



UNITY GROUP
知行集團

2023/24
Interim Report 中期報告

Unity Group Holdings International Limited

知行集團控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1539





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CORPORATE INFORMATION

(As at 20 December 2023)

DIRECTORS

Executive Director

Mr. Wong Man Fai Mansfield
(Chairman and Chief Executive Officer)

Non-executive Director

Mr. Tsang Sze Wai Claudius

Independent non-executive Directors

Mr. Chung Koon Yan
Mr. Cheung Yick Hung Jackie
Dr. Wong Chi Ying Anthony
Mr. Tang Warren Louis

BOARD COMMITTEES

Audit Committee

Mr. Chung Koon Yan *(Chairman)*
Mr. Cheung Yick Hung Jackie
Dr. Wong Chi Ying Anthony

Remuneration Committee

Mr. Cheung Yick Hung Jackie *(Chairman)*
Mr. Chung Koon Yan
Dr. Wong Chi Ying Anthony

Nomination Committee

Dr. Wong Chi Ying Anthony *(Co-Chairman)*
Mr. Tang Warren Louis *(Co-Chairman)*
Mr. Chung Koon Yan
Mr. Cheung Yick Hung Jackie

COMPANY SECRETARY

Mr. Wong Ho Kwan

AUTHORISED REPRESENTATIVES

Mr. Wong Man Fai Mansfield
Mr. Wong Ho Kwan

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15th Floor
Chinachem Century Tower
178 Gloucester Road
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE INFORMATION

(As at 20 December 2023)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

HONG KONG LEGAL ADVISER

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Hong Kong

AUDITOR

BDO Limited
25th Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
16/F, The Center
99 Queen's Road Central
Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road, Central
Hong Kong

STOCK CODE

1539 (Listed on the Main Board of the Hong Kong Stock Exchange ("**Stock Exchange**"))

COMPANY WEBSITE

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FINANCIAL HIGHLIGHTS

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue		
Leasing services of energy saving systems	15,186	3,310
Trading of energy saving products	16,909	2,272
Consultancy service	8,102	-
	40,197	5,582
Gross profit	26,827	2,445
EBITDA (Note 1)	23,313	(58,156)
EBIT (Note 1)	21,987	(59,565)
Profit/(loss) attributable to owners of the Company	17,710	(62,240)
Basic earnings/(loss) per share (HK cents)	0.6	(2.6)
Diluted earnings/(loss) per share (HK cents)	0.6	(2.6)
Adjusted profit/(loss) attributable to owners of the Company excluding some major extraordinary or non-operating income and expenses (Note 2)	9,623	(23,478)
Basic earnings/(loss) per share (HK cents)	0.3	(1.0)
Diluted earnings/(loss) per share (HK cents)	0.3	(1.0)
	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Total assets	479,254	373,638
Total liabilities	221,389	246,986
Net assets	257,865	126,652

Note 1: EBITDA is defined as earnings before interest expenses and other finance costs, tax, and depreciation. EBIT is defined as earnings before interest expenses and other finance costs and tax.

Note 2: Amounts are calculated based on adjusted profit/(loss) after excluding some major extraordinary or non-operating income and expenses as defined by the Group's management, the details of which can be referred to pages 8 and 9 of this report.

FINANCIAL HIGHLIGHTS

- The Group's revenue increased by 617.9% from approximately HK\$5.6 million for the six months ended 30 September 2022 to approximately HK\$40.2 million for the six months ended 30 September 2023.
- The Group's gross profit increased by 102.1% from approximately HK\$2.4 million for the six months ended 30 September 2022 to approximately HK\$26.8 million for the six months ended 30 September 2023.
- The Group's profit attributable to the owners of the Company amounted to approximately HK\$17.7 million for the six months ended 30 September 2023, which significantly improved from the loss attributable to the owners of the Company amounted to approximately HK\$62.2 million for the six months ended 30 September 2022. This is mainly attributable to, inter alia, the substantial increase in the Group's revenue and gross profit, and reduction in impairment losses on financial assets.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit

The total revenue of the Group was approximately HK\$40.2 million for the six months ended 30 September 2023, representing an increase of approximately 617.9% as compared to HK\$5.6 million for the six months ended 30 September 2022.

