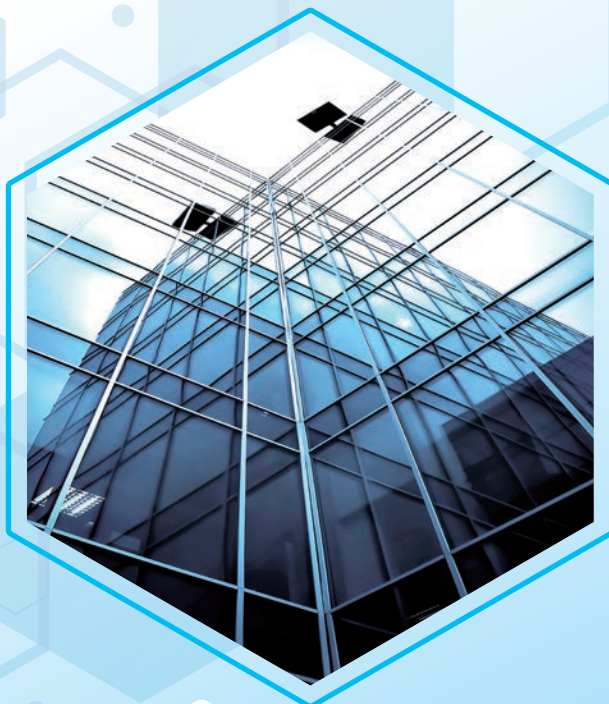
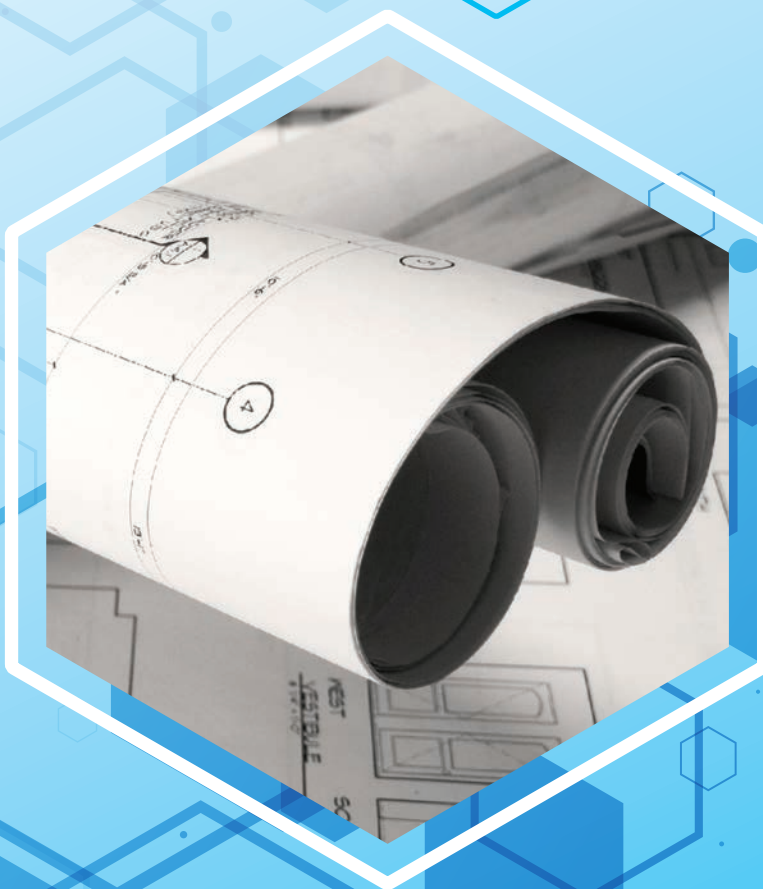


Green Economy Development Limited 綠色經濟發展有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 1315



INTERIM REPORT 2023



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CORPORATE INFORMATION

PRESIDENT

Michael Ngai Ming Tak

EXECUTIVE DIRECTORS

Chau Chit (*Chairman and Chief Executive Officer*)

Fung Ka Lun

Tang Hongyang (appointed on 10 November 2023)

Zhu Feng (appointed on 13 October 2023)

Zhu Xiaodong

Zhu Dashu (resigned on 10 November 2023)

Zhu Kai (resigned on 13 October 2023)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wong Lee Ping

Wong Wai Kwan

Zhang Shengman

COMPLIANCE OFFICER

Zhang Wan

COMPANY SECRETARY

Cheung Yiu Kuen

AUDIT COMMITTEE

Wong Wai Kwan (*Chairman*)

Wong Lee Ping

Zhang Shengman

REMUNERATION COMMITTEE

Zhang Shengman (*Chairman*)

Chau Chit

Zhu Feng (appointed on 13 October 2023)

Wong Lee Ping

Wong Wai Kwan

RISK MANAGEMENT COMMITTEE

Chau Chit

Zhu Feng (appointed on 13 October 2023)

Zhu Xiaodong

Wong Wai Kwan

NOMINATION COMMITTEE

Chau Chit (*Chairman*)

Zhu Feng (appointed on 13 October 2023)

Wong Lee Ping

Wong Wai Kwan

Zhang Shengman

REGISTERED OFFICE

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman

KY1-1108

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1001, 10/F,

China Huarong Tower

60 Gloucester Road, Wan Chai

Hong Kong

AUDITOR

RSM Hong Kong

Certified Public Accountants

Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Limited
Chong Hing Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F., Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

COMPANY WEBSITE

www.greeneconomy.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

(1) INTERIM RESULTS

For the half year ended 30 September 2023 (the “Period”), the Group recorded a revenue from continuing operations of approximately HK\$1,519 million representing an increase of approximately 25.2% as compared to revenue from continuing operations (as re-presented) of approximately HK\$1,212 million of the same period in 2022 (the “Prior Interim Period”).

With the decrease in project profits recorded from property maintenance segment, the Group’s gross profit decreases from approximately HK\$26.8 million (as re-presented) in Prior Interim Period to approximately HK\$17.9 million for the Period.

The segment results are discussed in the Review of Operations section below.

The loss attributable to owners of the Company for the Period was approximately HK\$12.1 million (Prior Interim Period: HK\$66.6 million). The decrease in loss of approximately HK\$54.5 million was mainly attributable to i) the absence of loss from the discontinued operation for the Period whereas the loss from discontinued operation for Prior Interim Period (as re-presented) was approximately HK\$43.5 million, and ii) decrease in finance cost of approximately HK\$13.0 million.

Loss per share for the Period was approximately HK2.69 cent (Prior Interim Period: loss per share of approximately HK17.77 cent (as re-presented)).

(2) REVIEW OF OPERATIONS

(i) Building Construction and Other Construction Related Business

Revenue for the building construction segment for the Interim Period was approximately HK\$2,408,000 (Prior Interim Period: approximately HK\$2,060,000).

Segment result increased from the Prior Interim Period segment profit approximately HK\$13,000 to segment profit approximately HK\$2,388,000 in the Interim Period.

Segment profit increased was mainly attributed to additional profit was recognized from a completed project in the Interim Period.

(ii) Alterations, renovation, upgrading and fitting-out works (collectively “A&A works”)

Revenue for the A&A works segment for the Interim Period was approximately HK\$60,520,000 (Prior Interim Period: approximately HK\$151,654,000) and segment profit was approximately HK\$3,905,000 (Prior Interim Period: segment loss approximately HK\$5,357,000 (as re-presented)).

The decrease in the segment revenue from A&A works was mainly attributable to the recognition of more revenue from several large scale A&A works projects which were in full swing operation in the Prior Interim Period.

