("**Phoenix Opco**") and Yiyang Zizhong Kidney Disease Hospital Company Limited ("**Zizhong Opco**") having the medical organisation operating license granted by the local bureau of the National Health Commission to carry out, amongst others, permitted medical treatments and hemodialysis treatment.

Since 2021, China has launched the deepening of reform of medicine and healthcare systems, calling for the need of high-quality services under a sound pricing system to guarantee deserved prices for medical services at local hospitals in China. During the Year, the Group's Health and Medical Business continued to face challenges from market competitors. Furthermore, operating overheads of the Health and Medical Business have increased due to the implementation of additional hygiene measures and patient handling procedures to alleviate the threat of the epidemic.

During 2023, the relocation of Zizhong Opco has been completed, with larger and better equipped premises and therefore larger operational capacity.

Beauty and Wellness Business

The beauty and wellness business (the "**Beauty and Wellness Business**") of the Group operates its beauty parlors under the brand name of 瑪莎 (Marsa) in Shenzhen, China through selling of beauty and wellness products and related services to local customers.

The performance of the Beauty and Wellness Business continued to be sluggish during the Year due to the changes in consumption patterns after the epidemic and the downturn in the beauty, fitness and bodybuilding industries.

Prospect

The prolonged effect of COVID-19 has caused uncertainties of the economy and business environment during the past few years. With the lifting of the epidemic related measures in China in December 2022, the Group will closely review the latest business and market development. Save as the aforementioned hospital relocation, the acquisition and expansion plans of the Group's hospital business have slowed down due to the deepening of reform of medicine and healthcare systems in 2021. The key tasks of Medical Reform in the second half of 2023 have also been clarified, including continuously carrying out the compilation of medical service price indices and related monitoring work, evaluating the price reform situation in five pilot cities, and launching provincial pilot projects for medical service price reform. Pending the clarification of market reactions under the reform, the Group does not intend to commit to any substantial acquisition or expansion plans under any specified timeline prematurely.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Year was approximately HK$48,831,000 (2022: HK$47,236,000), representing an increase of approximately 3.38% as compared to last year. Despite the challenges faced by the Group, the revenue increased through the marketing efforts and the provision of quality services.

Direct Costs and Operating Expenses

The Group's direct costs and operating expenses for the Year was approximately HK$20,003,000 (2022: HK$21,089,000), representing a decrease of approximately 5.15% as compared to last year. The decrease in the total direct costs and operating expenses were mainly caused by the decrease in costs of goods.

Gross Profit and Gross Profit Margin

The Group's gross profit for the Year was approximately HK$28,828,000 (2022: HK$26,147,000), representing an increase of approximately 10.25% as compared to last year, principally due to the increased revenue but decreased costs of goods. The Group's gross profit margin for the Year was 59.04% (2022: 55.35%).

Selling Expenses

The Group's selling expenses for the Year amounted to approximately HK$13,270,000 (2022: HK$12,647,000), representing an increase of approximately 4.93% as compared to last year. The increase in the selling expenses was generally in line with the increase in revenue.

Administrative Expenses

The Group's administrative expenses for the Year amounted to approximately HK$21,989,000 (2022: HK$23,821,000), representing a decrease of approximately 7.69% as compared to last year. The decrease in the adminstrative expenses was mainly attributable to implementation of cost control measures.

Impairment Testing on Cash-Generating Unit of the Health and Medical Business

The management regards the Health and Medical Business as a separately identifiable cash-generating unit. The management carried out an impairment assessment on the cash-generating unit in respect of the Health and Medical Business, including property, plant and equipment and right-of-use assets, which have an impairment indicator, at the end of the reporting period by reference to the valuation prepared by an independent valuer. The valuation was based on (a) the five years cash flow projections which are discounted using the discount rate of 10.32%; (b) a terminal value calculated using a discount rate of 3%; and (c) the latest financial forecast figures provided by the management of Phoenix Opco and Zizhong Opco taking into account the latest market development. No impairment loss of property, plant and equipment and right-of-use assets was recognised in the Group's consolidated statement of profit or loss for the years ended 31 December 2022 and 2023.