An analysis of revenue is presented as follows:

	Note	Six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000
Leasing service of energy saving systems and products			
Malaysia Project	(a)	13,473	-
Others		1,713	3,310
Trading of energy saving products	(b)	16,909	2,272
Consultancy service income	(c)	8,102	-
Renewable energy service income		-	-
		40,197	5,582

Notes:

- (a) This refers to the "Light Source in the Darkness" project in Malaysia (the "**Malaysia Project**"), which helps local condominiums to solve their lighting problems and achieve energy efficiency at the same time. The Malaysia Project is receiving a lot of compliments from customers and government support locally. The Malaysia Project starts out in Selangor state of Malaysia which has a total of approximately 8,000 condominiums and targets to install 6 million LED lights by 2025. During the six months ended 30 September 2023, installation of approximately 45,000 LED lights had been completed under the Malaysia Project, which led to an increase of revenue from nil for six months ended 30 September 2022 to approximately HK\$13.5 million for the six months ended 30 September 2023.
- (b) The increase was the result of the increase in demand for lighting products purchase from the Group's trading customers.
- (c) The increase was due to the increase in the number of consultancy projects from nil for the six months ended 30 September 2022 to one for the six months ended 30 September 2023.

The Group's gross profit margin improved from approximately 43.8% for the six months ended 30 September 2022 to approximately 66.7% for the six months ended 30 September 2023 mainly due to the fact that revenue from the Malaysia Project has a relatively higher gross profit margin and that there were no consultancy projects completed for the six months ended 30 September 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income and gains

The other income and gains of the Group was approximately HK\$16.7 million for the six months ended 30 September 2023, representing an increase of approximately 3,240% from approximately HK\$0.5 million for the six months ended 30 September 2022. The increase in other income and gains was mainly due to the gain from reversal of impairment losses on financial assets of approximately HK\$15.3 million as a result of improvement in recoverability of trade receivables.

Selling and distribution costs

The Group's selling and distribution costs for the six months ended 30 September 2023 were approximately HK\$2.5 million, representing a decrease of approximately 16.7% from approximately HK\$3.0 million for the six months ended 30 September 2022. The decrease was mainly due to the decrease of advertising expenses by approximately HK\$0.8 million during the six months ended 30 September 2023. The decrease of advertising expenses was mainly attributable to more marketing efforts in advertising for the re-branding of the Group in the previous period.

Administrative expenses

The Group's administrative expenses for the six months ended 30 September 2023 were approximately HK\$17.8 million, representing a decrease of approximately 3.8% from approximately HK\$18.5 million for the six months ended 30 September 2022. The decrease in administrative expenses was the mixed effect of (i) the decrease in foreign exchange loss by approximately HK\$2.4 million which was mainly due to the reduced loss from depreciation of Indonesian rupiah against Hong Kong dollar; (ii) the decrease in legal and professional fee of by approximately HK\$2.7 million as there were more fees incurred for the preparation for the scheme of arrangement between the Company and its creditors during the six months ended 30 September 2022; (iii) the increase in staff costs by approximately HK\$2.1 million as a result of the increase in staff number and share option expenses; and (iv) the increase in travelling and entertainment costs by approximately HK\$2.2 million, as a result of increase in travelling costs to Middle East and Malaysia.

Finance costs

The Group's finance costs were approximately HK\$1.8 million for the six months ended 30 September 2023, representing a decrease of approximately 85.1% from approximately HK\$12.1 million for the six months ended 30 September 2022. The decrease was mainly due to the decrease of interest expenses on notes payables and borrowings from approximately HK\$7.1 million and HK\$4.0 million respectively for the six months ended 30 September 2022 to approximately HK\$0.7 million and nil respectively for the six months ended 30 September 2023, as a result of the scheme of arrangement that reduced relevant interest-bearing debts and the effective interest rates.