Segment result changed from the Prior Interim Period segment loss to segment profit of the Interim Period was mainly attributable to reduction of cost of late completion of a project in the Interim Period, decrease of construction costs for operation of several A&A works project in the Interim Period and also additional profit was recognized from a completed project in the Interim Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(2) REVIEW OF OPERATIONS (Continued)

(iii) Property Maintenance

Revenue for the property maintenance segment increased from approximately HK\$296,080,000 in the Prior Interim Period to approximately HK\$322,615,000 in the Interim Period and segment profit was approximately HK\$5,695,000 (Prior Interim Period: segment profit approximately HK\$40,337,000 (as re-presented)).

The property maintenance projects mainly included maintenance works for public sectors. The increase in segment revenue was mainly attributable to a large scale property maintenance contract which was in full swing operation in the Interim Period that contributed more segment revenue in the Interim Period.

The decrease in segment profit was mainly attributable to substantial increase in operating cost in the Interim Period including safety precaution and quality control cost and also substantial increase in subcontracting cost of the abovementioned two large scale property maintenance projects in the Interim Period.

Segment profit of the Interim Period decreased as compared with the Prior Interim Period was also attributed to decrease of gross profit ratio of this segment from the Prior Interim Period to the Interim Period due to aforesaid substantial increase in cost of the projects associated with relatively small amount increased in segment revenue in the Interim Period as compared with the Prior Interim Period.

(iv) Transportation service

Revenue for this segment of the Period included transportation of materials of approximately HK\$14,054,000 (Prior Interim Period: Nil).

Segment profit was approximately HK\$1,632,000 (Prior Interim Period: Nil).

(v) Trading of materials

Revenue for this segment of the Period represented sales of materials such as iron ores, cast iron and coal of approximately HK\$1,119,018,000 (Prior Interim Period: approximately HK\$762,702,000).

Segment profit was approximately HK\$2,343,000 (Prior Interim Period: segment loss of approximately HK\$13,662,000). Segment loss for Prior Interim Period was mainly attributable to the drop in market selling prices of materials affected by decreasing demand during Prior Interim Period.

(3) FUTURE PLANS AND PROSPECTS

Building construction, property maintenance and A&A works

Despite the slight improvement of inbound tourism and local consumption, the pace of recovery of Hong Kong economy has become somewhat slower than expected. While the Government has showed a clear commitment to long term investment in the construction industry, the highest interest rate would still be the major challenge to the private construction sector. We therefore are less optimistic and would expect a marginal growth in the construction market only.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(3) FUTURE PLANS AND PROSPECTS (Continued)

Building construction, property maintenance and A&A works (Continued)

When we are exploring more business opportunities in the public work sector, the shortage of labour supply and aging workers are still the major risks for the Group going forward. The Group would review and select suitable technologies and implement them in the project management. These would further streamline our project administration and would make the site management more efficient and effective.

The Group would continue to look about other construction business opportunities in order to lower our business risk.

Trading of material business

- I. Rationality of the existence of trade agent market: Given that domestic iron and steel enterprises purchase iron ore from foreign iron ore enterprises through a dual system, some qualified large steel enterprises implement the Benchmark Prices, while small unqualified steel enterprises adopt the Spot Prices that is higher than the Benchmark Prices. The international trade of iron ore is characterized by strong professionalism, frequent market fluctuations and unstable supply, which is extremely risky for buyers. Therefore, most small iron and steel enterprises entrust trader agents to import iron ore, and some large iron and steel enterprises with direct purchase agreements also entrust reputable trader agents to import iron ore, so as to ensure the stability of iron ore supply. This is the value of the existence of the iron ore trade agent market.
- II. Industry Status and Trend
 1. Policy factor: according to the Outline of 14th Five-Year Plan for the Development of Iron Ore Industry issued by China, it is clearly required that the growth of iron ore industry shall increase 70% by 2021, which have made each local government correspondingly introduce local policies to improve the industry penetration.
 2. Economic factor: currently, the market size of iron ore has reached RMB500 billion, with a steady upward trend of the overall market. With the effective control of the epidemic, the demand for the iron and steel industry has increased, which was driven by gradual implementation of major national infrastructure projects and the recovery of the demand of downstream markets like automobile. It has increased the profit of the steel and improved the enthusiasm of the iron and steel enterprises to increase production, thereby generating strong demand for iron ores. The trade of iron ore and even the steel industry will continuously have a strong development under the effect of China's macro policies.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(3) FUTURE PLANS AND PROSPECTS (Continued)

Trading of material business (Continued)

III. Development plan of the Company's business (partly selected from the business plan)

The Company's corporate development goal: we will establish a port of ore blending integration platform based on modern supply chain management. Through scientific blending of ore, the final blended ore products can meet the production demand of various steel enterprises, so as to provide stable raw material supply guarantee for iron and steel enterprises. The Company will strive to develop into a core supply chain enterprise of large domestic iron and steel enterprises. Through the advantages of call auction, the Company will save logistics costs in multiple logistics links such as import order, shipping, port yard, scientific ore blending and inland transshipment. In the future, the Company will become a professional iron ore product and service integrator and service and product agent in iron ore industry. It will develop a supply chain management software system with independent intellectual property rights, by using modern network information technology and listed company platform, so as to realize the integration of supply chain in the industry, optimize the cost, and achieve the smooth coordination of logistics, capital flow and information flow, as well as obtaining greater revenue from management services for the Company.

In the long run, the trading business will continue to generate income and contribute profit to the Group. Looking forward, the Group would continue to explore and strive to diversify and develop its trading businesses in 2023.

Transportation service business

The Group commenced transportation service business during the year ended 31 March 2023 and expects the continuing development of the business would generate constable revenue and profit to the Group.

(4) MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries or associated companies by the Group during the Period.

(5) LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy financial position. As at 30 September 2023, the current assets and current liabilities were stated at approximately HK\$684.6 million (as at 31 March 2023: approximately HK\$658.7 million) and approximately HK\$408.4 million (as at 31 March 2023: approximately HK\$464.3 million), respectively. The current ratio is 1.68 as at 30 September 2023 (as at 31 March 2023: 1.42). The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective periods.

As at 30 September 2023, the Group had total cash and bank deposits of approximately HK\$143.2 million (as at 31 March 2023: approximately HK\$127.3 million).

As at 30 September 2023, total interest-bearing loans amounted to approximately HK\$214.1 million (31 March 2023: approximately HK\$207.1 million).

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. As at 30 September 2023, the Group had obtained credit facilities from various banks up to a maximum amount of approximately HK\$69.5 million (31 March 2023: approximately HK\$69.5 million) and approximately HK\$17 million (31 March 2023: approximately HK\$12.8 million) of the credit facilities has been utilized.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(5) LIQUIDITY AND FINANCIAL RESOURCES (Continued)

As at 30 September 2023, the gearing ratio of the Group was approximately 31.0% (as at 31 March 2023: approximately 31.2%). The gearing ratio is calculated by dividing total interest bearing borrowings with total assets as at the reporting date multiplied by 100%.

Reference should be made to the “going concern basis” in Note 2 to the consolidated financial statements for the year ended 31 March 2023 and “The Board’s Response to the Auditor’s Opinion” in the 2023 annual report of the Company.

References should also be made to note 21(b) to the condensed consolidated financial statements for the six months ended 30 September 2023 in this report.

(6) FOREIGN EXCHANGE AND INTEREST RATE RISK

The Group adheres to prudent financial management principle in order to control and minimise financial and operational risks. The Group has certain portion of bank balances and cash denominated in currencies other than the functional currencies of the relevant entities to which they relate. In addition, the Group’s sales and purchases are mainly transacted in Hong Kong dollar, United States dollar and Renminbi. The Group will, from time to time, review its foreign exchange position and market conditions to determine if any hedging is required.

Similarly, the Group currently does not have an interest rate hedging policy and the Group monitors interest rate risks continuously and considers hedging any excessive risk when necessary.