Impairment Testing on Cash-Generating Unit of Beauty and Wellness Business

The management regards the Beauty and Wellness Business as a separately identifiable cash-generating unit. The management carried out an impairment assessment on the cash-generating unit in respect of the Beauty and Wellness Business, including trademark user right and technical know-how, property, plant and equipment and right-of-use assets, which have an impairment indicator, at the end of the reporting period by reference to the valuation prepared by an independent valuer. The valuation was based on (a) the five years cash flow projections which are discounted using the discount rate of 12.4%; (b) a terminal value calculated using a discount rate of 3%; and (c) the updated financial forecast figures provided by the management of Beauty and Wellness Business taking into account the latest market trend and environment. Impairment losses of trademark user right and technical know-how, property, plant and equipment and right-of-use assets of approximately HK$4,369,000 (2022: HK$1,295,000), HK$1,387,000 (2022: HK$651,000) and HK$2,340,000 (2022: HK$1,039,000), respectively, were recognised in the Group's consolidated statement of profit or loss for the Year.

Finance Costs

The Group's finance costs for the Year amounted to approximately HK$2,278,000 (2022: HK$3,330,000). Details of the finance costs are set out in Note (6) to the consolidated financial statements.

Loss for the Year

The Group's net loss for the Year was approximately HK$8,791,000 (2022: HK$13,814,000).

USE OF PROCEEDS OF EQUITY FUND RAISING ACTIVITIES

The Company had not conducted any equity fund raising activities during the Year.

The amount of proceeds brought forward from the issue of equity securities (including securities convertible into equity securities) made in previous financial year(s) and the details of the use of such proceeds are set out as below:

On 25 September 2020, the Company announced a one-for-one rights issue (the "**2020 Rights Issue**") involving the issue and allotment of 1,649,736,733 ordinary shares of the Company at the subscription price of HK$0.06 per rights share. The subscription price of HK$0.06 per rights share represents: (i) a discount of approximately 17.81% to the closing price of HK$0.0730 per share as quoted on the Stock Exchange on 25 September 2020; and (ii) a discount of approximately 28.06% to the average closing price of HK$0.0834 per share based on the closing prices of the shares as quoted on the Stock Exchange per the five consecutive trading days prior to and excluding 25 September 2020. The rights issue became unconditional on 9 December 2020, raising net proceeds of approximately HK$95.9 million. The aggregate nominal value of the rights shares as of 16 December 2020, being the date of allotment of the rights shares, was approximately HK$65,989,469. As disclosed in the previous announcements and financial reports of the Company, the net proceeds of the 2020 Rights issue were utilised as to HK$15 million for the Group's corporate expenses and overheads as originally intended during the year ended 31 December 2021 ("**FY2021**"). Among the remaining HK$80.9 million which was originally intended for the potential acquisitions, expansion and equipment purchase of the Group's hospital business, only approximately RMB3.1 million (HK$3.5 million) was used during the year ended 31 December 2022 ("**FY2022**") for the relocation of the Group's hospital at Yiyang ("**Yiyang Hospital**") owned and operated by Yiyang Opco (a subsidiary of the Company) in accordance with the original intended use.

As disclosed in the Company's announcement dated 11 August 2023, the entire capital expenditure budget for the relocation of Yiyang Hospital was planned to be approximately RMB17.3 million (HK$19.5 million), comprising refurbishment labour costs, service fees and material purchases, purchases of new equipment to cater for the expanded capacity, and other miscellaneous costs. Up to 31 December 2023, approximately RMB15.3 million (HK$17.3 million) was already used for the relocation of Yiyang Hospital, with the remaining relocation budget of HK$2.2 million currently expected to be fully utilised by the third quarter of 2024.

As disclosed in the Company's announcement dated 11 August 2023, save as the relocation of Yiyang Hospital, the Group does not intend to commit to any substantial acquisition or expansion plans under any specified timeline prematurely, due to the taking of more conservative expansion strategy by the Group in response to the deepening of reform of medicine and healthcare systems in 2021, which has adversely affected the expected rates of return of hospital investment projects.