MANAGEMENT DISCUSSION AND ANALYSIS

Other expenses

The Group's other expenses decreased from approximately HK\$41.7 million for the six months ended 30 September 2022 to approximately HK\$1.6 million for the six months ended 30 September 2023.

The decrease in other expenses was mainly due to the decrease of provision for impairment losses on financial assets from approximately HK\$41.7 million for the six months ended 30 September 2022 to nil for the six months ended 30 September 2023, as a result of improvement of recoverability in long ageing trade receivables.

Income tax expense/credit

The Group's income tax expense for the six months ended 30 September 2023 was approximately HK\$2.4 million while the Group's income tax credit for the period ended 30 September 2022 was approximately HK\$8.8 million. The increase is the result of estimated tax impact as a result of the changes in the provision for impairment losses on financial assets.

Share of results of associates

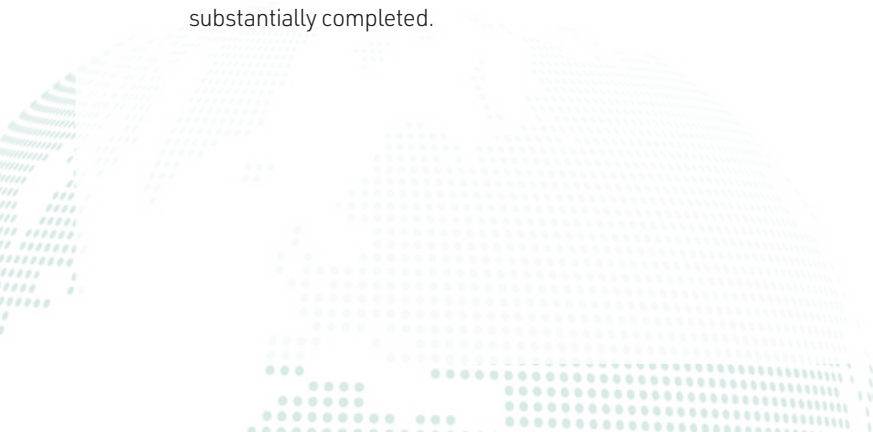
The Group's share of results of associates for the six months ended 30 September 2023 was approximately HK\$0.4 million while the Group's share of results of associates for the six months ended 30 September 2022 was approximately HK\$0.8 million. The decrease was mainly due to the decrease in sales of the customised LED products in the retail outlets of a major retailer in South Africa as the deployment of lighting works were substantially completed.

EBITDA/EBIT

As a result of the foregoing, the Group's EBITDA increased from a loss of approximately HK\$58.2 million for the six months ended 30 September 2022 to a profit of approximately HK\$23.3 million for the six months ended 30 September 2023. The Group's EBIT increased from a loss of approximately HK\$59.6 million for the six months ended 30 September 2022 to a profit of approximately HK\$22.0 million for the six months ended 30 September 2023.

Profit/(loss) for the period attributable to the owners of the Company

The Group's profit/(loss) attributable to the owners of the Company increased by approximately HK\$79.9 million from a loss of approximately HK\$62.2 million for the six months ended 30 September 2022 to a profit of approximately HK\$17.7 million for the six months ended 30 September 2023. Excluding some major extraordinary or non-operating income and expenses, the adjusted profit/(loss) attributable to the owners of the Company increased from a loss of approximately HK\$23.5 million for the six months ended 30 September 2022 to a profit of approximately HK\$9.6 million for the six months ended 30 September 2023.



MANAGEMENT DISCUSSION AND ANALYSIS

The following table reconciles the adjusted profit/(loss) attributable to the owners of the Company excluding some major extraordinary or non-operating income and expenses as defined by the Group's management for the periods indicated:

	Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Profit/(loss) for the period attributable to the owners of the Company	17,710	(62,240)
Add/(less) major extraordinary or non-operating expenses/(income):		
Fair value loss on equity investment at FVTPL	1,589	-
(Reversal of)/provision for impairment losses on financial assets, net of deferred tax	(12,856)	34,398
Share-based payment expenses in respect of share options	1,199	-
Net foreign exchange loss	1,981	4,364
Adjusted profit/(loss) attributable to the owners of the Company excluding some major extraordinary or non-operating income and expenses	9,623	(23,478)

