



綠科科技
Greentech

Greentech Technology International Limited

綠科科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00195)

Interim Report
2021

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Corporate Information

Board of Directors

Executive Directors

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

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

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

Mr. WANG Chuanhu

Mr. SIM Tze Jye

Independent Non-executive Directors

Datin Sri LIM Mooi Lang

Mr. KIM Wooryang

Ms. PENG Wenting

Company Secretary

Mr. HUNG Yuk Miu, HKICPA

Authorised Representatives

Ms. XIE Yue

Mr. HUNG Yuk Miu

Principal Bankers

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

Auditor

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

Registered Office

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Grand Cayman KY1-1111
Cayman Islands

Principal Place Of Business In Hong Kong

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China Hong Kong City
33 Canton Road
Tsim Sha Tsui
Kowloon, Hong Kong

Principal Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

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Hong Kong

Stock Code

00195

Company Website

www.green-technology.com.hk

Management Discussion and Analysis

Market Review

The outbreak of Coronavirus Disease 2019 (“COVID-19”) pandemic in 2020 became a matter of global concern and has led to challenges and changes in the global economic environment. With the launch of COVID-19 vaccination program, the pandemic has become under control and the global economic activities have been resuming.

The reasons for the increase in tin price can be analysed from the supply and demand perspectives. On the supply side, by reason of the COVID-19 pandemic and the lack of vaccines in some countries, the leading tin concentrate producers such as Malaysia, Myanmar and Indonesia encountered stricter import and export controls. There were also mine closures, supply chain suspensions and other predicaments resulting in a drop in the overall output of tin for the six months ended 30 June 2021. On the demand side, with the effective control of the COVID-19 pandemic and the improved economy, there has been an increasing demand for tin due to its applied uses in the growing popularity of electric vehicles and the increasing demand of electronic appliances as well as the semiconductor chips. As such, it is expected that the global tin price will continue to rise and the tin market is expected to have a bright prospect.

From January to May 2021, the tin consumption in China were 61,101 tonnes (January to May 2020: 57,130 tonnes), representing an increase of 7.0%. According to the London Metal Exchange (“LME”), tin price fluctuated during the period. Tin price rose to its highest in the first half of 2021 at USD34,462 per metric ton from its lowest point at USD20,965 per metric ton in January 2021. For the six months ended 30 June 2021, the average tin price was USD28,295 per metric ton (30 June 2020: USD16,040 per metric ton), representing an increase of approximately 76.4% year-on-year.

Business Review

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

Total production volume of tin metal in the Renison underground mine during the first half of 2021 was 3,623 tonnes (first half of 2020: 3,473 tonnes), representing a year-on-year increase of approximately 4.3%. YT Parksong Australia Holding Pty Limited (“YTPAH”), an indirect non-wholly owned subsidiary of the Group, holds 50% interest in the Renison underground mine, was entitled to 1,811 tonnes of tin metal (first half of 2020: 1,737 tonnes) available for sale.

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

Business Review (Continued)

For the six months ended 30 June 2021, the Group witnessed an 1,565% increase in its revenue to HK\$2,990,434,000 and the gross profit of the Group for the period was HK\$163,167,000 (six months ended 30 June 2020: gross loss of HK\$19,509,000). The increase was attributable to (i) an increase in production volume and significant increase in tin price during the period and (ii) the introduction of new business of gold trading of the Group which contributed approximately HK\$2,573,119,000 revenue and HK\$11,583,000 gross profit of the Group. During the period, the Group carried on with the resource definition drilling program at the Renison underground mine to discover potential tin resources. The Group continued to explore the Bell 50 area, and the ongoing exploration work has also confirmed the high-grade Area 5 extension to the Bell 50 area. As of 31 March 2021, the total Renison measured, indicated and inferred resource was 18.2 million metric tons at 1.65% grade of ore. The enhancement in contained tin within the Renison underground mine facilitated the Group with more room to upgrade production volume.

Prospect

Looking forward, the Group will continue to conduct drilling campaign on ore grade control and resources defining in Area 5, Leatherwood Trend Huon North within the Renison underground mine and will also recommence an updated definitive feasibility study on the Renison Tailings Retreatment Project (“Rentails”), in order to excavate high-grade ore from the area and re-processing and recovery of tin and copper from the historical tailings at Renison over 12.5 years. In addition, to bolster the production volume of tin metals and strive for better returns, the Group will carry on with its development in other areas within the Renison underground mine, including Bell 50 area located at the bottom of Area 5 and Hasting Area located at the major footwall fault zone between the high-grade Area 5 and Leatherwood areas.

With the launch of mass COVID-19 vaccination program, the global economic activities are resuming progressively, the International Monetary Fund expects the global economic growth rate to be 6% in 2021 and 4.9% in 2022. With regard to the tin market, the upstream supply remains tight due to current COVID-19 pandemic in some of tin supplier countries, while the downstream demand is believed to become strong in the short to medium term, the Board expects that the growth of the Group’s sales in the short to medium term will remain stable.

Both China and the United States are the largest consumers of tin, the automotive industry, the 5G related products and the electric products are the major contributors in the tin market. Fortunately, the Purchasing Manager Index (PMI) in China and the United States reached an all-time high in the first half of 2021, which will help boost the demand for tin metals. Capitalizing on the rapid development of new energy vehicles, smart products and 5G products, as well as their new applications, there will be a sustained steady growth in demand for tin metals in downstream consumption. The Group can benefit from the positive mid-to-long term prospects of the tin market.

Prospect (Continued)

The Group seeks to forge ahead with the business cooperation with its long-term business partner, Yunnan Tin Group Company Limited (“Yunnan Tin PRC”). The Group, through YTPAH, entered into a tin supply agreement with Yunnan Tin Australia TDK Resources Pty Ltd. (“YTATR”), a wholly-owned subsidiary of Yunnan Tin PRC. Pursuant to which the Group will continue to provide tin to Yunnan Tin PRC until January 2022. Such arrangement will generate stable income for the Group.

