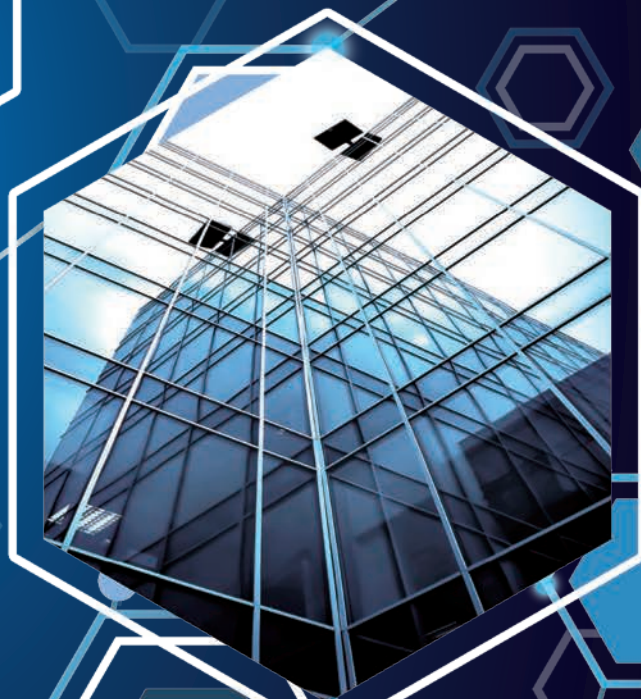


Green Economy Development Limited 綠色經濟發展有限公司

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

Interim Report 2024



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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

Zhu Feng

Zhu Xiaodong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wong Wai Kwan

Zhang Shengman

Li Xiaoting (appointed on 3 May 2024)

Wong Lee Ping (resigned on 3 May 2024)

COMPLIANCE OFFICER

Zhang Wan

COMPANY SECRETARY

Cheung Yiu Kuen

AUDIT COMMITTEE

Wong Wai Kwan (*Chairman*)

Zhang Shengman

Li Xiaoting (appointed on 3 May 2024)

Wong Lee Ping (resigned on 3 May 2024)

REMUNERATION COMMITTEE

Zhang Shengman (*Chairman*)

Chau Chit

Zhu Feng

Wong Wai Kwan

Li Xiaoting (appointed on 3 May 2024)

Wong Lee Ping (resigned on 3 May 2024)

RISK MANAGEMENT COMMITTEE

Chau Chit

Zhu Feng

Zhu Xiaodong

Wong Wai Kwan

NOMINATION COMMITTEE

Chau Chit (*Chairman*)

Zhu Feng

Wong Wai Kwan

Zhang Shengman

Li Xiaoting (appointed on 3 May 2024)

Wong Lee Ping (resigned on 3 May 2024)

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
Agricultural Bank of China Limited, Hong Kong Branch

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 2024 (the “Period”), the Group recorded a revenue of approximately HK\$1,439 million representing a decrease of approximately 5% as compared to revenue of approximately HK\$1,519 million of the same period in 2023 (the “Prior Interim Period”).

With the increase in profit margin of the supply chain management segment and increase in project profits recorded from property maintenance segment, the Group’s gross profit increases from approximately HK\$17.9 million in Prior Interim Period to approximately HK\$29.1 million for the Period.

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

The profit attributable to owners of the Company for the Period was approximately HK\$2.2 million (Prior Interim Period: loss attributable to owners of the Company of approximately HK\$12.1 million). The turnaround from loss to profit of approximately HK\$14.3 million was mainly attributable to the increase in gross profit of approximately HK\$11.2 million and the decrease in administrative expenses of approximately HK\$6.9 million, which was partially offset by the increase in finance costs and income tax of approximately HK\$4.0 million.

Earning per share for the Period was approximately HK0.41 cent (Prior Interim Period: loss per share of approximately HK3.25 cent (re-presented)).

(2) REVIEW OF OPERATIONS

(i) Supply chain management

Revenue for the segment for the Period, comprising income from trading of materials of HK\$1,198,620,000 and transportation service income of HK\$26,089,000, was approximately HK\$1,224,709,000 (Prior Interim Period: approximately HK\$1,133,072,000).

Segment result increased from the Prior Interim Period segment profit of approximately HK\$3,975,000 to segment profit approximately HK\$9,527,000 in the Period as there was increase in profit margin recorded in the segment.

(ii) Building Construction

Revenue for the building construction segment for the Period was approximately HK\$225,000 (Prior Interim Period: approximately HK\$2,408,000).