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group mainly finances its business with internally generated cash flows and bank and other borrowings. As at 30 September 2023, current assets of the Group amounted to approximately HK\$303.7 million, representing an increase of approximately 50.6% compared to approximately HK\$201.6 million as at 31 March 2023. Current assets are mainly comprised of pledged bank deposits and cash and bank balances of approximately HK\$83.7 million (31 March 2023: approximately HK\$18.1 million), trade receivables of approximately HK\$185.8 million (31 March 2023: approximately HK\$155.4 million), and amount due from an associate of approximately HK\$7.2 million (31 March 2023: approximately HK\$12.0 million).

As at 30 September 2023, the Group's current liabilities are mainly comprised of borrowings of approximately HK\$18.7 million (31 March 2023: approximately HK\$9.0 million), trade payables of approximately HK\$13.4 million (31 March 2023: approximately HK\$8.7 million) and accruals, other payables and deposits received of approximately HK\$38.1 million (31 March 2023: approximately HK\$42.9 million), amount due to the scheme creditors of approximately HK\$59.6 million (31 March 2023: approximately HK\$133.8 million).

MANAGEMENT DISCUSSION AND ANALYSIS

The changes in the debt structure of the Group is summarized as follows:

	30 September 2023	31 March 2023
	HK\$'million	HK\$'million
Bank borrowings	9.0	9.0
Other borrowings	9.7	-
Convertible bonds	75.8	-
Due to scheme creditors to be settled by cash payments	70.6	69.7
Due to scheme creditors settled subsequently by issue of shares of the Company	-	104.4
	165.1	183.1

The overall decrease in the debts is mainly due to the fact that amount due to scheme creditors of approximately HK\$104.4 million was settled by issue of shares of the Company on 28 June 2023.

The amount due to scheme creditors of approximately HK\$70.6 million (31 March 2023: HK\$69.7 million) will be settled by cash payments over a period of two and a half years at a fixed interest rate of 2.5% per annum. For further details, please refer to the Company's announcements dated 3 August 2022, 14 October 2022, 11 November 2022, 17 February 2023, 14 April 2023 and 15 June 2023.

On the other hand, the bank borrowings of approximately HK\$9.0 and the other borrowings of approximately HK\$9.7 million have a maturity of 10 years and 5 years respectively and they incur interest at floating interest rate.

The Group has pledged its pledged deposits of approximately HK\$1.1 million and finance lease and trade receivables (net of impairment) of approximately HK\$14.2 million of a subsidiary of the Group to secure the other borrowings.

The Group has pledged trade receivables (net of impairment) of approximately HK\$196.8 million from a subsidiary of the Group to secure Convertible Bonds.

As at 30 September 2023, the Group's total equity was approximately HK\$257.9 million, representing an increase of approximately 103.6% from approximately HK\$126.7 million as at 31 March 2023. As at 30 September 2023, except disclosed in as above, the Group has no other charges on its assets.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2023.

GUARANTEES

The Group had no material guarantees as at 30 September 2023.

SIGNIFICANT INVESTMENTS

As at 30 September 2023, the Group held two investments with a value above 5% of the total assets of the Group. The two investments are (a) the interests in associates in Kedah Synergy Limited ("**KSL**"), together with its subsidiaries (the "**KSL Group**"), which accounted for approximately 14.1% of the Group's total assets as at 30 September 2023 (the "**Investment in Associates**"); and (b) the equity investment at fair value through profit or loss in InVinity Energy Group Limited, which accounted for approximately 5.1% of the Group's total assets as at 30 September 2023 (the "**Equity Investment**").

Investment in Associates

The Investment in Associates represents the Group's investment in the KSL Group. The KSL Group includes associated companies of the Group which were owned as to 47.5% by the Group as at 30 September 2023. The KSL Group is principally engaged in trading of energy saving products and provision of cost-saving energy management solutions. The total initial investment cost in the KSL Group was approximately HK\$27.7 million. As at 30 September 2023, the Investment in Associates was approximately HK\$67.7 million.