In respect of the gold trading business of the Group commenced in December 2020, the Group entered into a service agreement with an agent which provides sourcing and processing services in respect of kilobar gold with 99.9% purity for a term commencing on 3 December 2020 to 31 December 2022. With the introduction of the gold trading business, the Group has secured an additional source of revenue which helps improve the shareholders’ return during the reporting period. The management of the Group will constantly review the performance of the gold trading business.

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

Litigation

HCA 1357/2011

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

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

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\$90,659,000), being the alleged amount of the “Receivables” which Mr. Chan alleged is entitled under the Parksong S&P Agreement (“Mr. Chan’s Claim”).

Litigation (Continued)

HCA 1357/2011 (Continued)

GPL and the Company denied Mr. Chan's Claim and have made counterclaim against Mr. Chan for his breach of the respective terms and/or guarantees and/or warranties in the Parksong S&P Agreement. GPL and the Company filed their Defence and Counterclaim on 11 October 2011 which has subsequently been amended ("GPL and the Company D&C"). Under GPL and the Company D&C, GPL and the Company sought to, amongst others, claim against Mr. Chan by way of counterclaim and set-off and stated that GPL has suffered loss and damage by reason of the following: (1) Mr. Chan has failed to make a payment to GPL in settlement of payables under the Parksong S&P Agreement ("Payables") (apart from the amount of AUD476,393 under (2) below); (2) GPL and the Company are disputing that Mr. Chan is entitled to claim the amount of AUD3,048,387.10 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; and (5) the claimed sum of USD2,059,897 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 to be assessed ("Production Shortfall Issue"). Under GPL and the Company D&C, GPL claimed against Mr. Chan for the respective sums of AUD1,048,847.18, AUD476,393, AUD16,300,000, AUD8,505,000, USD2,059,897 (approximately of HK\$173,619,000 in total) and damages etc.

Save and except that Mr. Chan has admitted in his Reply and Defence to Counterclaim dated 9 December 2011 and subsequently amended ("R&DC") that, amongst others, (1) the third set of documents as pleaded in GPL and the Company D&C reflected the correct position and understanding of Mr. Chan, GPL and the Company in making the Parksong S&P Agreement, and (2) that the Payables due under the Parksong S&P Agreement was at the sum of AUD3,244,520.24, Mr. Chan has denied the claims made in GPL and the Company D&C.

Litigation (Continued)

HCA 1357/2011 (Continued)

Mr. Chan and GPL and the Company attended a mediation on 16 August 2012 in relation to the disputes in the legal proceedings. At present, no settlement has been reached by the parties. The parties are proceeding with the legal proceedings.

For the Production Shortfall Issue, compensation is based on Mr. Chan's production guarantee of 6,500 tonnes of contained tin in concentrate for each of the three anniversaries from the Completion Date under the Parksong S&P Agreement. The actual figures of tin production were confirmed to be approximately 4,979 tonnes, 6,159 tonnes and 6,013 tonnes respectively by Parksong's advisor, resulting in respective shortfalls of 1,521 tonnes, 341 tonnes and 487 tonnes. GPL in 2014 stated the claim for compensation for the 3-anniversary production shortfall is in the sum of approximately AUD4,956,000 (approximately of HK\$29,668,000).

For the AUD16.3 Million Issue, an application for joinder of parties to engage Yunnan Tin PRC and Yunnan Tin HK was made in July 2014. By a court order dated 19 December 2017, Yunnan Tin PRC and Yunnan Tin HK were joined into the HCA1357 Action as 3rd Defendant and 4th Defendant. Subsequently on 19 March 2018, Yunnan Tin PRC served its Defence and Counterclaim (which is amended on 26 July 2018) in HCA 1357 Action ("Yunnan Tin PRC D&C") under which Yunnan Tin PRC counterclaims against each of Mr. Chan, Parksong, Yunnan Tin HK and GPL for damages and/or the sum of AUD16.3 million and/or to join in a re-assignment of the sum of AUD16.3 million to Yunnan Tin PRC and/or rectification of accounts of Yunnan Tin HK to recognise the sum of AUD16.3 million as being due to Yunnan Tin PRC. From May 2018 to March 2019, Mr. Chan, Parksong, Yunnan Tin HK and GPL also filed its respective defence(s) to Yunnan Tin PRC's counterclaim; Parksong, Yunnan Tin HK and GPL also made further counterclaims against Mr. Chan.

Further, an application for expert evidence on the AUD16.3 Million Issue, Called Sum Issue and Production Shortfall Issue was made by GPL and the Company in August 2014. By a court order dated 10 April 2019, orders were given by the Court to prepare expert evidence on these three issues. Expert evidence on these three issues was made by GPL and the Company and Mr. Chan by September 2020. Yunnan Tin PRC also prepared expert report on AUD16.3 Million Issue in February 2020. Joint report or statement by the experts were also made in respect of these issues in April 2021. Apart from the above, GPL and the Company obtained counsel advice in respect of HCA 1357 Action in August 2021 and is preparing the update of pleadings and related legal documents.

A hearing of case management conference is fixed on 18 October 2021 to conclude trial preparation.

Litigation (Continued)

HCA 3132/2016

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

HCA 492/2017

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

Financial Review

Revenue

The Group's unaudited consolidated revenue for the six months ended 30 June 2021 amounted to approximately HK\$2,990,434,000 (30 June 2020: approximately HK\$179,575,000), representing an increase of 1,565% when compared to the same period of last year. The significant increase in the Group's revenue was primarily attributable to an increase in production volume and the significant increase in tin price during the reporting period and the introduction of the new business of gold trading of the Group which contributed approximately HK\$2,573,119,000 to the Group's revenue.

Cost of sales

Cost of sales includes mainly direct material costs, direct labour costs and manufacturing overhead absorbed during the production process of our products and service fee for processing the material purchased. It was approximately HK\$2,827,267,000 for the six months ended 30 June 2021 (30 June 2020: approximately HK\$199,084,000), representing approximately 94.5% of the revenue recorded in the corresponding period (last period: approximately 110.9%).