(7) PLEDGE OF ASSETS

Details of the Group’s assets that are pledged to secure banking facilities and performance bonds granted to the Group, are set out in note 19 to the condensed consolidated financial statements.

(8) CONTINGENT LIABILITIES

The Group’s significant contingent liabilities as at 30 September 2023 are set out in note 20 to the condensed consolidated financial statements.

(9) EVENT AFTER THE REPORTING PERIOD

On 17 February 2023, the board of directors proposed to implement: (i) share consolidation on the basis that every twenty (20) issued and unissued ordinary shares at par value of HK\$0.002 (“Existing Share”) each to be consolidated into one (1) consolidated shares at par value of HK\$0.04 (“Consolidated Share”); (ii) to change the lot size of trading on the Stock Exchange from existing 2,000 Existing Shares into 10,000 Consolidated Shares; (iii) to reduce the share premium account to offset the accumulated losses at the share consolidation effective date; (iv) capital reduction by every one (1) Consolidated Share to sub-divided into four (4) shares at par value of HK\$0.01 each. The aforesaid proposed changes can be implemented are subject to shareholder’s approval and certain conditions as disclosed in the announcement on 17 February 2023 and 24 February 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(9) EVENT AFTER THE REPORTING PERIOD (Continued)

Extraordinary general meeting was held on 6 April 2023 and above proposed changes were approved. The proposed changes (i), (ii) and (iii) have been implemented during the six months period ended 30 September 2023.

The proposed change (iv) is expected to be effective on 1 December 2023 upon certain conditions as disclosed in the circular of the Company dated 3 March 2023. Details are disclosed in the Company's announcement dated 16 November 2023.

Save as disclosed above, there is no other event after the reporting period that should be notified to the shareholders of the Company.

(10) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	31 March 2023 HK\$'000	Contracts Secured HK\$'000	Contracts Completed HK\$'000	30 September 2023 HK\$'000
Building Construction	—	—	—	—
Property Maintenance	2,377,109	—	—	2,377,109
Alteration, Renovation, Upgrading and Fitting-Out Works	278,116	654	(98,154)	180,616
	2,655,225	654	(98,154)	2,557,725

Building Construction segment

Contracts secured for the six months ended 30 September 2023

Contracts	Commencement date	Contract value HK\$'000
N/A	N/A	N/A
Total		N/A

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(10) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 (Continued)

Property Maintenance segment

Contracts secured for the six months ended 30 September 2023

Contract	Commencement date	Contract value HK\$'000
N/A	N/A	N/A
Total		N/A

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts secured for the six months ended 30 September 2023

Contracts	Commencement Date	Contract value HK\$'000
Enhancement works of Skill Assessment Centre for EMSD, Hong Kong	June 2023	654
Total		654

Building Construction segment

Contract completed for the six months ended 30 September 2023

Contract	Commencement date	Completion date	Contract value HK\$'000
N/A	N/A	N/A	N/A
Total			N/A

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(10) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 (Continued)

Property Maintenance segment

Contracts completed for the six months ended 30 September 2023

Contract	Commencement date	Completion date	Contract value HK\$'000
N/A	N/A	N/A	N/A
Total			N/A

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts completed for the six months ended 30 September 2023

Contracts	Commencement date	Completion date	Contract value HK\$'000
Renovation and modernization of Electric Tower Warehouse for The Hong Kong Electric Co Ltd, Hong Kong	December 2019	August 2023	42,098
Residential development at York Road, Kowloon, Hong Kong	January 2021	April 2023	43,589
Civil modification works at Mei Foo Sun Chuen Substation for CLP Power Hong Kong Limited, Hong Kong	September 2022	July 2023	6,380
Fitting-out works at Airport Freight Forwarding Centre for EMSD Hong Kong	February 2023	September 2023	6,087
Total			98,154

Overall

Contracts secured subsequent to 30 September 2023 and up to the date of the report

Contracts	Commencement date	Contract value HK\$'000
N/A	N/A	N/A
Total		N/A

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(11) EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group employed a total of 202 staff for continuing operations (as at 30 September 2022: 193 staff) which included Hong Kong and the People's Republic of China employees. The total remuneration for staff for continuing operation was approximately HK\$40.3 million for the Period (Prior Interim Period: approximately HK\$41.5 million).

The Group establishes its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest caliber, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package are consisted of basic salary, allowances, benefit-in-kind, fringe benefits including medical insurance and contributions to mandatory provident funds, as well as incentives like discretionary bonus. The Group also provides external training programmes which are complementary to certain job functions.

The remuneration packages of the senior management are recommended by the managing director of the respective company and approved by the Board by reference to their respective responsibilities and accountability, target achievements, business results and market competitiveness of the Group. The remuneration packages of the managerial and support staff are determined by the directors of the respective company.

(12) USE OF PROCEEDS FROM SUBSCRIPTION OF NEW SHARES

On 10 February 2023, the Company, one independent corporate subscriber and five independent individual subscribers (the "Subscribers") entered into a subscription agreement in respect of the placement of 1,499,999,000 ordinary shares of HK\$0.002 each at a price of HK\$0.015 per share. The placement was completed on 23 February 2023.

The gross proceeds from the subscriptions amount to approximately HK\$22.5 million, while the net proceeds from the subscriptions, after deducting the related expenses, are approximately HK\$22.3 million, and the Company intends to apply the net proceeds from the subscriptions for the repayment of the outstanding indebtedness and accrued interests thereon.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(12) USE OF PROCEEDS FROM SUBSCRIPTION OF NEW SHARES (Continued)

As of 30 September 2023, the net proceeds received were utilised as follows:

Intended application of the net proceeds	Amount to be utilized (HK\$ million)	Amount utilized for the year ended 31 March 2023 (HK\$ million)	Unutilized as at 31 March 2023 (HK\$ million)	Amount utilized for the six months period ended 30 September 2023 (HK\$ million)	Unutilized as at 30 September 2023 (HK\$ million)
Repayment of the outstanding indebtedness and accrued interest	22.3	12.6	9.7	6.1	3.6
Total	22.3	12.6	9.7	6.1	3.6

For the unutilized net proceeds from subscription of new shares the Company which was approximately HK\$3.6 million as at 30 September 2023, the Company intends to apply these net proceeds for repayment of the outstanding indebtedness and accrued interests thereon for the year ending 31 March 2024.

(13) MAJOR CORPORATE EVENT

Adoption of the Second Amended and Restated Memorandum and Articles of Association

References are made to the Company's announcement dated 31 August 2023 and its circular dated 4 September 2023, in which the Board, among other things, proposes to make the Proposed Amendments to the Memorandum and Articles of Association, for the purpose of, among others, (i) reflecting the core shareholder protection standards as set out in the revised Appendix 3 to the Listing Rules which took effect on 1 January 2022, and (ii) incorporating certain housekeeping amendments, and also proposes to adopt the Second Amended and Restated Memorandum and Articles of Association in substitution for and to the exclusion of the existing Memorandum and Articles of Association in their entirety. The proposals were have been adopted with effect from the conclusion of the annual general meeting of the Company held on 28 September 2023 in which a special resolution regarding the proposals was passed.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Notes	Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)
Continuing operations			
Revenue	4	1,518,615	1,212,496
Cost of sales and services		(1,500,733)	(1,185,700)
Gross profit		17,882	26,796
Other income	5	3,813	5,018
Other gain and loss	5	(32)	—
Selling expenses		(1,114)	(4,060)
Administrative expenses		(21,092)	(18,941)
Reversal/(impairment) losses on trade receivables		721	(1,862)
Profit from operations		178	6,951
Finance costs	6	(12,223)	(25,182)
Loss before tax		(12,045)	(18,231)
Income tax expenses	7	(71)	(4,992)
Loss for the period from continuing operations	8	(12,116)	(23,223)
Discontinued operations			
Loss for the period from discontinued operations	9	—	(43,529)
Loss for the period		(12,116)	(66,752)
Other comprehensive income for the period, net of tax:			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(7,890)	(17,914)
Other comprehensive income for the period, net of tax		(7,890)	(17,914)
Total comprehensive income for the period		(20,006)	(84,666)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2023

