

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
2021**



CONTENTS

- 02** Corporate Information
- 04** Management Discussion and Analysis
- 15** Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 16** Condensed Consolidated Statement of Financial Position
- 18** Condensed Consolidated Statement of Changes in Equity
- 19** Condensed Consolidated Statement of Cash Flows
- 20** Notes to the Condensed Consolidated Financial Statements
- 39** Other Information

CORPORATE INFORMATION

PRESIDENT

Michael Ngai Ming Tak (appointed on 13 August 2021)

EXECUTIVE DIRECTORS

Chau Chit (*Chairman*)
Fung Ka Lun (appointed on 13 August 2021)
Zhu Xiaodong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tam Tak Kei Raymond
Wong Lee Ping (appointed on 7 May 2021)
Wong Wai Kwan
Wong Kai Tung Simon (resigned on 7 May 2021)

COMPLIANCE OFFICER

Zhang Wan

COMPANY SECRETARY

Cheung Yiu Kuen

AUDIT COMMITTEE

Wong Wai Kwan (*Chairman*) (redesignated on 7 May 2021)
Tam Tak Kei Raymond (redesignated on 7 May 2021)
Wong Lee Ping (appointed on 7 May 2021)
Wong Kai Tung Simon (resigned on 7 May 2021)

REMUNERATION COMMITTEE

Tam Tak Kei Raymond (*Chairman*)
(redesignated on 7 May 2021)
Chau Chit
Wong Lee Ping (appointed on 7 May 2021)
Wong Wai Kwan
Wong Kai Tung Simon (*Chairman*) (resigned on 7 May 2021)

RISK MANAGEMENT COMMITTEE

Chau Chit
Zhu Xiaodong
Wong Wai Kwan

NOMINATION COMMITTEE

Chau Chit (*Chairman*)
Tam Tak Kei Raymond
Wong Lee Ping (appointed on 7 May 2021)
Wong Wai Kwan
Wong Kai Tung Simon (resigned on 7 May 2021)

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 2001&10, 20/F, No.118 Connaught Road West,
Hong Kong

AUDITOR

RSM Hong Kong

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
DBS Bank 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 2021 (the “Period”), the Group recorded a turnover of approximately HK\$2,487 million representing a slight decrease of approximately 7% as compared to approximately HK\$2,686 million of the same period in 2020 (the “Prior Interim Period”).

With a higher gross profit ratio during the period, the Group recorded a gross profit of approximately HK\$82.7 million (Prior Interim Period: approximately HK\$48.8 million) for the Period, representing an approximately 69.5% increase as compared to the Prior Interim 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\$40.5 million (Prior Interim Period: approximately HK\$1.2 million).

Basic earnings per share for the Period was approximately HK0.61 cent (Prior Interim Period: approximately HK0.02 cent).

(2) REVIEW OF OPERATIONS

(i) Building Construction and Other Construction Related Business

Revenue for the building construction segment for the Period was approximately HK\$131,344,000 (Prior Interim Period: approximately HK\$46,789,000).

Segment profit increased from Prior Interim Period loss approximately HK\$3,835,000 to segment profit approximately HK\$2,575,000 in the Period.

The increase in the segment revenue was mainly attributable to a full swing operations of large scale building construction projects in Singapore in the Period that have contributed more segment revenue in the Period and also attributable to work interruption due to the outbreak of COVID-19 in the Prior Interim Period. Segment profit increased from Prior Interim Period segment loss to segment profit in the Period was mainly attributable to additional project costs incurred of large scale building construction projects in Singapore in the Prior Interim Period.

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

Revenue for the A&A works segment for the Period was approximately HK\$133,952,000 (Prior Interim Period: approximately HK\$118,240,000) and segment profit was approximately HK\$3,404,000 (Prior Interim Period: segment loss approximately HK\$1,696,000).

The increase in segment revenue was in line with the increase in number of A&A works projects in progress during the Period. The average contract sum of A&A works projects in progress for the Period was amounted to approximately HK\$518 million (Prior Interim Period: approximately HK\$342 million). The increase 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 in Hong Kong which were in full swing operation in the Period. It was also attributable to the completion of several large scale projects in the Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(2) REVIEW OF OPERATIONS (Continued)

(ii) Alterations, renovation, upgrading and fitting-out works (collectively "A&A works") (Continued)

Segment profit increased from the Prior Interim Period segment loss to segment profit of the Period was mainly attributable to additional construction costs in the Prior Interim Period for completion of several large scale A&A works projects in the Prior Interim Period.

(iii) Property Maintenance

Revenue for the property maintenance segment increased from approximately HK\$279,597,000 in the Prior Interim Period to approximately HK\$357,435,000 in the Period and segment profit increased from approximately HK\$24,105,000 in the Prior Interim Period to approximately HK\$46,315,000 in the Period.