Gross profit/(loss)

The Group had a gross profit of approximately HK\$163,167,000 (30 June 2020: gross loss of approximately HK\$19,509,000) with gross profit margin at 5.5% for the six months ended 30 June 2021 (30 June 2020: gross loss margin at 10.9%).

Administrative expenses

Administrative expenses, which represented approximately 0.6% (30 June 2020: 11.4%) of the Group's revenue, decreased by approximately 19.2% from approximately HK\$20,461,000 for the six months ended 30 June 2020 to approximately HK\$16,534,000 for the six months ended 30 June 2021, mainly due to decrease in administrative staff costs.

Finance costs

Finance costs, which represented approximately 0.3% (30 June 2020: 1.1%) of the Group's revenue in this period, increased from approximately HK\$1,956,000 for the six months ended 30 June 2020 to approximately HK\$9,162,000 for the six months ended 30 June 2021, the increase was mainly due to the increase in shareholders' borrowings.

Liquidity and Financial Resources

The Group financed its operations through internally generated cash flows and shareholders' borrowings. As at 30 June 2021, the Group did not have any bank facilities but had lease liabilities of approximately HK\$29,454,000 (31 December 2020: approximately HK\$22,662,000) and shareholders' borrowings of approximately HK\$298,434,000 (31 December 2020: approximately HK\$296,256,000) which of approximately HK\$64,336,000 (31 December 2020: approximately HK\$62,614,000) is an unsecured loan from Cybernaut Greentech Investment Holding (HK) Limited ("Cybernaut"), a substantial shareholder of the Company, guaranteed by Mr. Xie Haiyu ("Mr. Xie"), a former shareholder of the Company, and is interest-bearing at a fixed rate of 8% per annum with a maturity date of 31 March 2020 and an interest on overdue balances are determined based on 3-month Hong Kong Interbank Offered Rate plus 2% per annum and is accrued on a daily basis. As at the date of this report, the Company is in the course of negotiation with Cybernaut to extend the maturity date of the loan. The shareholders' borrowings also included an unsecured loan of approximately HK\$234,098,000 (31 December 2020: approximately HK\$233,642,000) from a substantial shareholder and executive director of the Company ("Director"), Tan Sri Dato' KOO Yuen Kim P.S.M., D.P.T.J. J.P; and is interest-bearing at a fixed rate of 6% per annum with a maturity date of 4 December 2021. The gearing ratio of the Group, calculated as a ratio of total liabilities to total assets, was 54.5% as at 30 June 2021 (31 December 2020: 57.9%).

As at 30 June 2021, the Group had net current assets of approximately HK\$37,237,000 (31 December 2020: approximately HK\$7,306,000). Current ratio as at 30 June 2021 was 1.1 (31 December 2020: 1.0). The bank and cash balance of the Group as at 30 June 2021 was approximately HK\$184,740,000 (31 December 2020: approximately HK\$102,662,000).

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

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

The Group currently does not maintain a hedging policy in respect of foreign currency nor tin price. However, the management monitors foreign exchange exposure and tin price exposure and will consider hedging such exposures should the need arise. During the period ended 30 June 2021, the Group used foreign exchange forward contracts to partially eliminate the currency risk exposure of the Group and used tin futures and forward contracts to partially reduce the tin price risk exposure of the Group.

Charges of assets

As at 30 June 2021, machineries with carrying values of approximately HK\$25,275,000 (31 December 2020: HK\$29,180,000) were pledged to secure the outstanding finance leases.

Contingent Liabilities

As at 30 June 2021, except for the litigation as set out in the litigation section of this report, the Group did not have any significant contingent liabilities.

Capital and Other Commitments

The Group had HK\$68,553,000 capital and other commitments as at 30 June 2021 (31 December 2020: HK\$44,659,000) which are expected to be funded by internal resources of the Group.

Significant Investments

For the six months ended 30 June 2021, capital expenditure of the Group for property, plant and equipment and exploration and evaluation assets amounted to approximately HK\$79,865,000 (31 December 2020: HK\$72,756,000). As at 30 June 2021, the Group held equity securities listed in Hong Kong with fair value of approximately HK\$10,000 (31 December 2020: Nil).

Interim Dividend

The Board has resolved not to declare an interim dividend for the period ended 30 June 2021 (30 June 2020: Nil).

Material Acquisition and Disposal

There were no material acquisitions and disposals during the period ended 30 June 2021.

Future Plans for Material Investments and Capital Assets

As at 30 June 2021, the Group does not have any plans for material investments and capital assets.

Share Option Scheme

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

During the period under review, no share options were granted under the Scheme.

Employees and Remuneration Policy

As at 30 June 2021, the Group employed approximately 322 employees (31 December 2020: 335). Total staff costs for the period ended 30 June 2021 was HK\$74,369,000 (30 June 2020: approximately HK\$64,608,000). The Group implemented its remuneration policy, bonus and salary based on achievements and performance of the employees. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and state-managed retirement benefit scheme in the PRC and Vietnam. The employees for mining operation are employed by Bluestone Mines Tasmania Joint Venture Pty Limited (“BMTJV”) on behalf of YTPAH and Bluestone Mines Tasmania Pty Limited (“BMT”). These employees of BMTJV and the employees of YTPAH are members of a state-managed retirement benefit scheme in Australia (Superannuation fund). The Group continues to provide training facilities to the staff to enhance knowledge of industry quality standards.

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

Renison Tin Project (Continued)

Drilling Data

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

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

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

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

Sampling/Assaying

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

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

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

Renison Tin Project (Continued)

Geology/Geological Interpretation

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

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

Database

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

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

Estimation and modelling techniques

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

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 by using a combination of automated stitching algorithms and manual triangulation to create an accurate three dimensional representation of the sub-surface mineralized body.

Renison Tin Project (Continued)

Estimation and modelling techniques (Continued)

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

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

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

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

Tonnage estimates are dry tonnes.

Cut-Off Grade

The resource reporting cut-off grade is 0.7% Sn at Renison underground mine based on economic assessment and current operating and market parameters.