Segment result decreased from the Prior Interim Period segment profit approximately HK\$2,388,000 to segment profit approximately HK\$195,000 in the Period.

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(2) REVIEW OF OPERATIONS (Continued)

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

Revenue for the A&A works segment for the Period was approximately HK\$19,243,000 (Prior Interim Period: approximately HK\$60,520,000) and segment loss was approximately HK\$6,682,000 (Prior Interim Period: segment profit approximately HK\$3,905,000).

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 profit to segment loss of the Period was mainly attributable to increase of construction costs for operation of A&A works projects in the Period and also additional cost was recognized from completed projects in the Period.

(iv) Property Maintenance

Revenue for the property maintenance segment decreased from approximately HK\$322,615,000 in the Prior Interim Period to approximately HK\$195,309,000 in the Period and segment profit was approximately HK\$25,781,000 (Prior Interim Period: segment profit approximately HK\$5,695,000).

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

The increase in segment profit was mainly attributable to substantial increase in operating cost in the Prior 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 Prior Interim Period.

(3) FUTURE PLANS AND PROSPECTS

Financial resources

Supply chain management business

The Company currently involves in the supply chain of materials (e.g. iron ores) in various markets, the businesses of which involves sales and provision of materials, the relevant transportation of materials and potential accessory services (e.g. the mixing of iron ores).

- 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(3) FUTURE PLANS AND PROSPECTS (Continued)

Financial resources (Continued)

Supply chain management business (Continued)

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.

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 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 businesses in 2024.

Building construction, property maintenance and A&A works

The growth of the Hong Kong construction industry in 2024 will slow down due to the diminishing demand in the private sector and the tightened public project expenditure. Owing to the continuous monetary tightening, building contractors are facing financial hardship while the fierce price competition has further narrowed profit margin.

Shortage of skilled workers and soaring costs in maintaining quality and safe construction are still the two main risk factors for the construction business. Adoption of the latest technology in the construction industry is one of the ways to improve the works management and enhance overall cost control.

In the long run, building sector would pick up sustainable growth again. The Group holds an optimistic but cautious outlook to the immediate future. We will keenly focus on operational costs control in order to maintain liquidity and competitiveness in the market. Additionally, we will leverage our accumulated experience and understanding in the industry to selectively explore other opportunities to reduce our business risks.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

On 11 September 2024, Start Shinning Pte. Ltd., a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party of the Company for the sale and purchase of the entire issued share capital of Runroc Holdings Limited ("Target Company"), a company incorporated in the British Virgin Islands with limited liability which holds 85% of the equity interest in Rizhao Zhongkuang New Energy Technology Co., Ltd.* (日照中礦新能源科技有限公司) ("Target Subsidiary"), a company established under the laws of the PRC with limited liability. The Target Company is principally engaged in investment holding and trading business and the Target Subsidiary is principally engaged in trading business and starts to get involved with provision of iron ore pre-treatment and mixed ore processing services for various steel mills (the "Acquisition").

The consideration of the Acquisition is HK\$87,000 and the Acquisition was completed in 13 September 2024. Details of the Acquisition could be referred to the announcements of the Company dated 11 September 2024 and 14 October 2024.

Save as disclosed above, there was no material acquisition or disposal or loss of control of subsidiaries or associated companies by the Group during the Period.

(5) MAJOR CORPORATE EVENT

On 21 February 2024, the Board proposed to raise approximately HK\$36.23 million before deducting professional fee and other related expenses by issuing up to 224,999,972 new shares to the qualifying shareholders on the basis of two (2) shares in issue for every one (1) rights share (the "Rights Shares") at the subscription price of HK\$0.161 per share (the "Rights Issue").

On 16 April 2024, the Rights Issue was completed with applications in respect of a total of 171,876,373 Rights Shares received and 171,876,373 Rights Shares allotted and issued. The gross proceeds raised from the Rights Issue are approximately HK\$27.67 million and the net proceeds from the Rights Issue after deducting the estimated expenses of approximately HK\$1.7 million in relation to the Rights Issue are estimated to be approximately HK\$25.97 million.

Details of the Rights Issue are disclosed in the Company's announcements dated 21 February 2024 and 15 April 2024.

(6) LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy financial position. As at 30 September 2024, the current assets and current liabilities were stated at approximately HK\$748.4 million (as at 31 March 2024: approximately HK\$671.8 million) and approximately HK\$411.7 million (as at 31 March 2024: approximately HK\$469.7 million), respectively. The current ratio is 1.82 as at 30 September 2024 (as at 31 March 2024: 1.43). The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective periods.