As disclosed in the Company's annual report 2022, subsequent to the period end of FY2022, the Board resolved to change the use of HK$19 million out of the remaining net proceeds of the 2020 Rights Issue to be used in the Group's general working capital and meeting the Group's liabilities and expenses (such as overheads and rental payments, staff costs, professional fees) as they fall due. The Board is of the view that such change is in the best interests of the Company and its shareholders as a whole, as it is vital to have sufficient working capital to maintain the Group's businesses as a going concern. Up to 31 December 2023, approximately HK$8.9 million was used for the Group's overhead expenses. The Company expects the remaining HK$10.1 million to be fully utilised by the end of 2024.

Based on the Group's present budget planning, overhead expenses of approximately HK$7 million and HK$5 million are normally expected to accrue in the first and second half of the Company's financial year on average. As disclosed in the Company's announcement dated 11 August 2023, if no suitable acquisition target can be identified in due course, the Company intends to change the intended use of the remaining HK$42.4 million of net proceeds of the 2020 Rights Issue also for the Group's overhead expenses. Assuming the same overhead half-yearly budgets as estimated above, these remaining HK$42.4 million of net proceeds are projected to be fully utilised by or around 2028.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Group had total assets of approximately HK$136,201,000 (31 December 2022: HK$168,637,000) and debts of approximately HK$50,759,000 (31 December 2022: HK$72,517,000), giving rise to a leverage ratio (defined as debt to total assets) of approximately 37.27% (31 December 2022: 43.00%).

As at 31 December 2023, the Group had net current assets of approximately HK$15,467,000 (31 December 2022: HK$41,784,000), being the surplus of current assets of approximately HK$80,018,000 (31 December 2022: HK$99,745,000) over the current liabilities of approximately HK$64,551,000 (31 December 2022: HK$57,961,000), giving rise to a current ratio of approximately 1.24 (31 December 2022: 1.72).

As at 31 December 2023, the Group had cash and bank balances of approximately HK$66,826,000 (31 December 2022: HK$81,742,000).

GEARING RATIO

As at 31 December 2023, the gearing ratio of the Group (defined as debt to equity) was approximately 123% (31 December 2022: 139%). For this purpose, debt includes bonds payable, other borrowings and lease liabilities, if applicable.

SIGNFICANT INVESTMENT HELD

The Group had no significant investment held as at 31 December 2023.

ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

CHARGES ON ASSETS

None of the Group's assets was pledged to secure any facilities and borrowings granted to the Group as at 31 December 2023.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2023.

FOREIGN EXCHANGE EXPOSURE

The Group's business transactions were mainly carried out in Hong Kong dollars and Renminbi. The Group was not engaged in any hedging measures during the Year. The Group will regularly review its position and may use financial measures to hedge its foreign currency exposure if it considers the risk to be significant.

CAPITAL STRUCTURE

Save as disclosed herein, there were no changes in the capital structure of the Company for the year ended 31 December 2022, the year ended 31 December 2023 and up to the date of this announcement.

(A) Share Capital

Details of the movements of the share capital for the years ended 31 December 2022 and 2023 are set out in Note (14) to the consolidated financial statements.

(B) Share Options

Old Share Option Scheme

The old share option scheme (the "**Old Share Option Scheme**") adopted by the Company on 2 September 2006 lapsed on 2 September 2016 pursuant to the terms of the Old Share Option Scheme.

New Share Option Scheme

At the annual general meeting of the Company held on 26 June 2019, a new share option scheme (the "**New Share Option Scheme**") was approved by the shareholders of the Company. The New Share Option Scheme has a lifespan of 10 years. At the annual general meeting of the Company held on 26 June 2019, the Scheme Mandate Limit was approved to allow the Company to grant options for the holders thereof to subscribe up to 147,326,614 shares (before adjustments upon the share consolidation), representing 10% of the shares in issue as the date of approval of the scheme. Details of the New Share Option Scheme are set out in the circular of the Company dated 24 May 2019.

