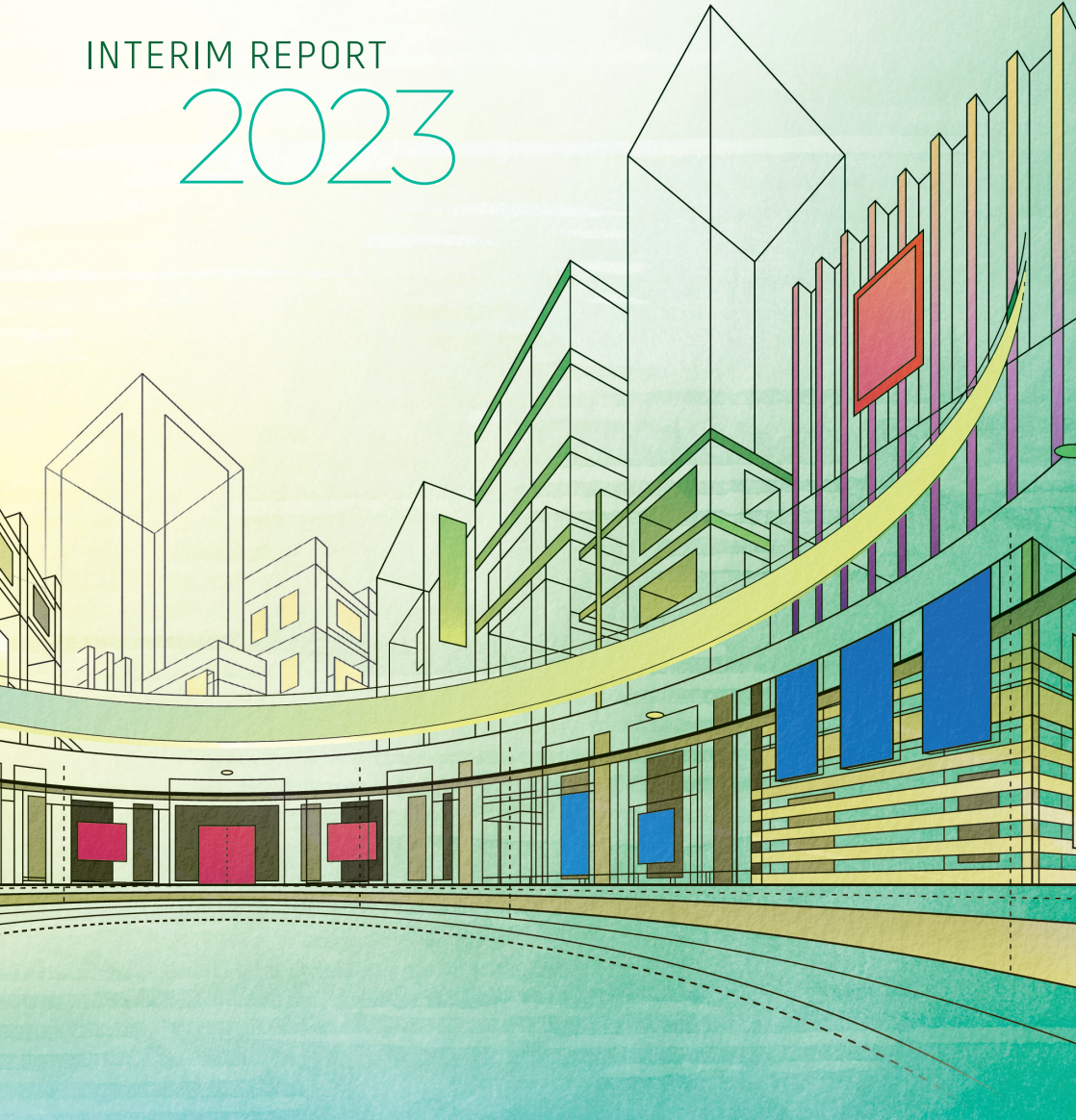


Unity Enterprise Holdings Limited 盈滙企業控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 2195

INTERIM REPORT 2023



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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Chan Leung (*Chairman and Chief Executive Officer*)

Mr. Yeung Wing Sun
(resigned on 12 January 2023)

NON-EXECUTIVE DIRECTOR

Mr. Li Fat Chung
(resigned on 1 January 2023)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Mak Alexander
Ms. Chan Mei Wah
Mr. Wu Hak Ping

AUDIT COMMITTEE

Ms. Chan Mei Wah (*Chairperson*)
Mr. Mak Alexander
Mr. Wu Hak Ping
Mr. Li Fat Chung
(resigned on 1 January 2023)