As at 30 September 2024, the Group had total cash and bank deposits of approximately HK\$183.5 million (as at 31 March 2024: approximately HK\$150.0 million).

As at 30 September 2024, total interest-bearing loans amounted to approximately HK\$207.3 million (31 March 2024: approximately HK\$207.3 million). The Group's net cash balance as at 30 September 2024 (the sum of pledged bank deposits, restricted cash and bank and cash less interest-bearing bank and other borrowings in current portion) was approximately HK\$183.3 million (as at 31 March 2024: approximately HK\$47.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(6) LIQUIDITY AND FINANCIAL RESOURCES (Continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. As at 30 September 2024, the Group had obtained credit facilities and trade finance facilities from various banks up to a maximum amount of approximately HK\$69.5 million and US\$50 million respectively (31 March 2024: approximately HK\$69.5 million and US\$50 million respectively) and approximately HK\$12.2 million (31 March 2024: approximately HK\$12.8 million) of the credit facilities has been utilized.

As at 30 September 2024, the gearing ratio of the Group was approximately 27.4% (as at 31 March 2024: approximately 30.5%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at the reporting date multiplied by 100%. With its available bank balances and cash and existing available bank credit facilities for operating use, the Group has sufficient liquidity and financial resources to satisfy the financial requirements of its existing businesses.

Reference should be made to the “going concern basis” in Note 2 to the consolidated financial statements for the year ended 31 March 2024 and “The Board’s Response to the Auditor’s Opinion” in the 2024 annual report of the Company.

(7) 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.

(8) 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 17 to the condensed consolidated financial statements.

(9) CONTINGENT LIABILITIES

The Group’s significant contingent liabilities as at 30 September 2024 are set out in note 18 to the condensed consolidated financial statements.

(10) EVENT AFTER THE REPORTING PERIOD

There is no other event after the reporting period that should be notified to the shareholders of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(11) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	31 March 2024 HK\$'000	Contracts Secured HK\$'000	Contracts Completed HK\$'000	30 September 2024 HK\$'000
Building Construction	—	—	—	—
Property Maintenance	1,229,787	—	—	1,229,787
Alteration, Renovation, Upgrading and Fitting-Out Works	139,038	12,579	(47,938)	103,679
	1,368,825	12,579	(47,938)	1,333,466

Building Construction segment

Contracts secured for the six months ended 30 September 2024

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

Property Maintenance segment

Contracts secured for the six months ended 30 September 2024

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(11) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (Continued)

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts secured for the six months ended 30 September 2024

Contracts	Commencement Date	Contract value HK\$'000
Renovation works for West Kowloon Campus — Phase 3 for The Hong Kong Polytechnic University	September 2024	12,579
Total		12,579

Building Construction segment

Contract completed for the six months ended 30 September 2024

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

Property Maintenance segment

Contracts completed for the six months ended 30 September 2024

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)

(11) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (Continued)

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts completed for the six months ended 30 September 2024

Contracts	Commencement date	Completion date	Contract value HK\$'000
High school improvement works for Hong Kong International School	March 2023	April 2024	26,997
Spatial reorganization works for City University of Hong Kong	June 2023	June 2024	18,293
Enhancement works of Skill Assessment Centre for Electrical and Mechanical Services Department, Hong Kong	June 2023	April 2024	654
Renovation of New JC STEM Lab of Energy and Material Physics of Yeung Kin Man Academic Building for City University of Hong Kong	March 2024	August 2024	1,994
Total			47,938

Overall

Contracts secured subsequent to 30 September 2024 and up to the date of the report

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

(12) EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed a total of 95 staff (as at 30 September 2023: 202 staff) which included Hong Kong and the People's Republic of China employees. The total remuneration for staff for the Period was approximately HK\$25.1 million for the Period (Prior Interim Period: approximately HK\$40.3 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(12) EMPLOYEES AND REMUNERATION POLICIES (Continued)

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.