	Notes	Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)
Loss for the period attributable to:			
Owners of the Company		(12,115)	(66,630)
Non-controlling interests		(1)	(122)
		(12,116)	(66,752)
Total comprehensive income for the period attributable to:			
Owners of the Company		(20,005)	(84,544)
Non-controlling interests		(1)	(122)
		(20,006)	(84,666)
Loss per share	11		
From continuing and discontinued operations			
Basic (HK cents per share)		(2.69)	(17.77)
Diluted (HK cents per share)		(2.69)	(17.77)
From continuing operations			
Basic (HK cents per share)		(2.69)	(6.16)
Diluted (HK cents per share)		(2.69)	(6.16)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	<i>Notes</i>	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		882	1,122
Goodwill		320	320
Right-of-use assets	12	4,107	4,072
		5,309	5,514
Current assets			
Inventories		30,023	32,850
Trade and other receivables	13	281,784	299,532
Contract assets		209,943	179,495
Amount due from a related party	21(b)	19,591	19,591
Pledged bank deposits	14	61,972	60,997
Bank and cash balances	14	81,242	66,278
		684,555	658,743
Current liabilities			
Trade and other payables	15	358,351	334,010
Contract liabilities		19,802	3,203
Lease liabilities		3,389	2,004
Amounts due to related parties	21(b)	11,499	11,945
Amount due to a director	21(b)	2,330	2,330
Other loans	16	6,950	—
Loans from a related party	21(b)	—	102,124
Current tax liabilities		6,093	8,678
		408,414	464,294
Net current assets		276,141	194,449
Total assets less current liabilities		281,450	199,963

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2023

	<i>Notes</i>	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Non-current liabilities			
Accruals and other payables	15	487	487
Lease liabilities		938	1,569
Loan from a related party	21(b)	207,124	105,000
		208,549	107,056
NET ASSETS		72,901	92,907
Capital and reserves			
Share capital	17	18,000	18,000
Reserves		58,946	78,951
Equity attributable to owners of the Company		76,946	96,951
Non-controlling interests		(4,045)	(4,044)
TOTAL EQUITY		72,901	92,907

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company											
	Issued capital (note 17) HK\$'000	Share premium account (note (i)) HK\$'000	Share option reserve (note 18) HK\$'000	Foreign currency transaction reserve HK\$'000	Capital reserve (note (ii)) HK\$'000	Legal reserve (note (iii)) HK\$'000	Statutory surplus reserve HK\$'000	Other reserve (note (iv)) HK\$'000	Retained earnings/ losses (accumulated) HK\$'000	Total HK\$'000	Non-controlling interests ("NCI") HK\$'000	Total equity HK\$'000
At 1 April 2022 (audited)	15,000	326,299	1,746	20,956	3,642	12	1,562	22,000	(213,744)	177,473	(3,955)	173,518
Total comprehensive income for the period	–	–	–	(17,914)	–	–	–	–	(66,630)	(84,544)	(122)	(84,666)
Change in equity for the period	–	–	–	(17,914)	–	–	–	–	(66,630)	(84,544)	(122)	(84,666)
At 30 September 2022 (unaudited)	15,000	326,299	1,746	3,042	3,642	12	1,562	22,000	(280,374)	92,929	(4,077)	88,852
At 1 April 2023 (audited)	18,000	345,649	1,746	3,444	3,642	–	1,576	22,000	(299,106)	96,951	(4,044)	92,907
Share premium reduction (note (v))	–	(345,649)	–	–	–	–	–	–	345,649	–	–	–
Total comprehensive income for the period	–	–	–	(7,890)	–	–	–	–	(12,115)	(20,005)	(1)	(20,006)
Changes in equity for the period	–	(345,649)	–	(7,890)	–	–	–	–	333,534	(20,005)	(1)	(20,006)
At 30 September 2023 (unaudited)	18,000	–	1,746	(4,446)	3,642	–	1,576	22,000	34,428	76,946	(4,045)	72,901

Notes:

- (i) Under the Companies Law, Cap 22 (Law 6 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.
- (ii) Capital reserve comprises the following:
- Wan Chung Construction Company Limited ("Wan Chung") acquired the entire equity interest in Wan Chung Property Company Limited from its then shareholder at a discount of approximately HK\$2,776,000 which was deemed to be capital contribution from owners of the Company.
 - Wan Chung recovered indemnified taxation of approximately HK\$866,000 from its former shareholder pursuant to the deed of indemnity which was deemed to be capital contribution from owners of the Company.
- (iii) In accordance with the provisions of Macau Commercial Code, the Company's subsidiary incorporated in Macau is required to transfer 25% of its annual net profit to a legal reserve until the balance of the reserve reaches 50% of the subsidiary's registered capital, Legal reserve is not distributable to shareholders. No transfer was made in current and prior periods as the subsidiary incurred a loss for both periods.
- (iv) Other reserve represents the difference between the nominal value of the issued share capital of the subsidiaries acquired and the consideration paid pursuant to the group reorganization in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in January 2012.
- (v) On 6 April 2023, an extraordinary general meeting passed a resolution regarding share premium reduction upon share consolidation become effective on 12 April 2023.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	21,196	14,483
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(30)	(53)
Proceeds from disposals of property, plant and equipment	—	246
Bank interest received	1,859	282
Increase in pledged bank deposits	(975)	(159)
Net cash generated from investing activities	854	316
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings raised	6,950	1,500
Repayment to a related party	(11,902)	(42,041)
Principal element of lease payments	(947)	(1,740)
Interest expenses on lease liabilities	(207)	(77)
Decrease in amount due to related parties	(446)	(5,367)
Increase in amount due to a director	—	6,996
Net cash used in financing activities	(6,552)	(40,729)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,498	(25,930)
Effect of foreign exchange rate changes	(534)	(1,827)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	66,278	132,908
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	81,242	105,151
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	12,647	68,051
Non-pledged time deposits with original maturity of less than three months when acquired	68,595	37,100
	81,242	105,151

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. GENERAL INFORMATION

Green Economy Development Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law (Revised) of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 1001, 10/F., China Huarong Tower, 60 Gloucester Road, Wan Chai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group is principally engaged in the provision of building construction services, property maintenance services, alterations, renovation, upgrading and fitting-out works services, trading of materials, and transportation services.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The financial information relating to the year ended 31 March 2023 that is included in these unaudited condensed financial statements for the six months ended 30 September 2023 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2023 to the Registrar of Companies as required by section 622(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has report on those consolidated financial statements. The auditor’s report was unqualified; include a reference to the materiality related to going concern to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

These condensed consolidated financial statements should be read in conjunction with the 2023 annual consolidated financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Group’s annual consolidated financial statements for the year ended 31 March 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences — e.g. leases. Prior to the adoption of Amendments to HKAS 12, the Group applied the initial recognition exemption under paragraphs 15 and 24 of HKAS 12 for leasing transactions that give rise to equal and offsetting temporary differences, and therefore no deferred tax has been recognised for temporary differences relating to right-of-use assets and lease liabilities at initial recognition, and also over the lease terms under paragraph 22(c) of HKAS 12. The Group has applied the transitional provisions under paragraphs 98K and 98L of Amendments to HKAS 12 to leasing transactions that occur on or after the beginning of the earliest comparative period presented and also, at the beginning of the earliest comparative period presented by: (i) Recognising a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, and a deferred tax liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities; and (ii) Recognising the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. Based on the management’s assessment, there was immaterial impact on the condensed consolidated statement of financial position as at 1 April 2022, 31 March 2023 and 30 September 2023, because the deferred tax assets and the deferred tax liabilities recognised as a result of the adoption of Amendments to HKAS 12 qualify for offset under paragraph 74 of HKAS 12. There was also immaterial impact on the opening retained earnings as at 1 April 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised. This disclosure will be provided in the annual financial statements. The change in accounting policy will also be reflected in the Group’s consolidated financial statements as at and for the year ending 31 March 2024.