REMUNERATION COMMITTEE

Mr. Mak Alexander (*Chairperson*)
Ms. Chan Mei Wah
Mr. Wu Hak Ping
Mr. Li Fat Chung
(resigned on 1 January 2023)

NOMINATION COMMITTEE

Mr. Wu Hak Ping (*Chairperson*)
Ms. Chan Mei Wah
Mr. Mak Alexander
Mr. Li Fat Chung
(resigned on 1 January 2023)

COMPANY SECRETARY

Ms. Leung Sau Fong
(member of Hong Kong Institute of Chartered Secretaries)

AUTHORISED REPRESENTATIVES

Mr. Chan Leung
Mr. Mak Alexander
(appointed on 12 January 2023)
Mr. Yeung Wing Sun
(resigned on 12 January 2023)

AUDITOR

CWK CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
21/F, Cosco Tower
No. 183 Queen's Road Central
Hong Kong

COMPLIANCE ADVISER

FDB Financial Group Ltd.
(appointed with effect from 3 February 2023)
Unit 6, 19/F, Strand 50
50 Bouham Strand
Sheung Wan
Hong Kong

Grande Capital Limited
(terminated with effect from 3 February 2023)
Room 2701, 27/F
Tower 1, Admiralty Centre
18 Harcourt Road
Admiralty
Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKER

Nanyang Commercial Bank Limited
151 Des Voeux Road Central
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

71 Fort Street
PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1002, 10/F
Billion Trade Centre
31 Hung To Road
Kwun Tong, Kowloon
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited
71 Fort Street
PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPANY'S WEBSITE

www.hongdau.com.hk

INVESTOR RELATIONS CONTACT

E-mail: info@hongdau.com.hk

STOCK CODE

2195

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

- Revenue decreased by approximately 41.1% to approximately HK\$40.6 million for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately HK\$68.9 million).
- Gross profit decreased by approximately HK\$18.4 million to gross loss of approximately HK\$5.6 million for the six months ended 30 June 2023 (six months ended 30 June 2022: gross profit of approximately HK\$12.9 million).
- The Group recorded a loss attributable to equity holders of the Company of approximately HK\$6.5 million for the six months ended 30 June 2023 (six months ended 30 June 2022: a profit of approximately HK\$6.8 million).
- Basic loss per share was approximately HK0.65 cents for the six months ended 30 June 2023 (six months ended 30 June 2022: basic earnings per share of approximately HK0.68 cents).
- The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Unity Enterprise Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2023, together with the comparative unaudited figures for the corresponding period in 2022.

BUSINESS REVIEW

The Group is a contractor specialising in repair, maintenance, alteration and addition (“RMAA”) works in Hong Kong. The Group undertook repair and maintenance services, involving the upkeep, restoration and improvement of existing buildings and facilities, including the services of re-roofing, external and internal walls refurbishment, floor screeding and retiling, spalling repair, scaffolding, repairing and replacement of windows and door, plastering, painting, improvement of fire services system, plumbing and drainage works and the Group also provided additional ancillary services, such as alteration and addition works of building layout and structural works, design of new structural works and checking of structural adequacy of existing constructions and interior decoration works to the existing premises.

The Group recorded a total revenue of approximately HK\$40.6 million, representing a decrease of approximately 41.1% as compared to approximately HK\$68.9 million for the six months ended 30 June 2022. The Group recorded a net loss of approximately HK\$6.5 million for the six months ended 30 June 2023, representing a decrease of approximately HK\$13.2 million as compared to a profit of approximately HK\$6.8 million for the six months ended 30 June 2022. Such decrease was primarily due to:

- (1) the decrease in newly awarded projects. The Group did not award large-scale construction projects for the six months ended 30 June 2023. As a result, there were no newly awarded projects contributed significant revenue for the Group;
- (2) the delay in residential projects in Happy Valley and in Kowloon Bay decreased the contributed revenue and incurred additional costs for the six months ended 30 June 2023; and
- (3) the deterioration in gross profit margin as there was an increase in rectification works of several construction projects for the six months ended 30 June 2023 leading to an increase in overall construction costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Despite the negative impact of underperforming construction projects on the Group's financial results, the Group implemented stringent cost control measures during the six months ended 30 June 2023. These measures aimed to minimize unnecessary expenses and ultimately led to a reduction in administrative expenses. Specifically, administrative expenses decreased from approximately HK\$5.2 million for the six months ended 30 June 2022 to approximately HK\$4.6 million for the six months ended 30 June 2023.

As at 30 June 2023, the Group has 6 projects (31 December 2022: 6 projects) on hand.