(13) USE OF PROCEEDS FROM RIGHTS ISSUE

The gross proceeds from the Rights Issue completed on 16 April 2024 amount to approximately HK\$27.67 million, while the net proceeds, after deducting the related expenses, are approximately HK\$25.97 million, and the Company intends to apply the net proceeds from the Rights Issue as to approximately 35% or HK\$9.09 million for investment in other business opportunities to be identified by the Group from time to time and as to approximately 65% or HK\$16.88 million for general administrative expenses and other general working capital purposes, such as overhead expenses including salary, rental and other expenses of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(13) USE OF PROCEEDS FROM RIGHTS ISSUE (Continued)

As of 30 September 2024, the net proceeds received were utilised as follows:

Intended application of the net proceeds	Amount to be utilized (HK\$ million)	Amount utilized for the six months period ended 30 September 2024 (HK\$ million)	Unutilized as at 30 September 2024 (HK\$ million)
Investment in other business opportunities	9.09	0.09	9.00
General administrative expenses and other general working capital	16.88	5.5	11.38
Total	25.97	5.59	20.38

For the unutilized net proceeds from the Rights Issue which was approximately HK\$20.38 million as at 30 September 2024, the Company intends to apply these net proceeds as to HK\$9.00 million for investment in other business opportunities to be identified by the Group from time to time and as to approximately HK\$11.38 million for general administrative expenses and other general working capital purposes, such as overhead expenses including salary, rental and other expenses of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	1,439,486	1,518,615
Cost of sales and services		(1,410,369)	(1,500,733)
Gross profit		29,117	17,882
Other income	5	4,898	3,813
Other gain and loss	5	413	(32)
Selling expenses		(1,734)	(1,114)
Administrative expenses		(14,199)	(21,092)
Reversal losses on trade receivables		—	721
Profit from operations		18,495	178
Finance costs	6	(13,876)	(12,223)
Profit/(loss) before tax		4,619	(12,045)
Income tax expenses	7	(2,451)	(71)
Profit/(loss) for the period	8	2,168	(12,116)
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		3,498	(7,890)
Other comprehensive income for the period, net of tax		3,498	(7,890)
Total comprehensive income for the period		5,666	(20,006)
Profit/(loss) for the period attributable to:			
Owners of the Company		2,182	(12,115)
Non-controlling interests		(14)	(1)
		2,168	(12,116)

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

For the six months ended 30 September 2024

		Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Notes			
Total comprehensive income for the period attributable to:			
Owners of the Company		5,680	(20,005)
Non-controlling interests		(14)	(1)
		5,666	(20,006)
		2024 (Unaudited)	2023 (Unaudited) (Re-presented)
Earning/(loss) per share			
10			
Basic (HK cents per share)		0.41	(3.25)
Diluted (HK cents per share)		0.41	(3.25)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		1,374	620
Goodwill		320	320
Right-of-use assets	11	916	2,728
Financial assets at fair value through profit or loss ("FVTPL")		4,379	4,379
		6,989	8,047
Current assets			
Inventories		72,421	70,787
Trade and other receivables	12	330,981	237,308
Contract assets		141,395	194,090
Amount due from a related party	20(b)(ii)	19,591	19,591
Financial assets at FVTPL		478	—
Pledged bank deposits	13	64,677	63,349
Bank and cash balances	13	118,852	86,688
		748,395	671,813
Current liabilities			
Trade and other payables	14	313,889	300,534
Contract liabilities		72,681	41,030
Lease liabilities		843	2,480
Amounts due to related parties	20(b)(iii)	11,499	11,573
Amount due to a director	20(b)(iv)	530	2,330
Other loans		200	200
Loans from a related party	20(b)(i)	—	102,124
Current tax liabilities		12,080	9,455
		411,722	469,726
Net current assets		336,673	202,087
Total assets less current liabilities		343,662	210,134

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Non-current liabilities			
Accruals and other payables	14	487	487
Lease liabilities		139	411
Loan from a related party	20(b)(i)	207,124	105,000
		207,750	105,898
NET ASSETS		135,912	104,236
Capital and reserves			
Share capital	15	6,129	4,500
Reserves		133,818	103,795
Equity attributable to owners of the Company		139,947	108,295
Non-controlling interests		(4,035)	(4,059)
TOTAL EQUITY		135,912	104,236