The Investment in Associates is accounted for by equity method in which 47.5% share of the results of the KSL Group is reflected in the carrying amount of the investment. During the six months ended 30 September 2023, share of profits from the KSL Group amounted to approximately HK\$0.4 million (six months ended 30 September 2022: approximately HK\$0.8 million) was recognised in the unaudited condensed statement of comprehensive income of the Group.

The decrease in share of profits was due to the decrease in the net profit attributable to the shareholders of the KSL Group from approximately HK\$1.7 million for the six months ended 30 September 2022 to approximately HK\$0.8 million for the six months ended 30 September 2023, as the trading revenue of customised LED product decreased.

No dividend income from KSL was recognised during the six months ended 30 September 2023. The Group will continue to hold the investment in the KSL Group as long-term investment as the management believes the investment will continue to generate profit for the Group and the business of the KSL Group is in line with the Group's core business.

Equity Investment

The Equity Investment represents the Group's approximately 23.6% equity interest in InVinity Energy Group Limited ("**InVinity**", together with its subsidiaries, the "**InVinity Group**"). The InVinity Group is principally engaged in investing in mining activities in relation to vanadium. The total initial investment cost in InVinity was US\$3.2 million, or approximately HK\$24.8 million. As at 30 September 2023, the carrying amount of Equity Investment was approximately HK\$24.3 million (31 March 2023: approximately HK\$25.9 million).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group will continue to hold the investment in InVinity as long-term investment as the management believes the investment is in line with the Group's business strategy and development in the global energy market.

Saved as disclosed above, there were no other significant investments held, and other plans for material investments or capital assets during the six months ended 30 September 2023.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group had 67 full-time employees (31 March 2023: 57 full-time employees). The Group offers a competitive remuneration package commensurate with industry practice and provides benefits to its employees, including bonuses, medical coverage and provident fund contributions.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme ("**MPF Scheme**"). Under the MPF Scheme, each of the Group companies (i.e. the employer) and its employees make monthly contributions to the scheme at 5% of the employees' monthly earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employers and employees are subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years.

The Group also operates a number of defined contribution retirement schemes outside Hong Kong in accordance with local statutory requirements. The assets of these schemes are generally held in separate administered funds and are generally funded by payments from employees and by the relevant group companies.

FOREIGN CURRENCY EXPOSURE

The Group's revenue and expenses are mainly in Hong Kong dollar which is the functional currency of most of the entities making up the Group. As it is expected that there will be a continuous increase in revenue from overseas market, the Directors believe that the Group will be exposed to foreign exchange risk due to exchange rate fluctuations. After considering the current and future exchange rate level and the foreign currency market, the Group does not adopt any foreign currency hedging measure as at the date of this report. However, the Group will monitor its foreign exchange exposure and will consider hedging the foreign currency exposure should the need arises.

GEARING RATIO

As at 30 September 2023, the gearing ratio of the Group, which is calculated on the basis of the amount of total debts divided by the total equity, was 65.4% (31 March 2023: 144.6%).

DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2023.

The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE OUTLOOK

Financial status

The Group's financial status continues to improve after the series of restructuring actions completed in June 2023 and new source of financing from banks and financing companies. In particular, the Group completed the issue of US\$10 million convertible bonds with aggregate principal amount of US\$10 million to an investor on 29 September 2023, in which convertible bonds with aggregate principal amounts of US\$7.5 million was further converted into equity shares of the Company on 17 November 2023, greatly enhancing the capital structure and the financial health of the Group.

The Group will continue to build new banking relationships, explore other means of financings such as bonds, equity, and co-investment with investment funds, so as to continue refining the capital structure of the Group.

Business

Malaysia

The Group's "Light Source in the Darkness" project in Malaysia, (the "**Malaysia Project**"), which helps local condominiums to solve their lighting problems and achieve energy efficiency at the same time, is receiving a lot of compliments by customers and government support locally. The Malaysia Project starts out in Selangor state of Malaysia which has a total of approximately 8,000 condominiums and targets to install 6 million LED lights by 2025.