The property maintenance projects mainly included maintenance works for public sectors. The increase in segment revenue was mainly attributable to a large scale long term property maintenance contract, with contract value of approximately HK\$1,147 million secured in early 2020, which was in the preliminary stage in the Prior Interim Period that had contributed less segment revenue in the Prior Interim Period.

The increase in segment profit was mainly attributable to the full swing operations of the abovementioned large scale long term property maintenance project in the Period.

(iv) 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\$1,864 million (Prior Interim Period: approximately HK\$2,241 million).

Segment profit was approximately HK\$23.9 million (Prior Interim Period: approximately HK\$6.1 million). Increase in segment profit was mainly attributable to the decrease in selling expenses during the period.

(3) PROSPECTS

Building construction, property maintenance and A&A works

The Group's construction business of the Period has improved as compared with the Prior Interim Period. There is no obvious improvement of the market sentiment in the Hong Kong construction industry. The main reason for this is the effects of the virus pandemic which had been felt starting in 2020 and then spreading around the whole of the world including Hong Kong SAR in 2020 and continuing up to the present day.

These have resulted in markedly reduced demand overall. The competition has become keen and the profit margin stays at bottom level. The growth rate in the construction industry is presently low and, if the above factors continue, such growth rate is expected to remain low at least for say the next six months.

As disclosed in the announcement of the Group made on 24 November 2021, two subsidiary companies of the Group were suspended from tendering for public works under their respective categories with effect from 5 November 2021. Such suspension may be uplifted upon certain conditions being met. Such suspension does not immediately affect the ongoing works and projects now being undertaken by the two subsidiary companies.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(3) PROSPECTS (Continued)

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

Efforts are progress to uplift the said suspension and such efforts will continue. In the event that the suspension is uplifted within the next few months, then the effect on the overall construction business of the two subsidiary companies and the Group would likely be minor.

As the Covid-19 pandemic continues to be a mainstay in most economies and industries, the Singapore construction industry is no exception. For the past months, the Singapore government has gradually eased restrictions while transiting to the “new normal” of living with Covid-19 as an endemic. The Company has adapted to the government’s policy by encouraging staff and workers to go for vaccination, enforcing strict Safety Management Measures (SMM) and setting protocols to deal with new infection cases amongst us.

Recent rising infection cases have also been dealt with swiftly and effectively, with antigen rapid test (ART) conducted immediately for all close contacts upon discovery of new cases and disinfection performed for the entire site. While there are some disruptions experienced due to the rising infection cases, the Company has maintain stability and continues to strive for excellence in all areas.

Rising material costs due to global supply chain disruption and prevailing high manpower costs that have shot up during the past year has put pressure on the finances of construction projects that have their prices locked in pre-pandemic. The Company is actively implementing costs-saving measures while balancing the need to push for accelerated progress of all ongoing construction projects.

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) 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.

The trading business continued 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 2021.

(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 2021, the current assets and current liabilities were stated at approximately HK\$887.9 million (as at 31 March 2021: approximately HK\$851.2 million) and approximately HK\$669.4 million (as at 31 March 2021: approximately HK\$705.7 million), respectively. The current ratio increases from 1.21 times as at 31 March 2021 to 1.33 times as at 30 September 2021. The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective periods.

As at 30 September 2021, the Group had total cash and bank deposits of approximately HK\$209.7 million (as at 31 March 2021: approximately HK\$208.6 million).

As at 30 September 2021, total interest-bearing loans amounted to approximately HK\$250.9 million (31 March 2021: approximately HK\$246.3 million).

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. As at 30 September 2021, the Group had obtained credit facilities from various banks and financial institutions up to a maximum amount of approximately HK\$57.5 million (31 March 2021: approximately HK\$154 million) and approximately HK\$14.1 million (31 March 2021: approximately HK\$14.1 million) of the credit facilities has been utilized.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(5) LIQUIDITY AND FINANCIAL RESOURCES (Continued)

As at 30 September 2021, the gearing ratio of the Group was approximately 28.0% (as at 31 March 2021: approximately 28.7%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at the reporting date multiplied by 100%.

Reference should also be made to the “going concern basis” in note 2 to the consolidated financial statements for the year ended 31 March 2021 in the 2021 annual report of the Company, and to notes 20(b) and 22 to the condensed consolidated financial statements for the six months ended 30 September 2021 in this report.

(6) USE OF PROCEEDS FROM RIGHTS ISSUE

On 1 June 2021, the Company announced a proposed rights issue (the “Rights Issue”) on the basis of one new ordinary share (each, a “Rights Share”) for every four existing shares in issue at a subscription price of HK\$0.02 per Rights Share to raise up to HK\$30 million before related expenses by issuing 1,500,000,000 Rights Shares to the qualifying shareholders. The Rights Issue was completed on 4 August 2021 and the number of shares in issue of the Company was increased by 1,499,999,994.