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company									Non- controlling interests ("NCI")	Total equity
	Issued Capital <i>(note 15)</i> HK\$'000	Share premium account <i>(note (i))</i> HK\$'000	Share option reserve <i>(note 16)</i> HK\$'000	Foreign currency transaction reserve HK\$'000	Capital reserve <i>(note (ii))</i> HK\$'000	Statutory surplus reserve HK\$'000	Other reserve <i>(note (iii))</i> HK\$'000	(Accumulated losses)/retained earnings HK\$'000	Total HK\$'000		
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 <i>(note (iv))</i>	—	(345,649)	—	—	—	—	—	345,649	—	—	—
Total comprehensive income for the period	—	—	—	(7,890)	—	—	—	(12,115)	(20,005)	(1)	(20,006)
Change 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
At 1 April 2024 (audited)	4,500	—	1,746	(3,433)	3,642	1,576	22,000	78,264	108,295	(4,059)	104,236
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	38	38
Issuance of shares by rights issue <i>(note 15)</i>	1,719	24,253	—	—	—	—	—	—	25,972	—	25,972
Total comprehensive income for the period	—	—	—	3,498	—	—	—	2,182	5,680	(14)	5,666
Changes in equity for the period	1,719	24,253	—	3,498	—	—	—	2,182	31,652	24	31,676
At 30 September 2024 (unaudited)	6,219	24,253	1,746	65	3,642	1,576	22,000	80,446	139,947	(4,035)	135,912

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) 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.
- (iv) 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 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	21,054	21,196
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(641)	(30)
Acquisition of a subsidiary	2,685	—
Bank interest received	2,995	1,859
Net cash generated from investing activities	5,039	1,829
CASH FLOWS FROM FINANCING ACTIVITIES		
New shares issued	25,972	—
Interest expenses on bank and other loans	(317)	—
Borrowings raised	—	6,950
Repayment to a related party	(13,500)	(11,902)
Principal element of lease payments	(1,357)	(947)
Increase in pledged bank deposits	(1,326)	(975)
Interest expenses on lease liabilities	(59)	(207)
Decrease in amount due to related parties	(74)	(446)
Decrease in amount due to a director	(1,800)	—
Net cash generated from/(used in) financing activities	7,539	(7,527)
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,632	15,498
Effect of foreign exchange rate changes	(1,468)	(534)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	86,688	66,278
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	118,852	81,242
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	20,385	12,647
Non-pledged time deposits with original maturity of less than three months when acquired	98,467	68,595
	118,852	81,242

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 supply chain management, provision of building construction services, property maintenance services, and alterations, renovation, upgrading and fitting-out works 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 2024 that is included in these unaudited condensed financial statements for the six months ended 30 September 2024 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 2024 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 2024 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 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

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 2024. 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 2023, 31 March 2024 and 30 September 2024, 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 2023 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 2024. 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 2024 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 2024

4. REVENUE AND SEGMENT INFORMATION

The Group has four (2023: five) operating segments as follows:

- (a) Supply chain management — engaged in sales and provision of materials, the relevant transportation of materials and potential accessory services
- (b) Building construction and other construction related business — engaged in provision of construction services
- (c) Alterations, renovation, upgrading and fitting-out works — engaged in provision of alteration, renovation, upgrading and fitting-out works
- (d) Property maintenance — engaged in provision of maintenance works

Two operations (trading of materials and transportation service business) were combined into a new segment “supply chain management” to better reflect the business strategic and marketing strategies.

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 (2023: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

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

	Supply chain management HK\$'000 (Unaudited)	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)	Total HK\$'000 (Unaudited)
Six months ended 30 September 2024					
Segment revenue — External customers	1,224,709	225	19,243	195,309	1,439,486
Segment profit/(loss)	9,527	195	(6,682)	25,781	28,821
Unallocated other income					3,873
Administrative expenses					(14,199)
Finance costs					(13,876)
Profit before tax					4,619

	Supply chain management HK\$'000 (Unaudited) (Re-presented)	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)	Total HK\$'000 (Unaudited)
Six months ended 30 September 2023					
Segment revenue — External customers	1,133,072	2,408	60,520	322,615	1,518,615
Segment profit	3,975	2,388	3,905	5,695	15,963
Unallocated other income					1,877
Administrative expenses					(17,774)
Finance costs					(12,111)
Loss before tax					(12,045)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

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.