Metallurgical and Mining Assumptions

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

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

Classification

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

Renison Tin Project (Continued)

Classification (Continued)

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

Estimated Tin and Copper Reserves and Resources

For the six month period ended 30 June 2021, 191 core holes with NQ2 for 26,148 meters of core holes in total has been drilled for exploration purpose and the drilling program had effectively increased the amounts of indicated resources and probable reserves.

Updated Resource Estimates for Renison underground mine and Rentals as at 30 June 2021

PROJECT	TIN			COPPER		
	Tonnes ('000)	Grade (%Sn)	Sn Metal (t)	Tonnes ('000)	Grade (%Cu)	Cu Metal (t)
Measured						
Renison Bell	1,780	1.79	31,800	1,780	0.25	4,510
Rentails	23,886	0.44	104,370	23,886	0.22	52,714
Sub-total	25,666	0.53	136,170	25,666	0.22	57,224
Indicated						
Renison Bell	14,000	1.65	231,000	14,000	0.19	26,400
Rentails	–	–	–	–	–	–
Sub-total	14,000	1.65	231,000	14,000	0.19	26,400
Inferred						
Renison Bell	2,470	1.59	39,000	2,470	0.23	5,570
Rentails	–	–	–	–	–	–
Sub-total	2,470	1.59	39,000	2,470	0.23	5,570
Total Resources						
Renison Bell	18,250	1.65	301,800	18,250	0.20	36,480
Rentails	23,886	0.44	104,370	23,886	0.22	52,714
Total I.M.R	42,136	0.96	406,170	42,136	0.21	89,194

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

During the six months ended 30 June 2021, an extensive exploration and resources development drilling campaign targeting underground targets was conducted over Renison underground mine. 1,078 meters of capital development and 1,067 meters of operating development were advanced during the period. 3,623 tonnes of tin metal was produced from Renison underground mine and 0 tonne from Mount Bischoff, and processed ores averaged 1.51% Sn. No development or recovery production activities were carried out for Rentals Project.

Operating Costs for the six months ended 30 June 2021

	HK\$'000
Mining costs	101,572
Processing costs	53,441
Royalty	28,150
Transportation	923
Depreciation	38,360
Others	43,285
Total	265,731

Finance costs for the six months ended 30 June 2021

	HK\$'000
Interests on leases liabilities	424

For the six months ended 30 June 2021, a total of approximately HK\$79,865,000 capital expenditure was incurred for exploration, development, or production activities.

Renison Tin Project (Continued)

Estimated Tin and Copper Reserves and Resources (Continued)

Updated Reserve Estimates for Renison underground mine and Rentals as at 30 June 2021

PROJECT	Cut-off %	TIN			COPPER		
		Tonnes (‘000)	Grade (%Sn)	Sn Metal (t)	Tonnes (‘000)	Grade (%Cu)	Cu Metal (t)
Proved Reserves							
Renison Bell	0.70%	1,203	1.52	18,227	1,203	0.23	2,756
Rentails	–	–	–	–	–	–	–
Sub-total	–	1,203	1.52	18,227	1,203	0.23	2,756
Probable Reserves							
Renison Bell	0.70%	7,407	1.38	102,091	7,407	0.17	12,764
Rentails	–	22,313	0.44	98,930	22,313	0.23	50,668
Sub-total	–	29,720	0.68	201,021	29,720	0.21	63,432
Total Mining Reserves							
Renison Bell	0.70%	8,610	1.40	120,318	8,610	0.18	15,520
Rentails	–	22,313	0.44	98,930	22,313	0.23	50,668
Total	–	30,923	0.71	219,248	30,923	0.21	66,188

The above information that relates to Mineral Resources report has been compiled by BMTJV technical employees under the supervision of Mr. Colin Carter (“Mr. Carter”) B.Sc. (Hons), M.Sc. (Econ. Geol), MAusIMM. Mr. Carter is a full-time employee of BMTJV and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Renison Underground Mine

The Renison underground mine is one of 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 Central Federal Basset, Area 5, Leatherwood and Huon North Areas. Development ore from the Area 5 and Leatherwood areas was also mined during the year.

A new geological model was developed during the year that encompasses all of the Renison Mine's resources.

Mount Bischoff

Mount Bischoff acted as an incremental ore source to supplement Renison ore between 2008 and 2010. Ore from Mount Bischoff was mined by open-cut methods and hauled by road-train 80km to the Renison concentrator, where it was blended with feedstock from the Renison underground mine. In July 2010 mining was suspended and the operation was placed on care and maintenance due to depletion of the mining reserve. 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 recognised 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 2022.

Rentails

The Rentails resource and reserve is based on the process tailings which have accumulated since the commencement of mining at Renison underground mine. It involves the retreatment of approximately 22 million tonnes of tailings with an average grade of 0.44% tin and 0.23% copper stored in tailings dams at Renison. The contained tin within these dams is approximately 98,930 tonnes, one of the largest undeveloped tin resources in Australia and the world. 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.

Other Information

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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2021.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and to the knowledge of the Board, the Board confirms that the Company has maintained a sufficient public float as required under the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the period ended 30 June 2021.

Breach of Loan Agreement

An unsecured loan (the "Loan") granted to the Group by Cybernaut, a substantial shareholder of the Company holding approximately 24.89% of the entire issued share capital of the Company as at the date of this report, matured on 31 March 2020. The Loan is guaranteed by Mr. Xie and is an interest-bearing loan at a fixed rate of 8% per annum. Interest on overdue balances is determined based on 3-month Hong Kong Interbank Offered Rate plus 2% per annum and is accrued on a daily basis. As at 30 June 2021, the total amount of principal and interest of the Loan outstanding was HK\$64,336,000. As at the date of this report, the said amount remains unpaid and the Company has yet to receive any demands for the immediate repayment in respect of the Loan. As at the date of this report, the Company is still in the course of negotiation with Cybernaut on the proposed extension of the maturity date of the Loan. Further announcement(s) will be made by the Company as and when appropriate or as required under the Listing Rules.

Continued Connected Transaction

Tin concentrates supply

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

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

The revenue under the Tin Supply Contract for the six months ended 30 June 2021 amounted to approximately HK\$417,315,000.