PROSPECTS

Given the uncertain economic situation in Hong Kong, the Group is determined to safeguard the stability of the Group's financial position in the upcoming year. To achieve this, the Group has devised a strategic plan to allocate additional resources towards comprehensive project cost assessments. The Group aims to mitigate the detrimental financial consequences resulting from cost overrun. This prudent approach will enable the Group to maintain a solid financial position despite the challenging economic conditions in Hong Kong.

FINANCIAL REVIEW

REVENUE

For the six months ended 30 June 2023, the Group's unaudited consolidated revenue amounted to approximately HK\$40.6 million (six months ended 30 June 2022: approximately HK\$68.9 million). The decrease in revenue of approximately 41.1% was mainly attributable to the decrease in newly awarded projects and the postponement of the existing construction projects. During the six months ended 30 June 2023, the Group did not award large-scale construction projects. Consequently, there were no newly awarded projects that contributed significant revenue for the Group. Additionally, the delay in residential projects in Happy Valley and Kowloon Bay further reduced the revenue contributions.

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS (LOSS)/PROFIT AND GROSS (LOSS)/PROFIT MARGIN

For the six months ended 30 June 2023, the gross loss amounted to approximately HK\$5.6 million (six months ended 30 June 2022: gross profit of approximately HK\$12.9 million) and the gross loss margin was approximately 13.7% (six months ended 30 June 2022: gross profit margin of approximately 18.7%). The change of gross profit to gross loss was caused by the postponement of existing construction projects and the increase in rectification works of several projects.

OTHER INCOMES

For the six months ended 30 June 2023, the other incomes and gain amounted to approximately HK\$2.8 million, which was contributed by the tax indemnity from the controlling shareholders of the Company of approximately HK\$2.5 million and the bank interest income of approximately HK\$0.3 million from time deposits.

For the six months ended 30 June 2022, the other incomes amounted to approximately HK\$0.5 million, which included the anti-epidemic fund of approximately HK\$0.3 million from the Government under the Employment Support Scheme and the bank interest income of approximately HK\$0.2 million from time deposits.

ADMINISTRATIVE EXPENSES

Administrative expenses primarily comprise staff costs, depreciation, office expenses, audit fee and professional fees. The administrative expenses decreased from approximately HK\$5.2 million for the six months ended 30 June 2022 to approximately HK\$4.6 million for the six months ended 30 June 2023, representing a decrease of approximately HK\$0.6 million or 11.3%. Such decrease was mainly attributed to the stringent cost control measures taken by the Group and minimized the unnecessary administrative expenses.

FINANCE COSTS

The Group's finance costs amounted to approximately HK\$4,000 (six months ended 30 June 2022: approximately HK\$7,000) for the six months ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

INCOME TAX EXPENSE

The income tax expense increased from approximately HK\$1.1 million for the six months ended 30 June 2022 to approximately HK\$1.6 million for the six months ended 30 June 2023, representing an increase of approximately 39.2%. The increase in income tax expenses for the six months ended 30 June 2023 was mainly contributed by the additional tax expenses relating to the final assessments for the years of assessment 2012/2013 to 2015/2016 issued by the IRD.

(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD

The loss and total comprehensive expense for the period amounted to approximately HK\$6.5 million for the six months ended 30 June 2023, representing a decrease of approximately HK\$13.2 million as compared to the profit and total comprehensive income for the period of approximately HK\$6.8 million for the six months ended 30 June 2022. Such decrease was mainly contributed by the decrease in revenue and the deterioration in gross profit margin. The net profit margin was approximately 9.8% for the six months ended 30 June 2022 while there was a net loss margin of approximately 15.9% for the six months ended 30 June 2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The liquidity requirements are primarily attributable to the working capital for the business operations. The principal sources of liquidity are cash generated from the operations and the proceeds from the listing of the ordinary shares of the Company (the "Share(s)"). As at 30 June 2023, the Group maintained a healthy liquidity position with net current assets balance, a time deposit and cash and bank balances of approximately HK\$148.1 million (31 December 2022: approximately HK\$154.4 million), nil (31 December 2022: HK\$25 million) and approximately HK\$12.8 million (31 December 2022: approximately HK\$24.5 million), respectively. The time deposit and cash and bank balances were denominated in Hong Kong dollars. The Shares were listed on Main Board of the Stock Exchange on 31 March 2021 (the "Listing"). There has been no change in the capital structure of the Company since then. As at the date of this interim report, the capital structure of the Company comprised mainly issued share capital and reserves.

MANAGEMENT DISCUSSION AND ANALYSIS

BANK BORROWINGS

As at 30 June 2023 and 31 December 2022, the Group had no outstanding bank borrowings.

GEARING RATIO

The gearing ratio is calculated as bank borrowings divided by the total equity. As at 30 June 2023 and 31 December 2022, the Group's gearing ratio was nil.