On 4 September 2023, the Group and Lembaga Perumahan Dan Hartanah Selangor ("**LPHS**"), the Malaysian state government agency responsible for the planning and management of real estate development in Selangor, have entered into a collaboration agreement (the "**LPHS Agreement**") in Hong Kong with the aim to accelerate the Malaysia Project and accomplish the goal of the Malaysia Project earlier.

According to the LPHS Agreement, LPHS will impose key performance targets ("**KPI**") to the twelve Commissioner of Buildings ("**COB**") under the management of LPHS, which manages approximately 8,000 condominiums in Selangor. The Group will provide necessary support to respective COB to achieve such KPI.

In accordance to the LPHS Agreement, the aggregate KPI for COB is set out in two tiers:

Tier 1: condominiums under their management contribute more than 800,000 LED lights (being 10% of estimated total number of lights of condominiums under their management) to the Malaysia Project by 31 December 2023.

Tier 2: condominiums under their management contribute more than 1,600,000 LED lights (being 20% of estimated total number of lights of condominiums under their management) to the Malaysia Project by 31 December 2023.

With the continual support and commitment from LPHS and COB, the Group believes the deployment of the Malaysia Project is entering into a next stage of rapid growth in the near future.

MANAGEMENT DISCUSSION AND ANALYSIS

Mainland China

In September 2023, the Group has strategically partnered with Tongwei Solar Energy (Hefei) Co. Ltd* (通威太陽能(合肥)有限公司) (“**TW Solar**”) in Hefei of Mainland China, the largest polysilicon manufacturer and the largest solar cell provider in the world since 2022. The parties agreed to cooperate in provision of co-branded solar equipment products with local customers for ground-mounted and rooftop solar power generation market in Middle East and also Central Asia, Southeast Asia and East Asia with a targeted market size of not less than 30 GW by 2030. This allows the Group to capture the tremendous market opportunity in the Middle East and other regions of the world.

Further to the above, the Group will continue its business development regarding energy saving solution and renewable projects in the PRC. The Group believes there will be many more opportunities in the future given the “double carbon” objectives in the Mainland China.

* For identification purpose

Middle East

The Group kicked off its business in the Middle East during the period and is currently in the process of an energy saving project with Leaf Tower in United Arab Emirates (“**U.A.E.**”) through enhancement of their lighting and cooling systems.

On the other hand, on 27 September 2023, the Group held a signing ceremony in Hong Kong which signified its start of cooperation with local partners in Middle East. The Group entered into a memorandum of understanding with Lead International Investments L.L.C., a subsidiary, which focuses on energy business, of a conglomerate established in U.A.E., for upcoming business collaboration in the Middle East, including but not limited to the following:

- (a) Provision of energy management contract energy-saving solutions in the Middle East, starting with around 700 commercial, residential and corporation buildings in Abu Dhabi and expanding to cover the entire U.A.E. and Middle East market;
- (b) Procurement and offering of private-label solar equipment to meet the demand for a potential of 100GW solar projects in U.A.E. with estimated aggregate monetary amount of US\$15 billion by 2030; and
- (c) Establishment of a carbon emission reduction offsetting platform.

This signifies the Group’s expansion into the Middle East market with the support of local partners. The Group believes tapping into the Middle East market brings in tremendous business growth potential to the Group in the future.