For details, please refer to the announcement of the Company dated 31 January 2019.

Trading of gold products

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

The total amount of service fee under the Service Agreement for the six months ended 30 June 2021 amounted to approximately HK\$7,349,000.

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

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

As at 30 June 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

Long position in the shares of the Company

Name of Director	Capacity	No. of ordinary shares held in the Company (long position)	approximate % of issued share capital of the Company
Tan Sri Dato' Koo Yuen Kim	Beneficial owner	1,213,661,766	17.77%
P.S.M., D.P.T.J. J.P	Security interest (<i>note</i>)	800,000,000	11.71%
			29.48%

Note: On 17 July 2020, (a) Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P and Ms. Fu Jingqi entered into a sale and purchase agreement ("Sale and Purchase Agreement") to (i) transfer 800,000,000 shares to Ms. Fu Jingqi at the consideration of HK\$160,000,000, which was satisfied by a promissory note issued by Ms. Fu Jingqi; and (ii) impose obligations and restrictions on Ms. Fu Jingqi to her use, retention and/or disposal of the said 800,000,000 shares; and (b) Ms. Fu Jingqi executed a legal charge over, among others, the said 800,000,000 shares in favour of Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P as security.

Save as disclosed above, as at 30 June 2021, none of the Directors or chief executive of the Company had any interests or short positions in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 30 June 2021, so far as the Directors were aware the interests and short positions of substantial shareholders (other than a Director, or the chief executive of the Company) in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long position in the shares of the Company

Name of Shareholder	Capacity	No. of ordinary shares held (Note 1)	approximate % of issued share capital of the Company
Ren Ming Hong (Note 2)	Interest of controlled corporation	1,700,000,000(L)	24.89%
Amazing Express International Limited (Note 2)	Interest of controlled corporation	1,700,000,000(L)	24.89%
Excel Jumbo International Limited (Note 2)	Interest of controlled corporation	1,700,000,000(L)	24.89%
Yu Tao (Note 3)	Interest of controlled corporation	1,700,000,000(L)	24.89%
新余銘沃投資管理中心 (Notes 3 and 4)	Interest of controlled corporation	1,700,000,000(L)	24.89%
上海港美信息科技中心 (Notes 3 and 4)	Interest of controlled corporation	1,700,000,000(L)	24.89%
杭州賽旭通投資管理有限公司 (Note 4)	Interest of controlled corporation	1,700,000,000(L)	24.89%
北京賽伯樂綠科投資管理有限公司 (Note 4)	Interest of controlled corporation	1,700,000,000(L)	24.89%
賽伯樂綠科(上海)投資管理有限公司 (Note 4)	Interest of controlled corporation	1,700,000,000(L)	24.89%
賽伯樂綠科(深圳)投資管理有限公司 (Note 4)	Interest of controlled corporation	1,700,000,000(L)	24.89%
Zhu Min (Note 4)	Interest of controlled corporation	1,700,000,000(L)	24.89%
杭州悠然科技有限公司 (Note 4)	Interest of controlled corporation	1,700,000,000(L)	24.89%
賽伯樂投資集團有限公司 (Note 3)	Interest of controlled corporation	1,700,000,000(L)	24.89%
Cybernaut Greentech Investment Holding (HK) Limited (i.e. Cybernaut) (Notes 2, 3 and 4)	Beneficial owner	1,700,000,000(L)	24.89%
Fu Jingqi (Note 5)	Beneficial owner	800,000,000(L)	11.71%
		800,000,000(S)	11.71%

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

Long position in the shares of the Company (Continued)

Notes:

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

Save as disclosed above, as at 30 June 2021, as far as the Directors were aware no other persons, other than a Director and the chief executive of the Company, or entities, had any interests or short positions in any shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of the Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Review of Interim Report

The audit committee of the Board (the "Audit Committee") has reviewed the Group's interim results for the six months ended 30 June 2021. The Audit Committee comprises all of the three independent non-executive directors ("INEDs"), namely Datin Sri Lim Mooi Lang, Mr. Kim Wooryang and Ms. Peng Wenting.

Corporate Governance

In the opinion of the Directors, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2021.

Changes in Information of Directors

On 17 July 2020, as recommended by the remuneration committee of the Board (the "Remuneration Committee") and approved by the Board, all of the directors of the Company would only receive one-third of such director's fee and the Co-Chief Executive Officers would only receive their remuneration at the reduced rate of HK\$1,000,000 per annum (as to Dr. HSU Jing-Sheng) or HK\$1,104,600 per annum (as to Ms. XIE Yue) during the period of the COVID-19 outbreak. After the review of the arrangement by the Remuneration Committee and the approval by the Board on 29 March 2021, all the Directors would receive full amount of the director's fee according to their respective service contracts and the Co-Chief Executive Officers would receive their normal remuneration from 1 April 2021.

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2021.

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

Hong Kong, 25 August 2021

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

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

Introduction

We have reviewed the condensed consolidated financial statements of Greentech Technology International Limited (the “Company”) and its subsidiaries set out on pages 31 to 52, which comprise the condensed consolidated statement of financial position as of 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 August 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Notes	Six months ended	
		30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Revenue	3	2,990,434	179,575
Cost of sales		(2,827,267)	(199,084)
Gross profit (loss)		163,167	(19,509)
Interest income		14	194
Other income		–	220
Other gains and losses	5	(1,540)	4,316
Impairment losses under expected credit loss model on other receivable		–	(2,600)
Other expenses		(2,468)	(12,859)
Administrative expenses		(16,534)	(20,461)
Finance costs	6	(9,162)	(1,956)
Reversal of impairment loss (impairment loss) recognised on property, plant and equipment		41,515	(1,253)
Reversal of impairment loss (impairment loss) recognised on exploration and evaluation assets		18,057	(632)
Profit (loss) before tax		193,049	(54,540)
Tax (expense) credit	7	(61,201)	7,068
Profit (loss) for the period	8	131,848	(47,472)
Other comprehensive expense for the period:			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange difference on translation from functional currency to presentation currency		(15,267)	(10,924)
<i>Item that will be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		(48)	–
Total comprehensive income (expense) for the period		116,533	(58,396)