In addition to the adoption of the above amendments to standards, in the current period, the Group has adopted all other new and revised Hong Kong Financial Reporting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. They do not have a material effect on the Group’s condensed consolidated interim financial statements (unaudited).

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements (unaudited).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

4. REVENUE AND SEGMENT INFORMATION

The Group has five (2022: four) operating segments as follows:

- (a) Building construction and other construction related business
- (b) Alterations, renovation, upgrading and fitting-out works
- (c) Property maintenance
- (d) Trading of materials
- (e) Transportation service

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include unallocated administrative expenses, certain other income, other gains and losses, finance costs and income tax expenses. Segment assets do not include certain other receivables, pledged bank deposits and bank and cash balances. Segment non-current assets do not include certain property, plant and equipment and certain right-of-use assets. Segment liabilities do not include certain lease liabilities, amounts due to related parties, amount due to a director, loans from a related party, certain trade and other payables and current tax liabilities.

There were no intersegment sales or transfers during the period (2022: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

4. REVENUE AND SEGMENT INFORMATION (Continued)

An analysis of the Group's revenue and results by reportable and operating segments is as follows:

	Building construction and other construction related business HK\$'000 (Unaudited)	Alterations, renovation, upgrading and fitting-out works HK\$'000 (Unaudited)	Property maintenance HK\$'000 (Unaudited)	Trading of materials HK\$'000 (Unaudited)	Transportation services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Six months ended 30 September 2023						
Segment revenue						
– External customers	2,408	60,520	322,615	1,119,018	14,054	1,518,615
Segment profit	2,388	3,905	5,695	2,343	1,632	15,963
Unallocated other income						1,877
Administrative expenses						(17,774)
Finance costs						(12,111)
Loss before tax						(12,045)

	Building construction and other construction related business HK\$'000 (Unaudited) (Re-presented)	Alterations, renovation, upgrading and fitting-out works HK\$'000 (Unaudited) (Re-presented)	Property maintenance HK\$'000 (Unaudited)	Trading of materials HK\$'000 (Unaudited)	Transportation services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited) (Re-presented)
Six months ended 30 September 2022						
Segment revenue						
– External customers	2,060	151,654	296,080	762,702	–	1,212,496
Segment profit/(loss)	13	(5,357)	40,337	(13,662)	–	21,331
Unallocated other income						3,133
Administrative expenses						(17,513)
Finance costs						(25,182)
Loss before tax						(18,231)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

4. REVENUE AND SEGMENT INFORMATION (Continued)

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements. The Group's revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by primary geographical markets and timing of revenue recognition.

Six months ended 30 September	Building construction and other construction related business		Alterations, renovation, upgrading and fitting-out works		Property maintenance		Trading of materials		Transportation service income		Total	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)
Primary geographical markets												
Hong Kong	2,408	2,060	60,520	151,654	322,615	296,080	36,442	–	–	–	421,985	449,794
PRC except Hong Kong	–	–	–	–	–	–	1,082,576	762,702	14,054	–	1,096,630	762,702
Revenue from external customers	2,408	2,060	60,520	151,654	322,615	296,080	1,119,018	762,702	14,054	–	1,518,615	1,212,496
Timing of revenue recognition												
Goods and services transferred at a point in time	–	–	–	–	–	–	1,119,018	762,702	–	–	1,119,018	762,702
Services transferred over time	2,408	2,060	60,520	151,654	322,615	296,080	–	–	14,054	–	399,597	449,794
Total	2,408	2,060	60,520	151,654	322,615	296,080	1,119,018	762,702	14,054	–	1,518,615	1,212,496

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Receivables, which are included in "Trade and other receivables"	128,804	190,565
Contract assets	209,943	179,495
Contract liabilities	(19,802)	(3,203)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on building construction and other construction related business, alterations, renovation, upgrading and fitting-out works and property maintenance services. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the short-term advances received to render construction services and receipt in advance from customers for purchasing iron ores and cast iron.

The amount of HK\$3,203,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 September 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

5. OTHER INCOME AND OTHER GAIN AND LOSS

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)
Other income		
Interest income from sub-contractors	1,874	1,023
Bank interest income	1,859	282
Government grants	—	527
Others	80	3,186
	3,813	5,018
Other gain and loss		
Exchange loss, net	(32)	—
	(32)	—
	3,781	5,018

6. FINANCE COSTS

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)
Interest on:		
Banks and other loans	114	188
Lease liabilities	207	73
Loans from a related party (note 21(a))	11,902	24,921
	12,223	25,182

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

7. INCOME TAX EXPENSES

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax		
– Hong Kong	–	4,992
– People's Republic of China	71	–
	71	4,992

Pursuant to the rules and regulations of the Cayman Islands, Republic of Seychelles and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in these regions.

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25% (2022: 8.25%), and profits above that amount will be subject to the tax rate of 16.5%. For the other Hong Kong established subsidiaries, Hong Kong Profit Tax has been provided at a rate of 16.5% (2022: 16.5%) on the estimated assessable profits.

PRC Enterprise Income Tax has been provided at a rate of 25% (2022: 25%).

Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

Loss for the period from continuing operations is arrived at after charging/(crediting):

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)
Depreciation of property, plant and equipment	269	581
Depreciation of right-of-use assets	1,665	1,128
Lease payments not included in the measurement of lease liabilities	–	25
Bank interest income	(1,859)	(282)
Interest income from sub-contractors	(1,874)	(1,023)
Exchange loss, net	33	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

9. DISCONTINUED OPERATIONS

On 13 September 2022, Samba Sky Investments Limited (“Samba Sky”), an indirect wholly-owned subsidiary of the Company, informed Wan Chung Construction (Singapore) Pte. Ltd. (“Wan Chung Singapore”, a direct wholly-owned subsidiary of Samba Sky and an indirect wholly-owned subsidiary of the Company) that it authorised the directors of Wan Chung Singapore to proceed to take steps to place Wan Chung Singapore in liquidation (the “Liquidation”) and to appoint liquidator of Wan Chung Singapore. On 19 September 2022, the board of directors of Wan Chung Singapore passed the resolutions to appoint the provisional liquidators of Wan Chung Singapore.

On 18 October 2022, an extraordinary general meeting of Wan Chung Singapore regarding resolution for creditors’ voluntary winding-up has been passed and a meeting of the creditors of Wan Chung Singapore being held for the purposes of the Liquidation. As such, the Group lost its control on Wan Chung Singapore since 18 October 2022. The analysis of the results of discontinued operations is as follows:

	Six months ended 30 September	
	2023 HK\$’000 (Unaudited)	2022 HK\$’000 (Unaudited)
Loss for the period from discontinued operations:		
Revenue — Contracts with customers	—	102,035
Cost of services	—	(145,146)
Other income	—	4,019
Other gain and loss	—	246
Administrative expenses	—	(4,679)
Finance cost	—	(4)
Loss for the period from discontinued operations (attributable to owners of the Company)	—	(43,529)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

9. DISCONTINUED OPERATIONS (Continued)

Loss for the period from discontinued operations include the following:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cost of services provided	—	145,146
Depreciation of property, plant and equipment	—	557
Depreciation of right-of-use assets	—	444
Gain on disposals of property, plant and equipment	—	(246)
Lease payments not included in the measurement of lease	—	52
Employee benefits expenses	—	3,339

10. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months from 1 April 2023 to 30 September 2023 (six months from 1 April 2022 to 30 September 2022: Nil).