	Trading of materials		Transportation service income		Building construction and other construction related business		Alterations, renovation, upgrading and fitting-out works		Property maintenance		Total	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Primary geographical markets												
Hong Kong	240,097	36,442	—	—	225	2,408	19,243	60,520	195,309	322,615	454,874	421,985
PRC except Hong Kong	958,523	1,082,576	26,089	14,054	—	—	—	—	—	—	984,612	1,096,630
Revenue from external customers	1,198,620	1,119,018	26,089	14,054	225	2,408	19,243	60,520	195,309	322,615	1,439,486	1,518,615
Timing of revenue recognition												
Goods and services transferred at a point in time	1,198,620	1,119,018	—	—	—	—	—	—	—	—	1,198,620	1,119,018
Services transferred over time	—	—	26,089	14,054	225	2,408	19,243	60,520	195,309	322,615	240,866	399,597
Total	1,198,620	1,119,018	26,089	14,054	225	2,408	19,243	60,520	195,309	322,615	1,439,486	1,518,615

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

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Receivables, which are included in "Trade and other receivables"	56,546	81,724
Contract assets	141,395	194,090
Contract liabilities	(72,681)	(41,030)

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\$41,030,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 September 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

5. OTHER INCOME AND OTHER GAIN AND LOSS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Other income		
Interest income from sub-contractors	1,438	1,874
Bank interest income	2,996	1,859
Others	464	80
	4,898	3,813
Other gain and loss		
Gain on bargain purchase	600	—
Gain on lease termination	31	—
Loss on change of fair value of financial assets at FVTPL	(35)	—
Exchange loss, net	(183)	(32)
	413	(32)

6. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on:		
Banks and other loans	317	114
Lease liabilities	59	207
Loans from a related party (note 20(a))	13,500	11,902
	13,876	12,223

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

7. INCOME TAX EXPENSES

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax		
— Hong Kong	2,387	—
— People's Republic of China	64	71
	2,451	71

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 group entity established in Hong Kong will be taxed at 8.25% (2023: 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 Profits Tax has been provided at a rate of 16.5% (2023: 16.5%) on the estimated assessable profits.

Under the Law of the PRC on Enterprise Income Tax (the "EIT") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2023: 25%). Pursuant to relevant laws and regulations in the PRC, the effective EIT rate for a subsidiary which qualified as small and micro enterprises is 2.5% for assessable profits below RMB1 million and 5% for assessable profits between RMB1 million and RMB3 million for the six months ended 30 September 2023 and 2024.

8. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period is arrived at after charging/(crediting):

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	232	269
Depreciation of right-of-use assets	1,446	1,665
Lease payments not included in the measurement of lease liabilities	290	—
Bank interest income	(3,034)	(1,859)
Interest income from sub-contractors	(1,438)	(1,874)
Exchange loss, net	183	32

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months from 1 April 2024 to 30 September 2024 (six months from 1 April 2023 to 30 September 2023: Nil).

10. EARNING/(LOSS) PER SHARE

The calculations of basic and diluted earning/(loss) per share are based on:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Earning/(loss)		
Earning/(loss) for the purpose of calculating basic and diluted earning/(loss) per share	2,182	(12,115)

	Six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited) (Re-presented)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earning/(loss) per share	529,585,246	372,736,316

The weighted average number of ordinary shares for prior period has been adjusted retrospectively to reflect the effect of the bonus element of the rights issue as disclosed in note 15.

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 2024 and 30 September 2023.

11. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2023, the Group entered into a new lease agreement 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 were recognised upon lease commencement.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

12. TRADE AND OTHER RECEIVABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade receivables	58,496	83,631
Less: impairment losses	(1,950)	(1,907)
	56,546	81,724
Prepayments	153,035	89,873
Deposits and other receivables (note)	121,400	65,711
	274,435	155,584
	330,981	237,308

Note: As at 30 September 2024, approximately HK\$92,000 (as at 31 March 2024: HK\$92,000) of deposits were pledged to certain insurance companies to secure the performance bonds.

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 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0 to 90 days	55,431	70,453
91 to 180 days	199	448
181 to 365 days	354	10,193
Over 365 days	562	630
	56,546	81,724

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

13. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Bank and cash balances	20,385	7,840
Time deposits at banks mature within three months	98,467	78,848
	118,852	86,688
Pledged bank deposits	64,677	63,349

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$251,000 (31 March 2024: approximately HK\$6,267,000). 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.