	<i>Note</i>	Six months ended	
		30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		108,922	(42,101)
Non-controlling interests		22,926	(5,371)
		131,848	(47,472)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		94,064	(52,973)
Non-controlling interests		22,469	(5,423)
		116,533	(58,396)
Earnings (loss) per share			
Basic (HK cents)	10	1.59	(0.62)

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30.6.2021 HK\$'000 (unaudited)	31.12.2020 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	417,056	344,237
Right-of-use assets	11	39,135	30,028
Exploration and evaluation assets	11	196,888	183,822
Deposits		21,429	21,968
		674,508	580,055
Current assets			
Inventories		259,684	195,557
Trade receivables	12	96,150	45,086
Advance payments to a supplier	13	–	93,449
Other receivables, prepayments and deposits		13,821	12,169
Equity securities at fair value through profit or loss ("FVTPL")		10	–
Tax recoverable		–	21,182
Derivative financial instrument	14	–	584
Bank balances and cash		184,740	102,662
		554,405	470,689
Current liabilities			
Trade payables	15	40,388	32,699
Other payables and accruals		137,475	117,909
Shareholders' borrowings	16	298,434	296,256
Lease liabilities		12,740	9,543
Dividend payable to a non-controlling shareholder of a subsidiary		–	6,976
Derivative financial instruments	14	3,522	–
Tax payable		24,609	–
		517,168	463,383
Net current assets		37,237	7,306
Total assets less current liabilities		711,745	587,361

30.6.2021 31.12.2020
 HK\$'000 HK\$'000
 (unaudited) (audited)

Capital and reserves		
Share capital	34,150	34,150
Reserves	508,618	414,554
Equity attributable to owners of the Company	542,768	448,704
Non-controlling interests	16,388	(6,081)
Total equity	559,156	442,623
Non-current liabilities		
Lease liabilities	16,714	13,119
Deferred tax liabilities	68,407	61,744
Provision for rehabilitation	67,468	69,875
	152,589	144,738
	711,745	587,361

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company						Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Special reserve HK\$'000 <i>(note a)</i>	Other reserve HK\$'000 <i>(note b)</i>	Accumulated losses HK\$'000			
At 1 January 2020 (audited)	34,150	950,427	(141,437)	7,800	(1,280)	(416,760)	432,900	(12,351)	420,549
Loss for the period	-	-	-	-	-	(42,101)	(42,101)	(5,371)	(47,472)
Other comprehensive expense for the period	-	-	(10,872)	-	-	-	(10,872)	(52)	(10,924)
Total comprehensive expense for the period	-	-	(10,872)	-	-	(42,101)	(52,973)	(5,423)	(58,396)
Dividend declared to a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	(540)	(540)
At 30 June 2020 (unaudited)	34,150	950,427	(152,309)	7,800	(1,280)	(458,861)	379,927	(18,314)	361,613
At 1 January 2021 (audited)	34,150	950,427	(99,970)	7,800	(1,280)	(442,423)	448,704	(6,081)	442,623
Profit for the period	-	-	-	-	-	108,922	108,922	22,926	131,848
Exchange difference on translation from functional currency to presentation currency	-	-	(14,810)	-	-	-	(14,810)	(457)	(15,267)
Exchange difference arising on translation of foreign operations	-	-	(48)	-	-	-	(48)	-	(48)
Total comprehensive (expense) income for the period	-	-	(14,858)	-	-	108,922	94,064	22,469	116,533
At 30 June 2021 (unaudited)	34,150	950,427	(114,828)	7,800	(1,280)	(333,501)	542,768	16,388	559,156

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

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

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Six months ended	
	30.6.2021	30.6.2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	186,251	1,233
Interest received	14	194
Purchase of property, plant and equipment	(74,065)	(26,332)
Payments for exploration and evaluation assets	(5,800)	(3,154)
Proceeds on disposal of property, plant and equipment	134	–
Settlement of derivative financial instruments	(1,239)	–
Deposit for derivative financial instruments	(4,491)	–
Net cash used in investing activities	(85,447)	(29,292)
Interest paid	(7,361)	(316)
Repayment of lease liabilities	(6,022)	(6,805)
Dividend paid to a non-controlling shareholder of a subsidiary	(6,976)	–
Cash used in financing activities	(20,359)	(7,121)
Net increase (decrease) in cash and cash equivalents	80,445	(35,180)
Effect of foreign exchange rate changes	1,633	(3,837)
Cash and cash equivalents at 1 January	102,662	157,487
Cash and cash equivalents at 30 June		
Bank balances and cash	184,740	118,470

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

1. General and Basis of Preparation

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

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

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

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

2. Principal Accounting Policies

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

Other than application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2020.

2. Principal Accounting Policies (Continued)

Accounting policies which became relevant to the Group

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. Revenue

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

4. Segment Information

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

The Group commenced the business for trading of gold products since December 2020, and it is considered as an operating and reportable segment by the CODM. Accordingly, comparative segment information disclosures have been represented to conform with the current period’s presentation.

Segment revenue and results

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

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

4. Segment Information (Continued)

Segment revenue and results (Continued)

	Mining Operations HK\$'000 (unaudited)	Trading of gold products HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
For the six months ended 30 June 2020			
Segment revenue	179,575	–	179,575
Segment loss	(26,015)	–	(26,015)
Unallocated other income			2,601
Corporate administrative expenses			(14,026)
Other expenses			(12,859)
Unallocated other gains and losses			(2,521)
Unallocated finance costs			(1,720)
Loss before tax			(54,540)