NET DEBT TO EQUITY RATIO

The net debt to equity ratio recorded net cash position as at 30 June 2023 and 31 December 2022.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

CAPITAL EXPENDITURES

For the six months ended 30 June 2023, the Group incurred capital expenditures of approximately HK\$0.3 million (six months ended 30 June 2022: approximately HK\$0.4 million) to purchase of office equipments and renew the tenancy agreement.

CONTINGENT LIABILITIES

In the ordinary course of the Group's business, the Group has been subject to a number of claims of personal injuries suffered by employees of the Group or of the Group's subcontractors in accidents arising out of and in the course of their employment. The Directors are of the opinion that such claims are substantially covered by insurance and would not result in material adverse impact on the financial position or results and operations of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

At the end of each reporting period, the Group had outstanding performance bonds as follows:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
--	--	--

Performance bonds for guarantee of completion of projects issued by insurance companies

6,613

6,613

FOREIGN EXCHANGE EXPOSURE

The Group has a minimal exposure to foreign currency risk as most of the business transactions and assets and liabilities of the Group are principally denominated in Hong Kong Dollar. As such, the Directors consider the Group's risk in foreign exchange is insignificant and no foreign exchange hedging was conducted by the Group during the six months ended 30 June 2023.

SUBSEQUENT EVENTS

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the six months ended 30 June 2023 and up to the date of this interim report.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2023, the Group did not have any significant investments, acquisitions or disposals.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had 24 employees (31 December 2022: 34 employees) who were directly employed by the Group and based in Hong Kong. The Group offers remuneration package to the employees which includes salary and bonuses. Generally, the Group considers employees' salaries based on each of their qualifications, position and seniority. The Company has an annual review system to appraise the performance of the employees, which constitutes the grounds of our decision as to the salary raises, bonuses and promotions. The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

DIVIDEND

The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2023 and 2022.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Future Plans and Use of Proceeds" of the Company's prospectus dated 19 March 2021 (the "Prospectus") and the announcement of the Company headed "Change in Use of Proceeds" dated 29 April 2022 and the announcement of the Company headed "Further Change in Use of Proceeds" dated 6 June 2023, as at the date of this interim report, the Group did not have other plans for material investments and capital assets.

USE OF PROCEEDS

The amount of gross proceeds from the Listing is HK\$140 million and the amount of net proceeds from the Listing was approximately HK\$90.7 million after deducting underwriting commissions and the finalised expenses relating to the Listing (the "Net Proceeds").

MANAGEMENT DISCUSSION AND ANALYSIS

The Net Proceeds have been and will be used in the manner consistent with that mentioned in the section headed “Future Plans and Use of Proceeds” of the Prospectus, the announcement of the Company headed “Change in Use of Proceeds” dated 29 April 2022 and the announcement of the Company headed “Further Change in Use of Proceeds” dated 6 June 2023, details of which are outlined below:

Purposes	Original intended use of Net Proceeds HK\$ million	Revised intended use of Net Proceeds as at 29 April 2022 HK\$ million	Revised intended use of Net Proceeds as at 6 June 2023 HK\$ million	Utilised amount as at 30 June 2023 HK\$ million	Unutilised amount as at 30 June 2023 HK\$ million	Expected timeline for utilising the unutilised Net Proceeds
Upgrading the construction equipment and enhancing the safety measures through the provision of metal scaffolding system (“Plan 1”)	57.5	9.6	–	–	–	N/A
Meeting working capital requirement and paying certain upfront costs and expenses (“Plan 2”)	25.7	73.6	83.2	79.3	3.9	By December 2023
Further strengthening our manpower (“Plan 3”)	7.5	7.5	7.5	3.5	4.0	By December 2023
Total	90.7	90.7	90.7	82.8	7.9	

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2023, the Group further changed the use of Plan 1 and Plan 2. Details and reasons for the change are set out in the announcement of the Company headed “Change in Use of Proceeds” dated 29 April 2022 and the announcement of the Company headed “Further Change in Use of Proceeds” dated 6 June 2023. The actual use of Plan 3 was delayed as the Group did not awarded new project with significant contract sum.