Referred to the Company’s announcement dated 3 August 2021, the estimated maximum net proceeds from the Rights Issue (after deducting the expenses) are approximately HK\$28.5 million. The Company intends to apply the net proceeds from the Rights Issue as to: (i) approximately HK\$21.4 million for partial payment of the redemption amount of the Convertible Bond; and (ii) approximately HK\$7.1 million for general working capital including but not limited to salaries and benefits, rental and utilities, other general and administrative expenses, for the Group in the 12 months following the completion of the Rights Issue.

As of 30 September 2021, the net proceeds received were utilised as follows:

Intended application of the net proceeds	Amount utilized		Unutilized as at 30 September 2021 (HK\$ million)
	Amount to be utilized (HK\$ million)	as at 30 September 2021 (HK\$ million)	
Partial payment of the redemption amount of the Convertible Bond	21.4	21.4	0
General working capital	7.1	7.1	0
Total	28.5	28.5	0

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(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, Singapore 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 borrowings and performance bonds facilities granted to the Group, are set out in note 19 to the condensed consolidated financial statements.

(9) CONTINGENT LIABILITIES

The Group's significant contingent liabilities as at 30 September 2021 are set out in note 20 to the condensed consolidated financial statements.

(10) EVENT AFTER THE REPORTING PERIOD

Reference is made to the Inside Information Announcement March 2021, and the announcement of the Company dated 4 October 2021 (the "Inside Information Announcement October 2021") in relation to, among other things, the demand by Mr. Wong Law Fai for repayment of the total amount owed by Magic Choice Holdings Limited as borrower, an indirect wholly-owned subsidiary of the Company, to Mr. Wong Law Fai as lender in the sum of HK\$41,856,697 together with the interest thereon under the promissory notes dated 2 July 2014 and 24 March 2015, all made between Mr. Wong Law Fai as lender and Magic Choice Holdings Limited as borrower. The Group is still currently in negotiation with Mr. Wong Law Fai for the above and would strive to procure the extension of loans and avoidance/waiver of any default interest arising therefrom.

Except for disclosed above, 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 2021

	31 March 2021 HK\$'000	Contracts Secured HK\$'000	Contracts Completed HK\$'000	30 September 2021 HK\$'000
Building Construction	1,277,968	—	—	1,277,968
Property Maintenance	2,358,990	1,214,969	(1,188,931)	2,385,028
Alteration, Renovation, Upgrading and Fitting-Out Works	528,687	189,803	(210,857)	507,633
	4,165,645	1,404,772	(1,399,788)	4,170,629

Building Construction segment

Contract secured for the six months ended 30 September 2021

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(11) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021 (Continued)

Property Maintenance segment

Contracts secured for the six months ended 30 September 2021

Contracts	Commencement date	Contract value HK\$'000
Term contract for the maintenance of slopes for Kowloon and Lantau Island, Hong Kong	October 2021	259,169
Term contract for minor works 2021 for Hong Kong West Clusters, Hospital Authority, Hong Kong	October 2021	955,800
Total		1,214,969

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts secured for the six months ended 30 September 2021

Contracts	Commencement Date	Contract value HK\$'000
Fitting-out works for the SVSD workshops at EMSD Headquarters, Hong Kong	May 2021	6,662
Main contract of revitalization works of existing buildings at Central, Hong Kong	May 2021	47,980
Alterations and additions works of laboratory for The Hong Kong Polytechnic University	June 2021	2,705
Improvement of facilities in Sports Centre of The Education University of Hong Kong	June 2021	26,942
Replacement of fume cupboards in laboratories for Hong Kong Baptist University	June 2021	26,921
Main contract for renovation works at Sha Kok Commercial Centre, Hong Kong	August 2021	7,288
Renovation works for central IT offices and communal areas for City University of Hong Kong	August 2021	10,631
Main contract for space re-organisation of laboratory block for The University of Hong Kong	October 2021	60,674
Total		189,803

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(11) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021 (Continued)

Building Construction segment

Contract completed for the six months ended 30 September 2021

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

Property Maintenance segment

Contracts completed for the six months ended 30 September 2021

Contracts	Commencement date	Completion date	Contract value HK\$'000
Term contract for the maintenance of slopes for Kowloon and Lantau Island, Hong Kong	October 2017	September 2021	273,892
Term contract for minor works 2018 for Kowloon East and Kowloon Central Clusters, Hospital Authority, Hong Kong	June 2018	May 2021	915,039
Total			1,188,931

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(11) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021 (Continued)

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts completed for the six months ended 30 September 2021