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

4. Segment Information (Continued)

Segment assets and liabilities

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

	Mining Operations HK\$'000	Trading of gold products HK\$'000	Consolidated HK\$'000
Segment assets			
As at 30 June 2021 (unaudited)			
Segment assets	967,963	238,135	1,206,098
Other assets			22,815
Consolidated assets			1,228,913
As at 31 December 2020 (audited)			
Segment assets	786,773	233,513	1,020,286
Other assets			30,458
Consolidated liabilities			1,050,744
Segment liabilities			
As at 30 June 2021 (unaudited)			
Segment liabilities	297,898	235,032	532,930
Other liabilities			136,827
Consolidated liabilities			669,757
As at 31 December 2020 (audited)			
Segment liabilities	235,289	233,642	468,931
Other liabilities			139,190
Consolidated liabilities			608,121

4. Segment Information (Continued)

Segment assets and liabilities (Continued)

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

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

5. Other Gains and Losses

	Six months ended	
	30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Fair value loss of equity securities at FVTPL	(3)	–
Fair value loss of derivative financial instruments	(5,345)	–
Net foreign exchange gain	3,826	1,808
(Loss) gain on disposal of property, plant and equipment	(1)	2,445
Others	(17)	63
	(1,540)	4,316

6. Finance Costs

	Six months ended	
	30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Interest on leases liabilities	511	316
Interest on shareholders' borrowings	8,651	1,640
	9,162	1,956

7. Tax (Expense) Credit

	Six months ended	
	30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Current tax charge		
– Australian Company Tax	(52,256)	–
– Hong Kong Profits Tax	(544)	–
	(52,800)	–
Deferred tax (charge) credit	(8,401)	7,068
Tax (expense) credit for the period	(61,201)	7,068

Under Australian tax law, the tax rate used for both interim periods is 30% on taxable profits on Australian incorporated entities.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which has introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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

8. Profit (Loss) for the Period

	Six months ended	
	30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Profit (loss) for the period has been arrived at after charging (crediting):		
Cost of inventories recognised as an expense	2,827,267	199,084
Depreciation of property, plant and equipment	38,388	38,779
Depreciation of right-of-use assets	3,390	5,068
Short-term lease payments	7	64
Staff costs (including directors' emoluments)	74,369	64,608
Government subsidies (included in other income)	—	(140)

9. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: nil).

10. Earnings (Loss) Per Share

The calculation of basic earnings (loss) per share attributable to the owners of the Company for each of the six months ended 30 June 2021 and 2020 is based on the following data:

	Six months ended	
	30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Profit (loss) for the purposes of basic earnings (loss) per share	108,922	(42,101)
	'000	'000
Number of ordinary shares for the purpose of basic earnings (loss) per share	6,830,000	6,830,000

No diluted earnings (loss) per share is presented as there were no dilutive potential ordinary shares for both of the six months ended 30 June 2021 and 2020.

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

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

The recoverable amount of the CGU of the Mining Operation of approximately AUD111,400,000 (equivalent to approximately HK\$649,295,000) as at 30 June 2021 (31 December 2020: approximately AUD93,250,000 (equivalent to approximately HK\$557,187,000)) was determined based on the higher of fair value less cost of disposal and value in use. The Group’s management applied discounted cash flow method to assess the recoverable amount of the CGU of the Mining Operation. The discounted cash flow method was based on a discount rate of 18.9% (31 December 2020: 18.0%) or a pre-tax discount rate of 25.5% (31 December 2020: 24.9%) and cash flow projection prepared from financial forecasts approved by the directors of the Company covering the expected mine life period until the mine resources run out based on proved and probable reserves and applied a probability on the indicated resources. The discount rate was estimated by using the capital asset pricing model, with reference to the a risk free rate, which represented the 10-year Australia government bond yield, at 1.5% (31 December 2020: 1.0%). The aggregate amount of reserve and resources used in the projection is 7.79 million tonnes and it is assumed the mineral reserve is mined over approximately 12.5 years at a rate of up to 0.64 million tonnes per annum. Such assumptions are based on the estimation provided by the management of the Group. The discount rate used reflects current market assessments of the time value of money and the risks specific to the cash-generating unit for which the estimates of future cash flows have not been adjusted. Other key assumptions for the calculation related to the estimation of cash inflows/outflows include AUD/United States Dollar (“USD”) forward exchange rate ranging from 1:0.706 to 1:0.751 (31 December 2020: 1:0.747 to 1:0.775), future price of tin concentrate of USD24,921 (31 December 2020: USD21,377) per tonne, which is benchmarked to analyst consensus forecast.

As at 30 June 2021, in view of the continuous increase (30 June 2020: decrease) in the tin price, the recoverable amount of the CGU of the Mining Operation is higher than its carrying value by HK\$59,572,000 (30 June 2020: lower than its carrying value by HK\$1,885,000). Accordingly, reversal of impairment losses (30 June 2020: impairment loss) on mine properties and developments and exploration and evaluation assets allocated to the CGU of the Mining Operation of approximately HK\$41,515,000 and HK\$18,057,000 (30 June 2020: HK\$1,253,000 and HK\$632,000) respectively, which are allocated on a pro-rata basis based on the respective carrying value of mine properties and developments and exploration and evaluation assets, are recognised in profit or loss for the period ended 30 June 2021.

Property, plant and equipment

During the six months ended 30 June 2021, the Group had additions to the property, plant and equipment amounted to approximately HK\$74,065,000 (six months ended 30 June 2020: HK\$26,332,000).

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

Exploration and evaluation assets

During the six months ended 30 June 2021, the Group had additions to the exploration and evaluation assets amounted to approximately HK\$5,800,000 (six months ended 30 June 2020: HK\$3,154,000).

Right-of-use assets

The Group leases various motor vehicles, properties, machinery and equipment for its operations. Lease contracts are entered into for fixed term of one to four years. Certain leases of equipment were accounted for as finance leases and were pledged during the period ended 30 June 2021 and carried interest ranged from 2.7% to 5.5% (31 December 2020: 2.9% to 5.5%). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at 30 June 2021, machinery with carrying values of HK\$25,275,000 (31 December 2020: HK\$29,180,000) was pledged to secure the finance leases granted.

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

12. Trade Receivables

	30.6.2021	31.12.2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade receivables arising from sales of tin concentrate	96,150	45,086

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. At the end of the reporting period, the entire amount of the Group's trade receivables is due from a related party, Yunnan Tin Australia TDK Resources Pty Limited ("YTATR"), being a subsidiary of the non-controlling shareholder of a subsidiary of the Company.