14. TRADE AND OTHER PAYABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade payables	103,807	78,744
Retention payables	18,648	19,244
	122,455	97,988
Accruals and other payables	191,921	203,033
Less: non-current portion	(487)	(487)
	191,434	202,546
	313,889	300,534

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

14. TRADE AND OTHER PAYABLES (Continued)

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 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0 to 90 days	40,646	48,224
91 to 180 days	33,304	—
181 to 365 days	48	15,026
Over 365 days	29,809	15,494
	103,807	78,744

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

15. SHARE CAPITAL

	Number of shares '000	Nominal value of shares HK\$'000
Authorised: Ordinary shares of HK\$0.01 each At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	200,000	20,000
Issued and fully paid: Ordinary shares of HK\$0.01 each At 1 April 2024	450,000	4,500
Issuance of shares by rights issue (<i>note</i>)	171,876	1,719
At 30 September 2024	621,876	6,219

Note: On 21 February 2024, the Board proposed to raise approximately HK\$36,225,000 before deducting professional fee and other related expenses by issuing up to 224,999,972 new shares to the qualifying shareholders on the basis of two (2) shares in issue for every one (1) rights share (the "Rights Shares") at the subscription price of HK\$0.161 per share (the "Rights Issue").

Upon the completion of the Rights Issue on 16 April 2024, the number of shares in issue of the Company was increased by 171,876,373, resulting in a credit to share capital and share premium by HK\$1,719,000 and HK\$24,253,000, respectively after netting of the related cost of approximately HK\$1,700,000. Details of the Rights Issue are disclosed in the Company's announcements dated 21 February 2024 and 15 April 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

16. 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.

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 2024, there are 6,664,556 (31 March 2024: 6,664,556) share options (note) of the Company granted under the 2011 Scheme, representing approximately 1.07% 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\$0.6752

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

16. SHARE OPTION SCHEME (Continued)

Option type	Outstanding at 1 April 2024	Share consolidation during period	Outstanding at 30 September 2024
2021	6,664,556	—	6,664,556
Exercisable at the end of the period			6,664,556
Weighted average exercise price (note)	HK\$0.675	N/A	HK\$0.675

The options outstanding at the end of the period have a weighted average remaining contractual life of 1.87 (31 March 2024: 2.37 years).

Note: The number of share options and the exercise price have been adjusted pursuant to the share consolidation effective on 6 April 2023 and the rights issue completed on 16 April 2024.

17. 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 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Other receivables	92	92
Bank deposits	64,677	63,349
	64,769	63,441

18. CONTINGENT LIABILITIES

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

Performance bonds amounting to HK\$12,341,000 (31 March 2024: HK\$12,979,000) 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 2024

19. ACQUISITION OF A SUBSIDIARY

On 13 September 2024, the Group acquired 100% of the issued share capital of Runroc Holdings Limited ("Runroc") for a cash consideration of HK\$87,000. Runroc was engaged in investment holding and trading business, and starts to get involved with provision of iron ore pre-treatment and mixed ore processing services for various steel mills through its 85%-held subsidiary during the period. The acquisition is part of the Group's strategy to expand its supply chain management business.

The fair value of the identifiable assets and liabilities of Runroc and its 85%-held subsidiary at the date of acquisition is as follows:

	HK\$'000
Net assets acquired:	
Property, plant and equipment	103
Trade receivables	15,352
Prepayments, deposits and other receivables	2,208
Financial assets at FVTPL	513
Due from a director	199
Bank and cash balances	2,772
Inventory	35
Trade and other payables	(18,217)
Contract liabilities	(2,240)
Portion shared by NCI	(38)
Gain on bargain purchase	(600)
Satisfied by:	
Cash	87
Net cash inflow arising on acquisition:	
Cash consideration paid	(87)
Cash and cash equivalents acquired	2,772
	2,685

The business combination results in a gain on bargain purchase of approximately HK\$600,000 as the fair value of Runroc as at the completion date of the acquisition exceeds the cash consideration of HK\$87,000 paid. The gain is included in other gain and loss.

Runroc and its subsidiary contributed revenue of HK\$17,472,000 and loss of HK\$86,000 in the period between the date of acquisition and the end of the reporting period. If the acquisition had been completed on 1 April 2024, total Group revenue for the period would have been HK\$289,733,000, and profit for the period would have been HK\$12,576,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2024, nor is intended to be a projection of future results.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

20. 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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest expenses paid to a director of certain subsidiaries of the Company (Note)	13,500	11,902

Note: The interest expense was loan interest charged on loans from Mr. Wong Law Fai, a director of certain subsidiaries of the Company. The amounts due to and loans from a related party are detailed in note 20(b) below.

(b) Outstanding balances with related parties:

(i) Loan from a related party

As at 31 March 2022, the loans from a related party were advanced by Mr. Wong to the Company's wholly-owned subsidiaries, namely Magic Choice Holdings Limited ("Magic Choice") and Wan Chung Construction Co., Ltd. ("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, 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.