Contracts	Commencement date	Completion date	Contract Value HK\$'000
Improvement of lecture theatres at Tai Po campus for The Education University of Hong Kong	August 2019	April 2021	19,127
Renovation of meeting rooms, To Yuen Building for City University of Hong Kong	August 2019	May 2021	2,980
Fitting-out works of wet laboratories of City University of Hong Kong	February 2020	May 2021	17,921
Alterations, additions and improvements of common washrooms of Hong Kong Baptist University	March 2020	August 2021	33,257
New temporary leisure farm at Kennedy Town, Hong Kong	May 2020	May 2021	33,846
Addition of waste water neutralization plant at Yeung Kin Man Academic Building for City University of Hong Kong	May 2020	April 2021	4,467
Improvement works of Coastal Marine Laboratory and Physics Research Laboratory for The Hong Kong University of Science & Technology	July 2020	April 2021	7,304
Alteration and addition works to No. 69 Jervois Street, Sheung Wan, Hong Kong	July 2020	July 2021	62,080
Improvement to station commercial area at ETS for MTR Corporation Ltd, Hong Kong	July 2020	September 2021	16,833
Renovation works for vehicle reception office at EMSD Headquarters, Hong Kong	August 2020	April 2021	4,505
Removal works at the retail podium of Tonnochy Towers, Hong Kong	December 2020	September 2021	3,518
Repair works at Yeung Hau Temple, Ha Tsuen, Yuen Long, Hong Kong	December 2020	September 2021	169
Renovation of supplies sub-division office for EMSD, Hong Kong	February 2021	September 2021	4,851
Total			210,858

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(11) MOVEMENT OF INCOMPLETE CONTRACTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021 (Continued)

Overall

Contract secured subsequent to 30 September 2021 and up to the date of the report

Contract	Commencement date	Contract value HK\$'000
Design and fitting-out works of new office for EMSD, Hong Kong	November 2021	6,447
Total		6,447

(12) EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group employed a total of 422 staff (as at 30 September 2020: 318 staff) which included Hong Kong, Singapore, the People's Republic of China and Macau employees. The total remuneration for staff was approximately HK\$68.3 million for the Period (Prior Interim Period: approximately HK\$50.6 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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	5	2,486,622	2,685,819
Cost of sales and services		(2,403,947)	(2,637,012)
Gross profit		82,675	48,807
Other income	6	7,355	16,453
Other gains and (losses)	6	34	(435)
Selling expenses		(6,399)	(25,771)
Administrative expenses		(26,847)	(29,115)
Profit from operations		56,818	9,939
Finance costs	7	(4,826)	(6,655)
Profit before tax		51,992	3,284
Income tax expenses	9	(12,797)	(2,894)
Profit for the period		39,195	390
Other comprehensive income for the period, net of tax: <i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operation		2,624	8,581
Other comprehensive income for the period, net of tax		2,624	8,581
Total comprehensive income for the period		41,819	8,971
Profit for the period attributable to:			
Owners of the Company		40,485	1,187
Non-controlling interests		(1,290)	(797)
		39,195	390
Total comprehensive income for the period attributable to:			
Owners of the Company		43,109	9,768
Non-controlling interests		(1,290)	(797)
		41,819	8,971
Earnings per share	10		(Restated)
Basic (HK cents per share)		0.61	0.02
Diluted (HK cents per share)		0.61	0.02

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	<i>Notes</i>	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		3,516	4,058
Right-of-use assets	12	3,330	3,603
		6,846	7,661
Current assets			
Inventories		—	44,107
Trade and other receivables	14	398,272	315,468
Contract assets		278,912	281,981
Financial assets at fair value through profit or loss	13	1,084	1,059
Pledged bank deposits	15	59,777	59,769
Bank and cash balances	15	149,896	148,801
		887,941	851,185
Current liabilities			
Trade and other payables	16	353,414	385,925
Lease liabilities		2,587	3,075
Contract liabilities		35,071	32,515
Amounts due to a related party	21(b)	2,600	24,784
Amount due to a director	21(b)	1,800	1,700
Loan from a related party	21(b)	247,628	243,009
Other loans		3,255	3,255
Current tax liabilities		23,051	11,433
		669,406	705,696
Net current assets		218,535	145,489
Total assets less current liabilities		225,381	153,150

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2021

	<i>Notes</i>	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Non-current liabilities			
Accruals and other payables		487	487
Lease liabilities		784	608
		1,271	1,095
NET ASSETS		224,110	152,055
Capital and reserves			
Share capital	17	15,000	12,000
Reserves		212,504	142,159
Equity attributable to owners of the Company		227,504	154,159
Non-controlling interests		(3,394)	(2,104)
TOTAL EQUITY		224,110	152,055