As at the date of this interim report, there was no further change for the intended use of Net Proceeds as disclosed in the announcement of the Company headed “Further Change in Use of Proceeds” dated 6 June 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Group is committed to ensuring high standards of corporate governance and business practices. The Company had adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules as its own corporate governance code. Mr. Chan Leung will perform both of the roles as the chairman and the chief executive officer of the Company. This deviates from code provision C.2.1 of the CG Code, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board currently comprises an executive Director and three independent non-executive Directors and therefore has a fairly strong independence in its composition, and they meet regularly to discuss issues relating to the operation of the Company in order to provide adequate safeguards to protect the interests of the Company and its Shareholders. In addition, after taking into account the past experience of Mr. Chan Leung, the Board is of the opinion that vesting the roles of the chairman and the chief executive officer of the Company in Mr. Chan Leung helps to facilitate the execution of the Group’s business strategies and enhance the effectiveness of its operation. Hence, the aforesaid deviation is appropriate and in the best interest of the Company at the present stage.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 Listing Rules as the required standard for securities transactions by Directors. All Directors, after specific enquiries by the Company, confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

No purchase, sale or redemption of the Company’s listed securities was made by the Company or any of its subsidiaries during the six months ended 30 June 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at 30 June 2023 or at any time during the six months ended 30 June 2023.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, none of the Directors and chief executives of the Company and/or any of their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (which has the same meaning as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2023, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

LONG POSITIONS IN THE SHARES

Name of shareholder	Capacity/Nature of interest	Number of Shares held/ interested	Percentage of interest
Harvest Land Company Limited ("Harvest Land") (Note 1)	Beneficial owner	603,000,000	60.3%
Mr. Yeung Wing Sun (Note 1)	Interest in controlled corporation	603,000,000	60.3%
Ms. Yu So Yin (Note 2)	Interest of spouse	603,000,000	60.3%

Notes:

1. Harvest Land is beneficially owned as to 100% by Mr. Yeung Wing Sun. Mr. Yeung Wing Sun and Harvest Land are regarded as a group of controlling shareholders of Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 60.3% of the issued share capital of the Company. Mr. Yeung Wing Sun is deemed to be interested in the Shares held by Harvest Land pursuant to the SFO.
2. Ms. Yu So Yin is the spouse of Mr. Yeung Wing Sun. Accordingly, Ms. Yu So Yin is deemed to be interested in all the Shares in which Mr. Yeung Wing Sun is interested under the SFO.

Save as disclosed above, as at 30 June 2023, the Company had not been notified by any persons who had interests or short positions in the shares, underlying shares or 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 maintained by the Company pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

Written resolutions were passed on 15 March 2021 to adopt the share option scheme (the “Scheme”). The principal terms of the Scheme are summarised in the paragraph headed “D. Share Option Scheme” in Appendix V of the Prospectus. No share options have been granted, exercised, cancelled or lapsed under the Scheme during the six months ended 30 June 2023. The Scheme will remain in force for a period of 10 years after the date of adoption.

MANAGEMENT CONTRACT

No contract, other than a contract of service with any Director or any person in the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the six months ended 30 June 2023.

COMPETING INTERESTS

The controlling shareholders, namely Harvest Land and Mr. Yeung Wing Sun (collectively, the “Controlling Shareholder(s)”) had entered into the deed of non-competition in favour of the Company on 18 March 2021 (the “Non-competition Undertaking”). Each of the Controlling Shareholders has confirmed that he/it had complied with the Non-Competition Undertaking during the six months ended 30 June 2023 and up to the date of this interim report. The independent non-executive Directors have reviewed that state of compliance of each of the Controlling Shareholder with the Non-competition Undertaking and as far as the independent non-executive Directors can ascertain, there has been no breach of the undertakings given in the Non-competition Undertaking by the Controlling Shareholders during the six months ended 30 June 2023 and up to the date of this interim report.

CONNECTED AND RELATED PARTY TRANSACTIONS

The Group had not entered into any connected transaction or continued connected transactions during the six months ended 30 June 2023 and up to the date of this interim report, which is required to be disclosed under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued share capital was held by the public during the six months ended 30 June 2023 and up to the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Company has established the audit committee (“Audit Committee”) on 15 March 2021 with written terms of reference. The composition of the Audit Committee meets the requirement of Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial statements and provide material advice in respect of financial reporting, oversee the financial reporting process, internal control, risk management systems and audit process of the Company and perform other duties and responsibilities assigned by the Board. The Audit Committee comprises three Independent Non-executive Directors, namely Ms. Chan Mei Wah, Mr. Mak Alexander and Mr. Wu Hak Ping. Ms. Chan Mei Wah is the chairperson of the Audit Committee.

REVIEW OF INTERIM FINANCIAL RESULTS BY AUDIT COMMITTEE

The unaudited interim consolidated financial information of the Group for the six months ended 30 June 2023 and the accounting information given in this interim report has not been audited by the Company’s external auditor but has been reviewed by the audit committee of the Company, which was of the opinion that the preparation of such accounting information complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement and this interim report are published on the Company’s website at www.hongdau.com.hk and the Stock Exchange’s website at www.hkexnews.hk. The interim report of the Company for the six months ended 30 June 2023 will be despatched to its shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course in the manner as required by the Listing Rules.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the period.