12. Trade Receivables (Continued)

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

	30.6.2021 HK\$'000 (unaudited)	31.12.2020 HK\$'000 (audited)
0–30 days	96,150	45,086

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

13. Advance Payments to a Supplier

As at 30 June 2021, the Group has no advance payments to a supplier for purchase of gold (31 December 2020: HK\$93,449,000).

14. Derivative Financial Instruments

During the six months ended 30 June 2021, the Group entered into tin price forward contracts and tin price future contracts. The Group used these derivative financial instruments to manage its revenue exposure arising from tin price fluctuation.

As of 30 June 2021, the aggregate notional amount of these derivative financial instruments was approximately USD9,554,000 (equivalent to HK\$57,197,000) and with contract forward price ranging from USD29,000 to USD30,700 per tonne of tin concentrate. The settlement dates of these contracts are from August 2021 to November 2021.

15. Trade Payables

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

	30.6.2021 HK\$'000 (unaudited)	31.12.2020 HK\$'000 (audited)
0–30 days	40,388	32,699

16. Shareholders' Borrowings

	Maturity date	Effective interest rate	30.06.2021 HK\$'000 (unaudited)	31.12.2020 HK\$'000 (audited)
Cybernaut Greentech Investment Holding (HK) Limited ("Cybernaut") (Note a)	31 March 2020	10%	64,336	62,614
Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P. (Note b)	4 December 2021	6%	234,098	233,642
			298,434	296,256

Notes:

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

Subsequent to 30 June 2021 and up to the date of these condensed consolidated financial statements were authorised for issue, the management of the Group is still in negotiation of the repayment terms with Cybernaut.

As at 30 June 2021, the carrying amount of such borrowing was HK\$64,336,000 (31 December 2020: HK\$62,614,000), which included accrued interest payable of HK\$30,356,000 (31 December 2020: HK\$28,635,000).

16. Shareholders' Borrowings (Continued)

Notes: (Continued)

- b The borrowing is an unsecured loan from Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P, an executive director of the Company and a shareholder with 29.48% equity interest in the Company as at 30 June 2021 (31 December 2020: 29.48%). The loan was entered on 3 December 2020 with a maturity date on 4 December 2021. The loan is interest-bearing at a fixed rate of 6% per annum.

As at 30 June 2021, the carrying amount of such borrowing was HK\$234,098,000 (31 December 2020: HK\$233,642,000), which included accrued interest payable of HK\$1,148,000 (31 December 2020: HK\$1,068,000).

17. Capital and Other Commitments

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

	30.6.2021 HK\$'000 (unaudited)	31.12.2020 HK\$'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of property, plant and equipment of JV Projects	52,671	29,436
Commitments on mineral tenement	15,882	15,223

The exploration commitments represent the payments to the Mineral and Resources Department of Tasmania for the exploration of mineral resources.

As at 30 June 2021 and 31 December 2020, YT Parksong Australia Holding Pty Limited, a non-wholly owned subsidiary of the Company, has provided a guarantee and indemnity to a lessor relating to the Group's lease liabilities. This guarantee and indemnity are given to a finance lessor jointly and severally with the joint venturer, Bluestone Mines Tasmania Pty Limited.

18. Related Party Transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, during the six months ended 30 June 2021 and 2020, the Group had entered into the following significant transactions with related parties:

	Six months ended	
	30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Sales of tin concentrate to YTATR (<i>note a</i>)	417,315	179,575
Agency fee paid to Perfect Hexagon Limited ("Perfect Hexagon") (<i>note b</i>)	7,349	–
Interest expense on shareholder's borrowing from Cybernaut (<i>note c</i>)	1,721	1,640
Interest expense on shareholder's borrowing from Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P (<i>note c</i>)	6,930	–

Notes:

- a* The transactions represent the revenue from sales of tin concentrate to YTATR, a company which invests in Australia mineral resource project located in Australia, and is a subsidiary of a non-controlling shareholder who has significant influence on a subsidiary of the Company.
- b* The transactions represent the agency fee charged by Perfect Hexagon for sourcing the supplier and processing into gold products. As at 30 June 2021, Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J. J.P being an executive director and a shareholder of the Company, holds 40.12% equity interest in Perfect Hexagon.
- c* Details of trade receivables and shareholders' borrowings with related parties are set out in notes 12 and 16 respectively.

Compensation of key management personnel

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

	Six months ended	
	30.6.2021 HK\$'000 (unaudited)	30.6.2020 HK\$'000 (unaudited)
Short-term benefits	2,593	7,884
Contributions to retirement benefit scheme	15	24
	2,608	7,908

19. Fair Value Measurements of Financial Instruments

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

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

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

	Fair value as at		Fair value hierarchy	Valuation technique and key input(s)
	30.6.2021 HK\$'000 (unaudited)	31.12.2020 HK\$'000 (audited)		
Equity securities at FVTPL	10	–	Level 1	Quoted bid price in an active market
Trade receivables	96,150	45,086	Level 2	Derived from the quoted forward tin price
Derivative financial instrument–foreign currency forward contract	–	584	Level 2	Derived from the observable spot and forward exchange rates, the yield curves of the respective currencies and credit risk of the counterparty
Derivative financial instruments–tin forward and future contracts	(3,522)	–	Level 2	Derived from the observable spot and forward tin price and credit risk of the counterparty

20. Major Non-cash Transaction

During the six months ended 30 June 2021, the Group entered into new lease agreements for the use of leased machineries and equipment for one to four years. On the lease commencement, the Group recognised approximately HK\$12,836,000 (2020: nil) of right-of-use assets and approximately HK\$12,836,000 of lease liabilities.

21. Share Option Scheme

On 16 June 2021, the Company adopted a new share option scheme. No share option has been granted since adoption of the new share option scheme of the Company. For details of the new share option scheme of the Company, please refer to the circular of the Company dated on 29 April 2021.

22. Approval of the Condensed Consolidated Financial Statements

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board on 25 August 2021.