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company												Total equity										
	Issued capital	Share premium account <i>(note (i))</i>	Share option reserve <i>(note 18)</i>	Equity component of a convertible bond	Foreign currency transaction reserve	Capital reserve <i>(note (iii))</i>	Legal reserve <i>(note (iii))</i>	Statutory surplus reserve	Other reserve <i>(note (iv))</i>	Accumulated losses	Total	Non-controlling interests											
														HK\$'000									
At 1 April 2020 (audited)	12,000	300,824	—	11,746	(822)	3,642	12	772	22,000	(218,350)	131,824	—	131,824										
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	5	5										
Total comprehensive income for the period	—	—	—	—	8,581	—	—	—	—	1,187	9,768	(797)	8,971										
Change in equity for the period	—	—	—	—	8,581	—	—	—	—	1,187	9,768	(792)	8,976										
At 30 September 2020 (unaudited)	12,000	300,824	—	11,746	7,759	3,642	12	772	22,000	(217,163)	141,592	(792)	140,800										
At 1 April 2021 (audited)	12,000	300,824	—	—	14,297	3,642	12	1,459	22,000	(200,075)	154,159	(2,104)	152,055										
Issue of shares on rights issue <i>(note 17)</i>	3,000	25,475	—	—	—	—	—	—	—	—	28,475	—	28,475										
Recognition of share-based payments	—	—	1,761	—	—	—	—	—	—	—	1,761	—	1,761										
Total comprehensive income for the period	—	—	—	—	2,624	—	—	—	—	40,485	43,109	(1,290)	41,819										
Change in equity for the period	3,000	25,475	1,761	—	2,624	—	—	—	—	40,485	73,345	(1,290)	72,055										
At 30 September 2021 (unaudited)	15,000	326,299	1,761	—	16,921	3,642	12	1,459	22,000	(159,590)	227,504	(3,394)	224,110										

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 Construction") 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 Construction 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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(5,174)	20,867
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(731)	(2,687)
Proceeds from disposals of property, plant and equipment	34	260
Bank interest received	174	437
Increase in pledged bank deposits	(8)	(415)
Proceeds from disposal of financial assets at fair value through profit or loss	—	3,600
Net cash (used in)/generated from investing activities	(531)	1,195
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings raised	—	81,000
Repayment of borrowings	—	(81,000)
Bank interest paid	—	(638)
Principal element of lease payments	(2,321)	(1,741)
Net proceeds from rights issue	28,475	—
Interest expenses on lease liabilities	—	(104)
Decrease in amount due to related parties	(22,184)	(3,435)
Increase in amount due to a director	100	(600)
Net cash generated from/(used in) financing activities	4,070	(6,518)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,635)	15,544
Effect of foreign exchange rate changes	2,730	8,826
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	148,801	28,634
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	149,896	53,004
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	32,885	34,804
Non-pledged time deposits with original maturity of less than three months when acquired	117,011	18,200
	149,896	53,004

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. GENERAL INFORMATION

Green Economy Development Limited (formerly known as Vision Fame International Holding 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 2001 & 10, 20/F., No. 118 Connaught Road West, 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 works and fitting-out works services and trading of materials.

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 of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2021 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 2021.

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

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 March 2021. In the current period, the Group has adopted all the 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 2021 but they do not have a material effect on the Group’s financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2021 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

4. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The following table shows the carrying amounts and fair value of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value of the carrying amount is a reasonable approximation of fair value.

Disclosures of level in fair value hierarchy at:

Description	At 30 September 2021			
	Fair value measurements using:			
	Level 1	Level 2	Level 3	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through profit or loss				
— Listed equity investment	1,084	—	—	1,084

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

4. FAIR VALUE MEASUREMENT (Continued)

Disclosures of level in fair value hierarchy at: (Continued)

Description	At 31 March 2021			
	Fair value measurements using:			Total HK\$'000 (Audited)
	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)	
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through profit or loss				
— Listed equity investment	1,059	—	—	1,059

5. REVENUE AND SEGMENT INFORMATION

The Group has four (2020: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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that certain other income and gain/loss, finance costs, and gain on deregistration of subsidiaries as well as head office and corporate expenses are excluded from such measurement.

There were no intersegment sales or transfers during the period (2020: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

5. REVENUE AND SEGMENT INFORMATION (Continued)

An analysis of the Group's revenue and results by reportable and operating segment 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)	Total HK\$'000 (Unaudited)
Six months ended 30 September 2021					
Segment revenue					
— External customers	131,344	133,952	357,435	1,863,891	2,486,622
Segment profit	2,575	3,404	46,315	23,948	76,242
Unallocated other income					5,398
Other gains and (losses)					34
Administrative expenses					(24,856)
Finance costs					(4,826)
Profit before tax					51,992

	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)	Total HK\$'000 (Unaudited)
Six months ended 30 September 2020					
Segment revenue					
— External customers	46,789	118,240	279,597	2,241,193	2,685,819
Segment profit/(loss)	(3,835)	(1,696)	24,105	6,075	24,649
Unallocated other income					14,219
Other gains and (losses)					(435)
Administrative expenses					(28,494)
Finance costs					(6,655)
Profit before tax					3,284