On behalf of the Board
Chan Leung
*Chairman and Executive
Director*

Hong Kong, 25 August 2023

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	6	40,557	68,899
Cost of services		(46,123)	(56,028)
Gross (loss)/profit		(5,566)	12,871
Other incomes	7	2,795	495
Administrative expenses		(4,579)	(5,162)
Reversal of loss allowances/ (loss allowances) on trade receivables and contract assets		2,445	(318)
Finance costs	8	(4)	(7)
(Loss)/profit before income tax	9	(4,909)	7,879
Income tax expense	10	(1,551)	(1,114)
(Loss)/profit and total comprehensive (expense)/income for the period		(6,460)	6,765
(Loss)/profit attributable to equity holders of the Company		(6,460)	6,765
(Loss)/earnings per share attributable to equity holders of the Company			
Basic and diluted	12	(HK0.65 cents)	HK0.68 cents

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	890	943
Total non-current assets		890	943
Current assets			
Trade receivables	14	102,586	158,522
Contract assets	15	25,894	29,927
Deposits, prepayments and other receivables	16	44,962	12,391
Amount due from a controlling shareholder		3,101	3,157
Time deposit	17	–	25,000
Cash and bank balances	18	12,767	24,540
Total current assets		189,310	253,537
Current liabilities			
Trade payables	19	30,611	57,999
Accrued liabilities and other payables	20	10,429	18,907
Lease liabilities	22	143	143
Tax payable		–	22,083
Total current liabilities		41,183	99,132
Net current assets		148,127	154,405
Total assets less current liabilities		149,017	155,348
Non-current liabilities			
Lease liabilities	22	123	–
Deferred tax liabilities		61	55
Total non-current liabilities		184	55
NET ASSETS		148,833	155,293
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	23	10,000	10,000
Reserves		138,833	145,293
TOTAL EQUITY		148,833	155,293

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Attributable to equity holders of the Company			
		Share capital HK\$'000	Share premium (note i) HK\$'000	Retained earnings (note ii) HK\$'000	Total equity HK\$'000
At 1 January 2023 (audited)		10,000	101,105*	44,188*	155,293
Loss for the period and total comprehensive expense for the period		–	–	(6,460)	(6,460)
At 30 June 2023 (unaudited)		10,000	101,105*	37,728*	148,833
At 1 January 2022 (audited)		10,000	101,105*	51,597*	162,702
Profit for the period and total comprehensive income for the period		–	–	6,765	6,765
At 30 June 2022 (unaudited)		10,000	101,105*	58,362*	169,467

* These reserve balances comprised the reserve account as set out in the unaudited consolidated interim statement of financial position

Note i Share premium

Under the Companies Act (as revised) of the Cayman Islands, share premium of the Company is available for paying distributions and dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distributions or dividend payments, the Company is able to pay its debts as they fall due in the ordinary course of business.

Note ii Retained earnings

The retained earnings represent cumulative net gains or losses recognised in profit or loss.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash used in operating activities		(36,878)	(7,440)
Cash flows from investing activities			
Interest received		275	118
Purchase of property, plant and equipment		(6)	(5)
Decrease of time deposits		25,000	10,000
Net cash generated from investing activities		25,269	10,113
Cash flows from financing activities			
Payments of lease liabilities		(164)	(212)
Net cash used in financing activities		(164)	(212)
Net (decrease)/increase in cash and cash equivalents		(11,773)	2,461
Cash and cash equivalents at beginning of the period		24,540	23,420
Cash and cash equivalents at end of the period, representing cash and bank balances		12,767	25,881

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. GENERAL

Unity Enterprise Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 13 March 2019 under the Companies Act (as revised) of the Cayman Islands. The address of the Company’s registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands, and its principal place of business is Unit 1002, 10/F, Billion Trade Centre, 31 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 31 March 2021.

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in provision of repair, maintenance, alteration and addition (“RMAA”) works services in Hong Kong.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Harvest Land Company Limited (“Harvest Land”), which is incorporated in the British Virgin Islands (“BVI”).

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements (the “unaudited interim financial statements”) are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and the Hong Kong Companies Ordinance. These unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include HKASs and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the amendments to HKFRSs as disclosed in note 3 below.

These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated. These unaudited condensed consolidated interim financial statements have not been audited or reviewed by the Company's external auditors, but have been reviewed by the Company's audit committee.

3. ADOPTION OF HKFRSs

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

APPLICATION OF NEW AND AMENDMENTS OF HKFRSS

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17	Insurance Contracts and related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

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

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective date not yet determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5. OPERATING SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “CODM”), being the executive directors of the Company, in order for CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group. The Group’s CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the Group’s CODM does not regularly review such information for the purpose of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

GEOGRAPHICAL INFORMATION

The Group’s revenue is solely generated from, and non-current assets are located in, Hong Kong, based on the location of the relevant entities’ operation.