No share options were granted under the New Share Option Scheme for the Year and the year ended 31 December 2022 and there were no outstanding share options as at 31 December 2023 and 2022. As at the date of this announcement, the maximum number of options which can be granted under the New Share Option Scheme was 29,465,322 consolidated shares (equivalent to 147,326,614 options before the five-to-one share consolidation took effect on 22 January 2021), representing 4.47% of the existing issued share capital of the Company.

(C) Convertible Bonds

There were no outstanding convertible bonds as at 31 December 2023 and 2022.

DIVIDEND

The Directors do not recommend the payment of any dividend for the Year (2022: Nil).

HUMAN RESOURCES

As at 31 December 2023, the Group has 179 employees in Hong Kong and China. Employees' remuneration, promotion and salary increments are assessed based on both individuals' and the Group's performance, professional and working experiences and by reference to prevailing market practices and standards.

MATERIAL LITIGATION

During the Year and up to the date of this announcement, neither the Company nor any other member of the Group was engaged in any litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS, COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE

With effect from 1 August 2023, Mr. Yu Zhoujie was re-designated from a non-executive Director to an executive Director, and Mr. Liu Dong was re-designated from an executive Director to a non-executive Director. With effect from 31 July 2023, Mr. Tsang Kwok Wai resigned as a joint company secretary of the Company, and Mr. Yu Xiangjin replaced Mr. Chen Hanhong and acted as the authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules and for the purpose of service of process and notices in Hong Kong under the Companies Ordinance, Chapter 622 of the Laws of Hong Kong.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the Year.

CORPORATE GOVERNANCE

The Company and the Directors confirm, to the best of their knowledge, that the Company complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the Year, except the deviation disclosed in the following paragraph:

Under the Code Provision D.2.5 of the CG Code, an issuer should have an internal audit function and issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in their corporate governance reports. Due to the size and scale of operations, the Group did not have an internal audit function during the Year.

The Company has engaged Crowe (HK) Risk Advisory Limited as an external consultant to establish an internal audit function for the Year. The external consultant has assisted the audit committee in carrying out an independent review on the adequacy and effectiveness of the risk management and internal control systems of the Group, and has reported the status of its review to the audit committee on a regular basis. The Group has formulated an internal audit charter to define the scope and duties and responsibilities of the internal audit function and its reporting protocol.

MODEL CODE ON SECURITIES TRANSACTION BY DIRECTORS OF LISTED ISSUERS

The Company follows the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct for Directors in their dealings in the Company's securities. Upon specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The audit committee was established by the Company with written terms of reference in compliance with the requirements set out in Appendix C1 to the Listing Rules.

Currently, the audit committee consists of three independent non-executive Directors, namely Mr. David Tsoi (Chairman), Mr. Wu Hong and Mr. Wang Chunlin. One out of three audit committee members, Mr. David Tsoi, possesses recognised professional qualifications in accounting and has wide experience in audit and accounting.

The audited consolidated financial statements of the Group for the Year have been reviewed by the audit committee of the Company, which is of the opinion that such statements complied with applicable accounting standards and the Listing Rules, and that adequate disclosures have been made.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement of the Group's results have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited ("**HLB**"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLB 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 HKICPA and consequently no assurance has been expressed by the Auditor on the preliminary results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement has been published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (http://www.irasia.com/listco/hk/greeninternational/) (collectively referred to as the "**Websites**"). The 2023 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the Websites on or before 30 April 2024. The Company will give further notice on the proposed date of the forthcoming annual general meeting of the Company (the "**AGM**") and the book closure period for the purpose of ascertaining shareholders' eligibility to attend and vote at the AGM.

APPRECIATION

I would like to express my gratitude to our fellow directors and all employees for their valuable contribution. On behalf of the Board, I would also like to extend my sincere thanks to our shareholders, customers, suppliers, bankers and business associates for their continued support.

By Order of the Board
Green International Holdings Limited
Yu Zhoujie
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the executive Directors are Mr. Yu Zhoujie (Chairman) and Mr. Yu Xiangjin; the non-executive Directors are Mr. Chen Hanhong and Mr. Liu Dong; and the independent non-executive Directors are Mr. Wu Hong, Mr. David Tsoi and Mr. Wang Chunlin.