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

5. REVENUE AND SEGMENT INFORMATION (Continued)

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

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

For the six months ended 30 September	Building construction and other construction related business		Alterations, renovation, upgrading and fitting-out works		Property maintenance		Trading of materials		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Primary geographical markets										
Hong Kong	1,335	4,950	127,226	116,250	357,435	279,597	—	—	485,996	400,797
PRC except Hong Kong	—	—	—	—	—	—	1,863,891	2,241,193	1,863,891	2,241,193
Singapore	130,009	41,839	6,726	1,990	—	—	—	—	136,735	43,829
Revenue from external customers	131,344	46,789	133,952	118,240	357,435	279,597	1,863,891	2,241,193	2,486,622	2,685,819
Timing of revenue recognition										
Goods and services transferred at a point in time	—	—	—	—	—	—	1,863,891	2,241,193	1,863,891	2,241,193
Services transferred over time	131,344	46,789	133,952	118,240	357,435	279,597	—	—	622,731	444,626
Total	131,344	46,789	133,952	118,240	357,435	279,597	1,863,891	2,241,193	2,486,622	2,685,819

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

5. REVENUE AND SEGMENT INFORMATION (Continued)

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

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Receivables, which are included in "Trade and other receivables"	78,995	101,754
Contract assets	278,912	281,981
Contract liabilities	35,071	32,515

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 receipts in advance from customers for purchasing iron ores and cast iron.

The amount of HK\$32,515,000 recognised in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 September 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

6. OTHER INCOME AND OTHER GAINS AND (LOSSES)

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Other income		
Interest income from sub-contractors	1,456	2,224
Bank interest income	174	437
Government grants	4,242	13,186
Others	1,483	606
	7,355	16,453
Other gains and (losses)		
Fair value gains on financial assets at fair value through profit or loss	—	181
Net foreign exchange loss	—	(44)
Gain on disposal of property, plant and equipment	34	8
Others	—	(580)
	34	(435)
	7,389	16,018

7. FINANCE COSTS

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest on:		
Banks and other loans	142	638
Convertible bond	—	1,283
Lease liabilities	54	104
Loans from a related party (Notes 20(b) and 21(a))	4,630	4,630
	4,826	6,655

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

8. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	1,269	1,232
Depreciation of right-of-use assets	2,205	1,755
Rent concession	(26)	—
Lease payments not included in the measurement of lease liabilities	54	140
Bank interest income	(174)	(437)
Interest income from sub-contractors	(1,456)	(2,224)
Gain on disposal of property, plant and equipment	(34)	(8)
Net foreign exchange loss	—	44

9. INCOME TAX EXPENSES

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Current tax		
— Hong Kong	6,801	1,520
— Elsewhere	5,996	1,374
	12,797	2,894

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% (2020: 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 16.5% (2020: 16.5%) on the estimated assessable profits.

PRC Enterprise Income Tax has been provided at a rate of 25% (2020: 25%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

10. EARNINGS PER SHARE

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

Earnings	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit attributable to ordinary equity holders of the parent	40,485	1,187

Number of shares	Six months ended 30 September	
	2021 '000 (Unaudited)	2020 '000 (Unaudited) (Re-stated)
Weighted average number of ordinary shares used in basic earnings per share calculation	6,623,799	6,206,897

The weighted average number of ordinary shares for current and prior periods has been adjusted retrospectively to reflect the effect of rights issue as disclosed in note 17.

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 2021.

11. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months from 1 April 2021 to 30 September 2021 (six months from 1 April 2020 to 30 September 2020: Nil).

12. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2021, the Group entered into a new lease agreement for an office for two years with a fixed payment during the contract period. Lease liabilities together with related right-of-use assets of HK\$1,941,000 (30 September 2020: HK\$643,000) are recognised upon lease commencement.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Financial assets at fair value through profit or loss		
Listed equity investment, at fair value		
HLH Group Limited	1,084	1,059

14. TRADE AND OTHER RECEIVABLES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade receivables	137,313	151,487
Less: allowance for doubtful debts	—	—
	137,313	151,487
Prepayments	202,570	153,840
Deposits and other receivables	58,389	10,141
	260,959	163,981
	398,272	315,468

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

14. TRADE AND OTHER RECEIVABLES (Continued)

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

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
0 to 90 days	134,329	151,440
91 to 180 days	2,009	—
181 to 365 days	975	—
Over 365 days	—	47
	137,313	151,487

15. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCE

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Cash and bank balances	32,885	100,594
Time deposits at banks mature within three months	117,011	48,207
	149,896	148,801
Pledged deposits	59,777	59,769

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$672,000 (2021: approximately HK\$12,042,000). 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 twelve 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 2021