11. LOSS PER SHARE

From continuing and discontinued operations

The calculations of basic and diluted loss per share are based on:

Loss	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited) (Re-presented)
Loss for the purpose of calculating basic and diluted loss per share	(12,115)	(66,630)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

11. LOSS PER SHARE (Continued)

From continuing and discontinued operations (Continued)

Number of shares	Six months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited) (Re-presented)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	449,999,949	375,000,000

The weighted average numbers of ordinary shares for the purpose of basic and diluted loss per share for both periods presented have been adjusted for the approved share re-organisation mentioned in note 17. Basic and diluted loss per shares for the period ended 30 September 2022 has been re-presented.

As the effect of the Company's outstanding share options were anti-dilutive, the Company did not include the effect of such dilutive potential ordinary shares arising from the outstanding share options in the weighted average number of ordinary shares for the purpose of calculating diluted loss per share during the six months ended 30 September 2023 and 30 September 2022.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations is based on the following:

Loss	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss for the purpose of calculating basic earnings per share	(12,115)	(66,630)
Less: Loss for the period from discontinued operations	—	43,529
Loss for the purpose of calculating basic and diluted earnings per share from continuing operations	(12,115)	(23,101)

The weighted average numbers of ordinary shares used as denominators in calculating the basic and diluted loss per share are the same as those detailed above the calculation of the basic and diluted loss per share from continuing and discontinued operations.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

11. LOSS PER SHARE (Continued)

From discontinued operations

Basic and diluted loss per share from the discontinued operations for the six months ended 30 September 2022 was HK11.61 cents per share and based on the loss for the period from discontinued operations attributable to the owners of the Company of approximately HK\$43,529,000 and the denominators used are the same as those as those detailed above the calculation of the basic and diluted loss per share from continuing and discontinued operations.

12. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2023, the Group entered into new lease agreements for use of an office and a staff quarter for two years with a fixed payment during the contract period and lease liabilities together with related right-of-use assets of HK\$2,710,000 (six months ended 30 September 2022: HK\$1,941,000) were recognised upon lease commencement.

13. TRADE AND OTHER RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade receivables	131,370	194,656
Less: impairment losses	(3,147)	(4,091)
	128,223	190,565
Bills receivables	581	—
Prepayments	139,633	92,773
Deposits and other receivables (<i>note</i>)	13,347	16,194
	152,980	108,967
	281,784	299,532

Note: As at 30 September 2023, approximately HK\$1,109,000 (as at 31 March 2023: HK\$3,131,000) of deposits were pledged to certain insurance companies to secure the performance bonds.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

13. TRADE AND OTHER RECEIVABLES (Continued)

The Group's trading terms with other customers are mainly based on the contract terms. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of allowance, is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
0 to 90 days	115,146	165,299
91 to 180 days	287	1,658
181 to 365 days	11,491	1,167
Over 365 days	1,299	22,441
	128,223	190,565

14. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Bank and cash balances	12,647	12,218
Time deposits at banks mature within three months	68,595	54,060
	81,242	66,278
Pledged bank deposits	61,972	60,997

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$8,185,000 (31 March 2023: approximately HK\$4,061,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between fourteen days and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

15. TRADE AND OTHER PAYABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade payables	109,935	125,488
Retention payables	22,497	23,429
	132,432	148,917
Accruals and other payables	226,406	185,580
Less: non-current portion	(487)	(487)
	225,919	185,093
	358,351	334,010

An ageing analysis of the trade payables as at the end of the reporting period, based on the date of receipt of goods or services consumed, is as follows:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
0 to 90 days	82,293	101,968
91 to 180 days	5,303	—
181 to 365 days	240	7,365
Over 365 days	22,099	16,155
	109,935	125,488

Trade payables are non-interest-bearing and are normally settled on 30 to 60 days terms.

16. OTHER LOANS

The carrying amounts bear interest of 6% and repayable on 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

17. SHARE CAPITAL

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Authorised: 500,000,000 ordinary shares at HK\$0.04 each (31 March 2023: 10,000,000,000 ordinary shares at HK\$0.002 each) (<i>note</i>)	20,000	20,000
Issued and fully paid: 449,999,949 ordinary shares at HK\$0.04 each (31 March 2023: 8,999,998,994 ordinary shares at HK\$0.002 each) (<i>note</i>)	18,000	18,000

Note: On 17 February 2023, the board of directors proposed to implement: (i) share consolidation on the basis that every twenty (20) issued and unissued ordinary shares at par value of HK\$0.002 ("Existing Shares") each to be consolidated into one (1) consolidated share at par value of HK\$0.04 ("Consolidated Share"); (ii) to change the lot size of trading on the Stock Exchange from existing 2,000 Existing Shares into 10,000 Consolidated Shares; and (iii) to reduce the share premium account to offset the accumulated losses at the share consolidation effective date. The aforesaid proposed changes can be implemented are subject to shareholder's approval and certain conditions as disclosed in the announcement on 17 February 2023 and 24 February 2023.

Extraordinary general meeting was held on 6 April 2023 and above proposed changes were approved. The proposed changes (i), (ii) and (iii) have been implemented.

18. SHARE OPTION SCHEME

Pursuant to the written resolution of the shareholders of the Company on 19 December 2011, the Company adopted a share option scheme (the "2011 Scheme") to attract and retain the best available personnel, to provide additional incentive to eligible participants and to promote the success of the business of the Group.

On 30 September 2021, an ordinary resolution was passed to terminate the 2011 Scheme. A new share option scheme (the "2021 Scheme") become in force for ten years.

Eligible participants of the Scheme include employees (full-time or part-time), directors, consultants or advisors, distributors, contractors, suppliers, agents, customers, and business partners or service providers of the Group.

The total number of shares in respect of which options may be granted under the 2021 Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

18. SHARE OPTION SCHEME (Continued)

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK\$1 per option. Options may be exercised at any time during a period as the directors of the Company may determine, which shall not exceed ten years from the date of grant. The exercise price is determined by the directors of the Company and will be at least higher than (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

As at 30 September 2023, there are 7,499,998 (31 March 2023: 149,999,998) share options of the Company granted under the 2011 Scheme, representing approximately 1.67% of the issued share capital of the Company. Unless otherwise determined by the Directors, there is no minimum period required under the 2011 Scheme for the holding of an option before it can be exercised. The remaining life of the 2021 Scheme is approximately 10 years and to be expired on 29 September 2031.

Details of specific categories of options are as follows:

Year	Date of grant	Vesting period	Exercise period	Exercise price
2021	13 August 2021	N/A	13 August 2021 to 12 August 2026	HK\$0.6 (note) (31 March 2023: HK\$0.03)

If the option remains unexercised after a period of 5 years from the date of grant, the option expires. Options are forfeited if the employees leave the Group after 3 months.

Option type	Outstanding at 1 April 2023	Share consolidation during period	Outstanding at 30 September 2023
2021			
Less: Share consolidation (note)	149,999,998	(142,500,000)	7,499,998
Exercisable at the end of the period			7,499,998
Weighted average exercise price (note)	HK\$0.03	N/A	HK\$0.6

The options outstanding at the end of the period have a weighted average remaining contractual life of 2.875 years (31 March 2023: 3.37 years).