INFORMATION ABOUT MAJOR CUSTOMERS

During the reporting period, revenue from major customers who contributed over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2023	2022
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Customer A	19,221	16,111
Customer B	9,153	16,461
Customer C	6,000	N/A*
Customer D	N/A*	12,969
Customer E	N/A*	12,224

* The corresponding revenue did not contribute over 10% of total revenue of the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

6. REVENUE

Revenue represents the fair value of amounts received and receivable for the provision of RMAA works provided by the Group to customers.

DISAGGREGATION OF REVENUE

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Type of contract nature		
Project-based		
— Main contractor	21,203	18,200
— Subcontractor	19,354	50,699
	40,557	68,899
Type of developments		
Residential	29,916	47,827
Commercial and industrial	4,641	21,072
Institutional	6,000	–
	40,557	68,899

Revenue from contract with customers arose from provision of RMAA works rendered in Hong Kong under long term contracts and was recognised over time during the reporting period. All the Group's provision of RMAA works is made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

7. OTHER INCOMES

The Group's other incomes recognised are as follows:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies (note 1)	–	328
Tax indemnity (note 2)	2,520	–
Bank interest income	275	167
	2,795	495

Notes:

1. The government subsidies are mainly related to wage subsidies from the Government of Hong Kong Special Administrative Region under the Employment Support Scheme ("ESS"). Under the terms of the ESS, the Group is required to undertake and warrant that they will not implement redundancies during the subsidy period and spend all the wages subsidies on paying salaries to their employees.
2. The amount represented the tax expenses indemnified by the controlling Shareholder of the Company in accordance with the Deed of Indemnity signed by the Company and the Controlling Shareholder.

8. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	4	7

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

9. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' remuneration):		
— Directors' fee	180	240
— Salaries, allowances and other benefits	4,318	4,795
— Contributions to retirement benefits schemes	138	161
Total employee benefit expenses	4,636	5,196
Depreciation of property, plant and equipment	349	406

The employee benefit expenses included in cost of services were HK\$2,165,000 (six months ended 30 June 2022: HK\$2,502,000) for the six months ended 30 June 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

10. INCOME TAX EXPENSE

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

Under the two-tiered profits tax rates regime, Hong Kong Profits Tax of a qualified entity in the Group was provided at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. The profits of the other Hong Kong subsidiary will be taxed at a flat rate of 16.5%.

According to the deed of indemnity dated 18 March 2021 (the “Deed of Indemnity”), the Controlling Shareholders have undertaken in favour of the Group to indemnify all outstanding taxes incurred prior to the Listing and all reasonable costs, expenses or other liabilities which any member of the Group may incur in connection with the investigation, assessment, settlement or contesting of any taxation claim. For further information in relation to the Deed of Indemnity, please refer to the paragraph headed “E. Other information — 1. Tax and other indemnities” in the Appendix V to the Prospectus.

11. DIVIDENDS

The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2023 and 2022.

12. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share for the six months ended 30 June 2023 is based on the loss for the period attributable to ordinary equity holders of the Company of approximately HK\$6,460,000 (six months ended 30 June 2022: profit of approximately HK\$6,765,000), and the weighted average number of ordinary shares of 1,000,000,000 (six months ended 30 June 2022: 1,000,000,000) in issue during the six months ended 30 June 2023.

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2023 and 2022 as the Group had no potentially diluted ordinary shares in issue during those periods.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group incurred capital expenditure of approximately HK\$0.3 million (six months ended 30 June 2022: approximately HK\$0.4 million) to purchase office equipment and renew the tenancy agreement.

14. TRADE RECEIVABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Trade receivables, gross	111,761	170,559
Less: Loss allowances recognised	(9,175)	(12,037)
	102,586	158,522

The credit terms of the trade receivables are ranged from 30 to 45 days from the date of invoice.

The ageing analysis of trade receivables net of loss allowances at the end of reporting period/year based on invoice date is as follows:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Within one month	14,640	8,479
One to three months	4,333	5,006
More than three months but within one year	15,018	50,573
More than one year	68,595	94,464
	102,586	158,522

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Included in the Group's trade receivables balance as at 30 June 2023 are debtors with aggregate carrying amounts of approximately HK\$87,946,000 (31 December 2022: approximately HK\$150,043,000), which are past due as at the reporting date. Out of the past due balances, approximately HK\$83,613,000 (31 December 2022: approximately HK\$142,528,000) have been past due 90 days or more and are not considered as in default by considering the background of the debtors, subsequent settlement, historical payment arrangement and credit standing of these trade receivables. The Group does not hold any collateral over these balances.