16. TRADE AND OTHER PAYABLES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade payables	88,504	142,889
Retention monies payables	49,450	50,418
	137,954	193,307
Accruals and other payables	215,947	193,105
Less: non-current portion	(487)	(487)
	215,460	192,618
	353,414	385,925

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

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
0 to 90 days	86,391	140,942
91 to 180 days	181	388
181 to 365 days	577	223
Over 365 days	1,355	1,336
	88,504	142,889

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

17. SHARE CAPITAL

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Authorised: 10,000,000,000 ordinary shares of HK\$0.002 each (31 March 2021: 10,000,000,000 ordinary shares of HK\$0.002 each)	20,000	20,000
Issued and fully paid: 7,499,999,994 ordinary shares of HK\$0.002 each (31 March 2021: 6,000,000,000 ordinary shares of HK\$0.002 each)	15,000	12,000

A summary of the movements in the issued share capital of the Company is as follows:

	Number of shares issued '000	Nominal value of shares issued HK\$'000
At 1 April 2020, 31 March 2021 and 1 April 2021	6,000,000	12,000
Shares issued on rights issue (<i>Note</i>)	1,500,000	3,000
At 30 September 2021	7,500,000	15,000

Note: On 1 June 2021, the Company announced a proposed rights issue (the "2021 Rights Issue") on the basis of one new ordinary share (each, a "Rights Share") for every four existing shares in issue at a subscription price of HK\$0.02 per Rights Share to raise up to HK\$30 million before related expenses by issuing 1,500,000,000 Rights Shares to the qualifying shareholders. The 2021 Rights Issue was completed on 4 August 2021 and the number of shares in issue of the Company was increased by 1,499,999,994. As such, resulting in a credit to share capital and share premium by HK\$3,000,000 and HK\$25,475,000, after netting of the related cost of approximately HK\$1,525,000.

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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

18. SHARE OPTION SCHEME (Continued)

The total number of shares in respect of which options may be granted under the 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.

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

As at 30 September 2021, there are 149,999,998 share options of the Company granted under the 2011 Scheme, representing approximately 2% of the issued share capital of the Company.

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\$0.03

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

18. SHARE OPTION SCHEME (Continued)

Option type	Outstanding at 1 April 2021	Granted during period	Outstanding at 30 September 2021
2021	—	149,999,998	149,999,998
Exercisable at the end of the period			149,999,998
Weighted average exercise price	N/A	HK\$0.03	HK\$0.03

The options outstanding at the end of the period have a weighted average remaining contractual life of 4.875 years.

Options were granted on 13 August 2021. The estimated fair values of the options granted on that date is HK\$1,761,000.

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

Date of issue	13 August 2021
Share price	HK\$0.029
Exercise price	HK\$0.030
Expected volatility	72.168%
Expected life	5 years
Risk-free rate	0.656%
Expected dividend yield	0%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of HK\$1,761,000 for the six months ended 30 September 2021 in relation to share options granted by the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

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 bond granted to the Group as well as to secure the bank facilities of the Group:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Other receivables	8,717	7,585
Bank deposits and restricted cash	59,777	59,769
	68,494	67,354

20. CONTINGENT LIABILITIES

(a) Compensation to banks or insurance companies due to unsatisfactory performance to customers

Performance bonds amounting to approximately HK\$98,866,000 (31 March 2021: approximately HK\$94,216,000) 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 its 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 numbers of 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 2021

20. CONTINGENT LIABILITIES (Continued)

(b) Default Interest arising from loans from a related party

Possible default interest ("Possible Default Interest"), based on the best estimate of the Company's management, is in the amount of approximately HK\$17,137,000 for the period from 1 April 2021 to 30 September 2021 arising from the total amount owed by Wan Chung Construction Company Limited ("Wan Chung"), an indirect wholly-owned subsidiary of the Company, to Mr. Wong Law Fai, the managing director of Wan Chung, in the sum of approximately HK\$201,152,000. For details, please refer to the announcement of the Company dated 9 March 2021 in relation to, among other things, the demand by Mr. Wong Law Fai for repayment of the total amount owed by Wan Chung to Mr. Wong Law Fai in the sum of approximately HK\$201,152,000 together with the interest thereon under two loan agreements both dated 1 December 2013 and an advance agreement dated 30 October 2016, all made between Mr. Wong Law Fai as lender and Wan Chung as borrower. The Group has been in negotiation with Mr. Wong Law Fai in respect of the aforesaid, and would strive to procure the extension of loans and avoidance/waiver of any default interest arising therefrom, and the Possible Default Interest has not been taken into account in preparing the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2021.

21. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest expense paid to a director of certain subsidiaries of the Company (Note)	4,630	4,630

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 a loan agreement dated 1 December 2013. The amounts due to and loans from a related party are detailed in note 21(b) below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

21. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties:

The loans from a related party were advanced by Mr. Wong Law Fai, a director of certain subsidiaries of the Company. The loans are unsecured and bear interest at 3.8% per annum and repayable in September 2021 as extended by Mr. Wong Law Fai.