On 26 June 2024, these parties entered into agreements to further extend the maturity dates of the loans for further one year to 31 October 2025 and 30 September 2026, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

20. RELATED PARTY TRANSACTIONS (Continued)

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

(ii) 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 Construction (Singapore) Pte. Ltd. ("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, the customers of those incomplete projects demanded insurance companies to compensate for those unsatisfactory performance of Wan Chung Singapore.

(iii) Due to related parties, which are:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Mega Start Limited ("Mega Start") (note (i))	2,600	2,600
Mr. Wong (note (ii))	8,899	8,973
	11,499	11,573

Notes:

- (i) The balance is unsecured, interest-free and repayable on demand.
- (ii) Included in the balance of which HK\$221,000 (As at 31 March 2024: HK\$295,000) represents the interest payable on the loans from Mr. Wong, a director of certain subsidiaries of the Company, as set out in note 20(b)(i). The remaining balance of HK\$8,678,000 (As at 31 March 2024: HK\$8,678,000) is unsecured, interest-free and repayable on demand.
- (iv) Due to a director
The balance is unsecured, interest-free and has no fixed repayment term.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

20. RELATED PARTY TRANSACTIONS (Continued)

(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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term benefits	8,488	7,023

- (d) Performance bond of HK\$12,341,000 (31 March 2024: HK\$12,979,000) 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.

21. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board on 29 November 2024.

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 2024 (six months ended 30 September 2023: 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 2024.

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 6,664,556 which represents approximately 1.07% 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)

6,664,556 share options (previously 7,499,998 share options before adjustments made as a result of rights issue on 16 April 2024 and 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\$0.6752 (previously HK\$0.6 before adjustments made as a result of rights issue on 16 April 2024 and 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 2024 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	3,332,278	—	3,332,278	13 August 2021	13 August 2021 — 12 August 2026	HK\$0.6752
Director of the Company						
Fung Ka Lun	3,332,278	—	3,332,278	13 August 2021	13 August 2021 — 12 August 2026	HK\$0.6752
	6,664,556	—	6,664,556			

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 2024, 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. Zhu Feng (note 2)	Beneficial owner and Interest of Controlled Corporation	174,797,650 (L)	28.11%
Mr. Chau Chit (note 3)	Interest of Controlled Corporation	46,912,500 (L)	7.54%
Mr. Fung Ka Lun (note 4)	Beneficial owner	3,332,278 (L)	0.54%
Mr. Wong Wai Kwan	Beneficial owner	468,750 (L)	0.08%

Notes:

1. 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 2024 and the percentage of the issued share capital of the Company was calculated on the basis of 621,876,317 shares in issue as at 30 September 2024.
2. Mr. Zhu Feng, the executive Director, is directly interested in 78,520,950 Shares and is the ultimate beneficial owner of Ensure Prestige Limited. By virtue of the SFO, Mr. Zhu Feng is deemed to be interested in the 96,276,700 Shares held by Ensure Prestige Limited. Therefore, Mr. Zhu Feng is deemed to be interested in 174,797,650 Shares.
3. 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 46,912,500 Shares held by Mega Start.
4. 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\$0.6752 (as adjusted on 16 April 2024) 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 2024 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).

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

As at 30 September 2024, 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)
Ensure Prestige Limited (note 2)	Beneficial owner	96,276,700 (L)	15.48%
Mega Start Limited (note 3)	Beneficial owner	46,912,500 (L)	7.54%

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 2024 and the percentage of the issued share capital of the Company is calculated on the basis of 621,876,317 shares in issue as at 30 September 2024.
2. Mr. Zhu Feng owns the entire issued share capital of Ensure Prestige Limited. By virtue of the SFO, Mr. Zhu Feng is deemed to be interested in the 96,276,700 Shares held by Ensure Prestige Limited.
3. Mr. Chau Chit owns the entire issued share capital of Mega Start Limited. By virtue of the SFO, Mr. Chau Chit is deemed to be interested in the 46,912,500 Shares held by Mega Start Limited.

Save as disclosed above, as at 30 September 2024, 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.

OTHER INFORMATION (CONTINUED)

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 2024.

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, two of the independent non-executive directors were unable to attend the Company’s annual general meeting held on 27 September 2024.

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 2024 to 30 September 2024.

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.

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), Mr. Zhang Shengman and Ms. Li Xiaoting.

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

OTHER INFORMATION (CONTINUED)

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, 29 November 2024

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 Mr. Wong Wai Kwan, Mr. Zhang Shengman and Ms. Li Xiaoting.