15. CONTRACT ASSETS

The following table provides information about contract assets from contracts with customers:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Contract assets	27,463	31,079
Less: Loss allowances recognised	(1,569)	(1,152)
	25,894	29,927

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on revenue related to the provision of RMAA works. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group provides the invoice to the customer.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Retention receivables represent the money retained by the Group's customers to secure the due performance of the contracts. The customers normally withhold up to 10% of each interim payment and up to a maximum limit of 5% of the contract sum as retention money for the project, 50% of which is normally recoverable upon the practical completion of respective projects and the remaining 50% is recoverable after the completion of defects liability period specified in the relevant contracts, normally one year from the date of completion of respective projects.

As at 30 June 2023, the amounts of contract assets that are expected to be recovered after one year are approximately HK\$20,801,000 (31 December 2022: approximately HK\$26,749,000).

16. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Rental, utilities and sundry deposits	2,428	2,512
Prepayment of construction costs	42,534	9,572
Other prepayments	–	261
Other receivables	–	46
	44,962	12,391

None of the above deposits and other receivables is either past due or impaired.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

17. TIME DEPOSIT

As at 31 December 2022, the time deposit with an original maturity of more than three months of HK\$25,000,000 carried interest rate at fixed rate of 5.00% per annum. The maturity date of the time deposit is on 20 March 2023.

18. CASH AND BANK BALANCES

Cash at banks earns interest at floating rates based on daily bank deposit rates.

19. TRADE PAYABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Trade payables	30,611	57,999

The credit term of the trade payables is 30 days from the date of invoice. The ageing analysis of trade payables based on the invoice date as of the end of the reporting period/year is as follows:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Within one month	–	2,030
One to three months	3,662	1,925
More than three months	26,949	54,044
	30,611	57,999

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

20. ACCRUED LIABILITIES AND OTHER PAYABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Retention payables (Note)	7,028	16,928
Other payables and accruals	190	1,062
Accrued contract costs	3,211	917
	10,429	18,907

Note: Retention payables to sub-contractors of RMAA works are interest-free and payable by the Group after completion of the maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts, normally one year from the completion date of the respective contracts.

As at 30 June 2023, the retention payables that are expected to be settled after one year are approximately HK\$7,028,000 (31 December 2022: approximately HK\$14,000,000).

21. DEFERRED TAX

The following are the major deferred tax assets/(liabilities) recognised and movement during the six months ended 30 June 2023:

	Accelerated tax depreciation HK\$'000	Loss allowances HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	(55)	–	(55)
Debit to profit or loss	(6)	–	(6)
At 30 June 2023 (unaudited)	(61)	–	(61)
At 1 January 2022 (audited)	(89)	1,218	1,129
(Debit)/credit to profit or loss	(24)	197	173
At 30 June 2022 (unaudited)	(113)	1,415	1,302

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

As at 30 June 2023, the Group had estimated unused tax losses of HK\$4,000 (31 December 2022: HK\$4,000) available for offset against future profits. The estimated unused tax losses arising in Hong Kong available may be carried forward indefinitely for offsetting against future taxable profit of a Hong Kong subsidiary in which the losses arose. Deferred tax assets have not been recognised in respect of the tax losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

22. LEASE LIABILITIES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Minimum lease payments due		
Within one year	149	143
More than one year but less than two years	124	–
	273	143
Less: Total future interest expenses	(7)	–
	266	143
Present value of lease liabilities		
Within one year	143	143
More than one year but less than two years	123	–
	266	143

The total cash outflows for leases including the payments of lease liabilities for the six months ended 30 June 2023 was HK\$164,000 (six months ended 30 June 2022: HK\$212,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

23. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Authorised		
Ordinary shares of HK\$0.01 each		
At 1 January 2022 (audited),		
31 December 2022 (audited) and		
30 June 2023 (unaudited)	10,000,000,000	100,000
Issued and fully paid		
Ordinary shares of HK\$0.01 each		
At 1 January 2022 (audited),		
31 December 2022 (audited) and		
30 June 2023 (unaudited)	1,000,000,000	10,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

24. CONTINGENT LIABILITIES

In the ordinary course of the Group's business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or of the Group's subcontractors in accidents arising out of and in the course of their employment. The directors are of the opinion that such claims are substantially covered by insurance and would not result in material adverse impact on the financial position or results and operations of the Group.

At the end of each reporting period, the Group had outstanding performance bonds as follows:

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Performance bonds for guarantee of completion of projects issued by insurance companies	6,613	6,613

25. SUBSEQUENT EVENTS

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the six months ended 30 June 2023 and up to the date of this report.