Note: The number of shares and the exercise price have been adjusted upon the share re-organisation mentioned in note 17.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

19. PLEDGE OF ASSETS

At the end of the reporting period, the following assets are pledged to banks and insurance companies to secure the banking facilities and performance bonds granted to the Group:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Other receivables	1,109	3,131
Bank deposits	61,972	60,997
	63,081	64,128

20. CONTINGENT LIABILITIES

Compensation to banks or insurance companies due to unsatisfactory performance to customers

Performance bonds amounting to HK\$22,237,000 (31 March 2023: HK\$28,411,000) were given by banks or insurance companies in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the construction contracts entered into between the Group and these customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks or insurance companies to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks or insurance companies accordingly. The performance bonds will be released upon completion of the contract works for the relevant customers.

In addition, certain subsidiaries of the Company are defendants in certain claims, lawsuits, arbitrations and potential claims relating to subcontracting fees, damages of personal injuries and breach of construction contracts. The directors of the Company considered that the possibility of any outflow in settling the legal claims is remote, after due consideration of each case and with reference to legal advice.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

21. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest expenses paid to a director of certain subsidiaries of the Company (<i>Note</i>)	11,902	24,921

Note: The interest expense was loan interest charged on loans from Mr. Wong Law Fai, a director of certain subsidiaries of the Company, pursuant to loan agreements dated 1 December 2013 and 19 September 2022 and 28 June 2023 respectively. The amounts due to and loans from a related party are detailed in note 21(b)(ii) below.

(b) Outstanding balances with related parties:

(i) Amount due from a related party

The amount represented the amount paid by the Group on behalf of Mr. Wong for the compensation recharged by insurance companies regarding the performance bonds issued for securing construction projects of Wan Chung Singapore, which are back-to-back guaranteed by Mr. Wong. Since Wan Chung Singapore went into liquidation and certain on-going incomplete projects were also suspended during the year ended 31 March 2023, the customers of those incomplete projects demanded insurance companies to compensate for those unsatisfactory performance of Wan Chung Singapore.

(ii) Loans from a related party

As at 31 March 2023, the loans from a related party were advanced by Mr. Wong to the Company's wholly-owned subsidiaries, namely Magic Choice and Wan Chung. The loans were unsecured and bear interest at 3.8% per annum and repayable in September 2021. In the event of default of repayment, the amounts in default were interest bearing at 2% per month.

On 19 September 2022, Wan Chung repaid approximately HK\$42,041,000 to Mr. Wong as settlement of part of the principal sum and the default interest of the aforementioned outstanding loans.

On the same date, Magic Choice, Wan Chung and Mr. Wong entered into new agreements to refinance the balances of the aforementioned outstanding loans, under which Mr. Wong agreed to grant new loans in the amounts of approximately HK\$102,124,000 and HK\$105,000,000 to Magic Choice and Wan Chung, respectively. The applicable interest rate for each of the aforesaid loans is 9.8% per annum. The maturity dates of the loans to Magic Choice and Wan Chung are 18 September 2023 and 18 September 2024, respectively. The interests on both loans are repayable on the 18th day of each month (or the immediate following business day if such day is not a business day) until the maturity date of the loans.

On 28 June 2023, Magic Choice, Wan Chung and Mr. Wong entered into agreements to extend the maturity dates of loans to Magic Choice and Wan Chung for further one year at interest rate of 13% with immediate effect. The maturity dates of the loans to Magic Choice and Wan Chung are extended to 31 October 2024 and 30 September 2025, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

21. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

(iii) Amounts due to related parties and a director

The balances are unsecured, non-interest bearing and repayable on demand.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the period is as follows:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Short-term benefits	7,023	7,993

- (d) Performance bond of HK\$22,237,000 (31 March 2023: HK\$28,411,000) was guaranteed by Mr. Wong Law Fai, a director of certain subsidiaries of the Company.

The related party transactions in respect of items (a) and (d) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, and the Group has complied with the requirement in Chapter 14A of the Listing Rules.

22. EVENT AFTER THE REPORTING PERIOD

On 17 February 2023, the board of directors proposed to implement: (i) share consolidation on the basis that every twenty (20) issued and unissued ordinary shares at par value of HK\$0.002 ("Existing Shares") each to be consolidated into one (1) consolidated share at par value of HK\$0.04 ("Consolidated Share"); (ii) to change the lot size of trading on the Stock Exchange from existing 2,000 Existing Shares into 10,000 Consolidated Shares; (iii) to reduce the share premium account to offset the accumulated losses at the share consolidation effective date; (iv) capital reduction by every one (1) Consolidated Share to sub-divided into four (4) shares at par value of HK\$0.01 each. The aforesaid proposed changes can be implemented are subject to shareholder's approval and certain conditions as disclosed in the announcement on 17 February 2023 and 24 February 2023.

Extraordinary general meeting was held on 6 April 2023 and above proposed changes were approved. The proposed changes (i), (ii) and (iii) have been implemented during the six months period ended 30 September 2023.

The proposed change (iv) is expected to be effective on 1 December 2023 upon certain conditions as disclosed in the circular of the Company dated 3 March 2023. Details are disclosed in the Company's announcement dated 16 November 2023.

Except for disclosed above, there is no other event after the reporting period that should be notified to the shareholders of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2023

23. COMPARATIVE FIGURES

The comparative result from discontinued operations in the consolidated statement of profit or loss and other comprehensive income have been re-presented to conform to the presentation of those operations as discontinued in the current period.

24. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board on 30 November 2023.

OTHER INFORMATION

INTERIM DIVIDEND

The directors of the Company (the “Directors”) do not recommend the payment of dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Specific enquiry has been made to each of the Directors and all Directors have confirmed that they have complied with the Model Code during the six months ended 30 September 2023.

SHARE OPTION SCHEMES

On 19 December 2011, the sole shareholder of the Company adopted the share option scheme (the “2011 Scheme”) by way of written resolution which would be valid for a period of ten years. On 30 September 2021, the shareholders of the Company approved the termination of the 2011 Scheme (to the effect that no further share option shall be granted by the Company under the 2011 Scheme) and the adoption of a new share option scheme (the “2021 Scheme”), which became effective on 7 October 2021 upon the Listing Committee of the Stock Exchange granting its approval to the listing of, and permission to deal in, the shares of the Company which may fall to be issued upon exercise of the options to be granted under the 2021 Scheme. The share options granted under the 2011 Scheme prior to its termination shall continue to be valid and exercisable in accordance with the 2011 Scheme. Details of 2011 Scheme and 2021 Scheme are as follows:

2011 Scheme

The 2011 Scheme was adopted by the sole Shareholder by way of written resolution on 19 December 2011 and was terminated on 7 October 2021. The terms of the 2011 Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The Company believes that by offering the eligible persons a shareholding stake in the Company, the interests of the eligible persons and the Company will align and thereby the eligible persons with additional incentives to improve the Company’s performance.

The total number of shares of the Company which may be issued upon exercise of all outstanding share options granted under the 2011 Scheme is 149,999,998 which represents approximately 2% of the shares of the Company in issue as at the date of this interim report. Since the 2011 Scheme was terminated on 7 October 2021, no further options can be granted under the 2011 Scheme. However, the share options granted under the 2011 Scheme prior to its termination shall continue to be valid and exercisable in accordance with the 2011 Scheme.

Each of the grantees was required to pay HK\$1.00 as a consideration for the grant of share options in accordance with the 2011 Scheme. The offer of share options must be accepted within 7 days from the date of the offer.

Save as disclosed above, there is no material difference in the terms, which shall be disclosed pursuant to Rule 17.09 of the Listing Rules, between the 2011 Scheme and the 2021 Scheme.