The amounts due to a director and a related party 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	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Short-term benefits	5,918	4,260
Share-based payments	1,761	—
	7,679	4,260

(d) Performance bond of approximately HK\$36,983,000 (31 March 2021: HK\$31,773,000) was guaranteed by Mr. Wong Law Fai, a director of certain subsidiaries of the Company.

(e) Mr. Wong Law Fai provided a back-to-back guarantee of HK\$57,670,000 (31 March 2021: HK\$57,880,000) to the Group in relation to financial guarantee of certain construction projects.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

22. EVENT AFTER THE REPORTING PERIOD

Reference is made to the Inside Information Announcement March 2021, and the announcement of the Company dated 4 October 2021 (the "Inside Information Announcement October 2021") in relation to, among other things, the demand by Mr. Wong Law Fai for repayment of the total amount owed by Magic Choice Holdings Limited as borrower, an indirect wholly-owned subsidiary of the Company, to Mr. Wong Law Fai as lender in the sum of HK\$41,856,697 together with the interest thereon under the promissory notes dated 2 July 2014 and 24 March 2015, all made between Mr. Wong Law Fai as lender and Magic Choice Holdings Limited as borrower. The Group is still currently in negotiation with Mr. Wong Law Fai for the above and would strive to procure the extension of loans and avoidance/waiver of any default interest arising therefrom.

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

23. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board on 30 November 2021.

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 2021 (six months ended 30 September 2020: 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 2021.

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.

OTHER INFORMATION (CONTINUED)

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.

149,999,998 share options were granted on 13 August 2021 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 2021 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	—	74,999,999	74,999,999	13 August 2021	13 August 2021 — 12 August 2026	HK\$0.03
Director of the Company Fung Ka Lun	—	74,999,999	74,999,999	13 August 2021	13 August 2021 — 12 August 2026	HK\$0.03
	—	149,999,998	149,999,998			

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 2021, 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 <i>(note 1)</i>	Percentage of the issued share capital of the Company <i>(note 1)</i>
Mr. Chau Chit <i>(note 2)</i>	Interest of Controlled Corporation	750,000,000 (L)	10.00%
Mr. Fung Ka Lun <i>(note 3)</i>	Beneficial owner	74,999,999 (L)	1%
Mr. Wong Wai Kwan	Beneficial owner	6,250,000 (L)	0.08%

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 2021 and the percentage of the issued share capital of the Company is calculated on the basis of 7,499,999,994 shares in issue as at 30 September 2021.
2. Mr. Chau Chit, the executive Director, is the ultimate beneficial owner of Mega Start Limited ("Mega Start"). By virtue of the SFO, Mr. Chau Chit is deemed to be interested in the 750,000,000 Shares held by Mega Start.
3. 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 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.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 September 2021 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).

OTHER INFORMATION (CONTINUED)

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

As at 30 September 2021, 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	887,500,000 (L)	11.83%
Double Energy Limited (note 2)	Beneficial owner and Interest of controlled corporation	893,856,000 (L)	11.92%
Zhu Kai (note 2)	Interest of controlled corporation	893,856,000 (L)	11.92%
Mega Start Limited	Beneficial owner	750,000,000 (L)	10.00%
Fount Holdings Limited	Beneficial owner	475,000,000 (L)	6.33%
Mr. Tang Hao (note 3)	Interest of controlled corporation	475,000,000 (L)	6.33%

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 2021 and the percentage of the issued share capital of the Company is calculated on the basis of 7,499,999,994 shares in issue as at 30 September 2021.
2. Million Creation Holdings Limited ("Million Creation") is wholly-owned by Double Energy Limited ("Double Energy") and therefore Double Energy, which directly owns 6,356,000 Shares, is deemed to be interested in all the 887,500,000 Shares held by Million Creation by virtue of the SFO, and Double Energy is wholly-owned by Mr. Zhu Kai and therefore Mr. Zhu Kai is deemed to be interested in all the 893,856,000 Shares held by Double Energy and Million Creation by virtue of the SFO.
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 475,000,000 Shares held by Fount Holdings Limited.

Save as disclosed above, as at 30 September 2021, 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 2021.

Roles of the chairman and the chief executive

Under the code provision A.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 2021 to 30 September 2021.

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. Tam Tak Kei Raymond and Dr. Wong Lee Ping.

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, 30 November 2021

As at the date of this report, the Board comprises three executive Directors, namely Mr. Chau Chit, Mr. Fung Ka Lun and Mr. Zhu Xiaodong; and three independent non-executive Directors, namely Mr. Tam Tak Kei Raymond, Dr. Wong Lee Ping and Mr. Wong Wai Kwan.