OTHER INFORMATION (CONTINUED)

7,499,998 share options (previously 149,999,998 share options before adjustments made as a result of share consolidation on 12 April 2023) were granted on 13 August 2021, with exercise price per share of HK\$0.6 (previously HK\$0.03 before adjustments made as a result of share consolidation on 12 April 2023), in accordance with the terms of the 2011 Scheme. No share option was exercised or cancelled in accordance with the terms of the 2011 Scheme. Details of movements in the share options under the 2011 Scheme during the six months period ended 30 September 2023 are as follows:

Name of grantees	Options to subscribe for shares of the Company			Date of grant	Exercise period	Exercise price per share
	At the beginning of the period	Options granted during the period	At the end of the period			
President of the Company						
Michael Ngai Ming Tak	3,749,999	—	3,749,999	13 August 2021	13 August 2021 — 12 August 2026	HK\$0.6
Director of the Company						
Fung Ka Lun	3,749,999	—	3,749,999	13 August 2021	13 August 2021 — 12 August 2026	HK\$0.6
	7,499,998	—	7,499,998			

2021 Scheme

On 30 September 2021, the shareholders of the Company approved the termination of the 2011 Scheme (to the effect that no further share option shall be granted by the Company under the 2011 Scheme) and the adoption of the 2021 Scheme, which became effective on 7 October 2021 upon the Listing Committee of the Stock Exchange granting its approval to the listing of, and permission to deal in, the shares of the Company which may fall to be issued upon exercise of the options to be granted under the 2021 Scheme.

The purpose of the 2021 Scheme is to replace the 2011 Scheme. The terms of the 2021 Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the 2021 Scheme is to replace the 2011 Scheme and to continue to enable the Company to grant share options to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The Company believes that by offering the eligible persons a shareholding stake in the Company, the interests of the eligible persons and the Company will align and thereby the eligible persons with additional incentives to improve the Company's performance.

There is no option outstanding, granted, exercised, cancelled or lapsed under the 2021 Scheme since its adoption and during the Period.

OTHER INFORMATION (CONTINUED)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, the interests or short positions of the Directors and chief executives of the Company in the shares of the Company (the "Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO")) which were 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 to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

Name of Directors	Capacity	Number of shares/ Underlying shares in the Company (note 1)	Percentage of the issued share capital of the Company (note 1)
Mr. Chau Chit (note 2)	Interest of Controlled Corporation	37,500,000 (L)	8.33%
Mr. Zhu Kai (note 3)	Interest of Controlled Corporation	39,865,100 (L)	8.86%
Mr. Fung Ka Lun (note 4)	Beneficial owner	3,749,999 (L)	0.83%
Mr. Wong Wai Kwan	Beneficial owner	312,500 (L)	0.07%

Notes:

- The letter "L" denotes the person's long position in such securities. The number of shares were the number of shares held as at 30 September 2023 and the percentage of the issued share capital of the Company was calculated on the basis of 449,999,949 shares in issue as at 30 September 2023.
- Mr. Chau Chit, the executive Director, was the ultimate beneficial owner of Mega Start Limited ("Mega Start"). By virtue of the SFO, Mr. Chau Chit was deemed to be interested in the 37,500,000 Shares held by Mega Start.
- Mr. Zhu Kai resigned as an executive Director on 13 October 2023. Based on the information available to the Company, Million Creation Limited was wholly-owned by Double Energy Limited and therefore Double Energy was deemed to be interested in all the Shares held by Million Creation Limited by virtue of the SFO, and Double Energy was wholly-owned by Mr. Zhu Kai and therefore Mr. Zhu Kai was deemed to be interested in all the Shares held by Double Energy Limited by virtue of the SFO. Double Energy Limited directly owned 17,800 Shares and Million Creation Limited directly owned 39,847,300 Shares.
- The interests are unlisted physically settled options granted pursuant to the Company's share option scheme adopted on 19 December 2011 (the "2011 Scheme"). Upon exercise of the share options, at the exercise price of HK\$0.6 for each option granted, in accordance with the 2011 Scheme, ordinary shares in the share capital of the Company are issuable. The share options are personal to the director. Further details of the share options are set out in the section headed "Share Options Schemes" above.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION (CONTINUED)

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 September 2023 was the Company, or any of its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the Shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Following is the change in the information of Directors since the date of the 2023 annual report of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

Mr. Chau Chit, an executive director of the Company, was retired from office of director of Starlight Culture Entertainment Group Limited (SEHK stock code: 1159) on 15 September 2023.

Mr. Wong Wai Kwan, an independent non-executive director of the Company, was appointed as an executive director of Vobile Group Limited (SEHK stock code: 3738) on 30 June 2023, and was resigned as an independent non-executive director of Starlight Culture Entertainment Group Limited (SEHK stock code: 1159) on 20 September 2023.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules of the Stock Exchange:

Name of Shareholders	Capacity	Number of Shares held (note 1)	Percentage of the issued share capital of the Company (note 1)
Million Creation Holdings Limited (note 2)	Beneficial owner	39,847,300 (L)	8.85%
Double Energy Limited (note 2)	Beneficial owner and Interest of controlled corporation	39,865,100 (L)	8.86%
Mega Start Limited	Beneficial owner	37,500,000 (L)	8.33%
Fount Holdings Limited	Beneficial owner	23,750,000 (L)	5.28%
Mr. Tang Hao (note 3)	Interest of controlled corporation	23,750,000 (L)	5.28%

Notes:

1. The letter "L" denotes the person's long position in such securities. The number of shares are the number of shares held as at 30 September 2023 and the percentage of the issued share capital of the Company is calculated on the basis of 449,999,949 shares in issue as at 30 September 2023.

OTHER INFORMATION (CONTINUED)

2. Based on the information available to the Company, Million Creation Limited was wholly-owned by Double Energy Limited and therefore Double Energy was deemed to be interested in all the Shares held by Million Creation Limited by virtue of the SFO, and Double Energy was wholly-owned by Mr. Zhu Kai and therefore Mr. Zhu Kai was deemed to be interested in all the Shares held by Double Energy Limited by virtue of the SFO. Double Energy Limited directly owned 17,800 Shares and Million Creation Limited directly owned 39,847,300 Shares.
3. Mr. Tang Hao owns the entire issued share capital of Fount Holdings Limited By virtue of the SFO, Mr. Tang Hao is deemed to be interested in the 23,750,000 Shares held by Fount Holdings Limited.

Save as disclosed above, as at 30 September 2023, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures.

Save as disclosed below, the Company has complied with all the code provisions as set out in Corporate Governance Code and Corporate Governance Report to the Appendix 14 of the Listing Rules (the "CG Code") throughout the six months ended 30 September 2023.

Code Provision C.1.6

Under code provision C.1.6, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged commitments, one of the independent non-executive directors were unable to attend the Company's annual general meeting held on 28 September 2023.

Code Provision C.2.1

Roles of the chairman and the chief executive

Under the code provision C.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing.

The roles of the chairman and the CEO of the Company were not separated and were performed by the same individual, Mr. Chau Chit during the period from 1 April 2023 to 30 September 2023.

The Directors meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

OTHER INFORMATION (CONTINUED)

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 and 23 September 2015 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to review the financial information and risk management of the Group, oversee the financial reporting system and internal control procedures of the Group, and oversee the relationship with the Company’s external auditor.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Wong Wai Kwan (the chairman of the Audit Committee), Dr. Wong Lee Ping, and Mr. Zhang Shengman.

The Audit Committee has reviewed with the management the Group’s interim results for the Period.

CHAIRMAN’S APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their total dedication, efforts and contribution during such challenging period. I should also thank all of our Shareholders for their support and confidence in us.

By Order of the Board
Green Economy Development Limited
Chau Chit
Chairman and Chief Executive Officer

Hong Kong, 30 November 2023

As at the date of this report, the Board comprises five executive Directors, namely Mr. Chau Chit, Mr. Fung Ka Lun, Mr. Tang Hongyang, Mr. Zhu Feng and Mr. Zhu Xiaodong; and three independent non-executive Directors, namely Dr. Wong Lee Ping, Mr. Wong Wai Kwan and Mr. Zhang Shengman.