CORPORATE GOVERNANCE

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

As at 30 September 2023, the interests of the Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules required to be notified to our Company and the Stock Exchange, were as follows:

Interests of Directors and Chief Executives in the shares and underlying shares of the Company

Name of Director	Nature of interest and capacity	Number of Shares (Note 1)	Approximate percentage of issued share capital (Note 4)
WONG Man Fai Mansfield (Note 2)	Interest in controlled corporation	1,829,455,360 (L)	57.67%
	Beneficial owner	85,360,121 (L) (Note 3)	2.69%
TSANG Sze Wai Claudius	Beneficial owner	18,000,000 (L)	0.57%
CHEUNG Yick Hung Jackie	Beneficial owner	368,000 (L) (Note 5)	0.01%
CHUNG Koon Yan	Beneficial owner	268,000 (L) (Note 6)	0.01%
WONG Chi Ying Anthony	Beneficial owner	268,000 (L) (Note 7)	0.01%
TANG Warren Louis	Beneficial owner	250,000 (L) (Note 8)	0.01%

Notes:

- The letter "L" denotes the person's long position in such shares respectively.
- Abundance Development Limited is wholly-owned by Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares of the Company owned by Abundance Development Limited.
- These shares included 23,856,680 underlying shares under the share options granted to Mr. WONG Man Fai Mansfield by the Company on 20 March 2023 pursuant to the share option scheme, which was approved by the independent shareholders at an extraordinary general meeting held on 15 June 2023. For details, please refer to the Company's announcements dated 20 March 2023 and 15 June 2023, and the circular of the Company dated 23 May 2023.
- The total number of issued shares of the Company as at 30 September 2023 was 3,172,016,232.

CORPORATE GOVERNANCE

5. These shares represented 125,000 underlying shares under the options granted by the Company on 12 December 2022 pursuant to the Share Option Scheme, and 243,000 shares beneficially owned by Mr. CHEUNG Yick Hung Jackie.
6. These shares represented 125,000 underlying shares under the options granted by the Company on 12 December 2022 pursuant to the Share Option Scheme, and 143,000 shares beneficially owned by Mr. CHUNG Koon Yan.
7. These shares represented 250,000 underlying shares under the options granted by the Company on 12 December 2022 pursuant to the Share Option Scheme, and 18,000 shares beneficially owned by Dr. WONG Chi Ying Anthony.
8. These shares represented 125,000 underlying shares under the options granted by the Company on 12 December 2022 pursuant to the Share Option Scheme, and 125,000 shares beneficially owned by Mr. TANG Warren Louis.

Save as disclosed above, as at 30 September 2023, none of the Directors or chief executives of our Company had any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN SHARES AND UNDERLYING SHARES

So far as our Directors are aware, as at 30 September 2023, the persons/entities (other than the Directors or chief executives of our Company) who had interests or short positions in the shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of our Company required to be kept under section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group were as follows:

Interests in the shares and underlying shares of the Company

Name of substantial shareholder	Nature of interest and capacity	Number of Shares ^(Note 1)	Approximate percentage of issued share capital ^(Note 6)
Abundance Development Limited ^(Note 2)	Beneficial owner	1,819,375,360 (L)	57.36%
Mpplication Group Limited ^(Note 3)	Beneficial owner	10,080,000 (L)	0.32%
CAI Linda Xin Xin ^(Note 4)	Interest of spouse	1,914,815,481 (L)	60.37%
Asia JIT Capital Investment L.L.C. ^(Note 5)	Beneficial owner	354,545,454 (L)	11.18%
Adel Abdulhameed Ibrahim Abdulla Alhosani ^(Note 5)	Interest of controlled corporation	354,545,454 (L)	11.18%
Ancient Wisdom Limited ^(Note 6)	Person having a security interest in shares	1,240,547,360 (L)	39.11%
WU Shang Tun Mason ^(Note 6)	Interest of controlled corporation	1,240,547,360 (L)	39.11%

CORPORATE GOVERNANCE

Notes:

1. The letter "L" denotes the person's/entity's long position in such shares respectively.
2. Abundance Development Limited is wholly-owned by Mr. WONG Man Fai Mansfield.
3. Mpplication Group Limited is wholly-owned by Mr. WONG Man Fai Mansfield.
4. Ms. CAI Linda Xin Xin is the spouse of Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares of the Company owned by Abundance Development Limited, and Ms. CAI Linda Xin Xin is deemed to be interested in all the shares of the Company in which Mr. WONG Man Fai Mansfield is interested.
5. Pursuant to the Convertible Bond Subscription Agreement dated 9 June 2023 entered into between the Company and Asia JIT Capital Investment L.L.C. as subscriber, the Company issued convertible bonds in an aggregate principal amount of US\$15,000,000 with 8% interest per annum maturing on the second anniversary from the date of issuance on the convertible bonds. Asia JIT Capital Investment L.L.C. was interested in 354,545,454 underlying shares of the Company, which may be issued upon full conversion of the convertible bond issued by the Company. Since 51% and 49% of Asia JIT Capital Investment L.L.C. were controlled by Mr. Abdulhameed Ibrahim Abdulla Alhosani Adel and Mr. Kwok Wai Tak, they were deemed to be interested in the Shares to which Asia JIT Capital Investment L.L.C. was interested in under the SFO.
6. Ancient Wisdom Limited is wholly-owned by Mr. WU Shang Tun Mason. Under the SFO, Mr. WU Shang Tun Mason is deemed to be interested in all the shares of the Company owned by Ancient Wisdom Limited.
7. The total number of issued shares of the Company as at 30 September 2023 was 3,172,016,232.

Save as disclosed above, as at 30 September 2023, the Directors were not aware of any persons/entities who had any interest or short position in the securities in the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 5 March 2015 (which was amended on 26 October 2016) ("**Share Option Scheme**"). Under the Share Option Scheme, the Board may in its absolute discretion grant options to directors or employees (whether full-time or part-time) of our Company and its subsidiaries and associated companies (the "**Qualified Participants**") to subscribe for its shares. The purpose of the Share Option Scheme is to enable the Company to provide an incentive for the Qualified Participants to work with commitment towards enhancing the value of our Company and its shares for the benefit of the shareholders, and to maintain or attract business relationships with the Qualified Participants whose contributions are or may be beneficial to the growth of our Group. Details of which are set out in the paragraph headed "Share Option Scheme" in the section headed "Management Discussion and Analysis" in our 2022/2023 Annual Report.



CORPORATE GOVERNANCE

The following tables discloses movements in the Company's share options during the six months ended 30 September 2023:

Grantees	Date of grant	Vesting period	Exercise period	Exercise price per share (HK\$)	Closing price per share immediately before the date of grant (HK\$)	Performance target or clawback mechanism	Number of share options					Outstanding as at 30 September 2023
							Outstanding as at 1 April 2023	Granted during the period	Exercised during the period	Lapsed/forfeited during the period	Cancelled during the period	
Directors												
WONG Man Fai Mansfield	20 March 2023	20 March 2023 to 19 March 2024	20 March 2024 to 19 March 2026	0.139	0.133	Nil	23,856,680	-	-	-	-	23,856,680
CHUNG Koon Yan	2 April 2020	2 April 2020 to 1 January 2022	2 January 2022 to 1 April 2023	0.290	0.290	N/A	750	-	-	(750)	-	-
		2 April 2020 to 1 April 2022	2 April 2022 to 1 April 2023	0.290	0.290	N/A	6,250	-	-	(6,250)	-	-
	12 December 2022	-	12 December 2022 to 11 December 2024	0.172	0.162	N/A	125,000	-	(125,000)	-	-	-
CHEUNG Yick Hung Jackie	2 April 2020	2 April 2020 to 1 January 2022	2 January 2022 to 1 April 2023	0.290	0.290	N/A	750	-	-	(750)	-	-
		2 April 2020 to 1 April 2022	2 April 2022 to 1 April 2023	0.290	0.290	N/A	6,250	-	-	(6,250)	-	-
	12 December 2022	-	12 December 2022 to 11 December 2024	0.172	0.162	N/A	125,000	-	(125,000)	-	-	-
WONG Chi Ying Anthony	2 April 2020	2 April 2020 to 1 January 2022	2 January 2022 to 1 April 2023	0.290	0.290	N/A	750	-	-	(750)	-	-
		2 April 2020 to 1 April 2022	2 April 2022 to 1 April 2023	0.290	0.290	N/A	6,250	-	-	(6,250)	-	-
	12 December 2022	-	12 December 2022 to 11 December 2024	0.172	0.162	N/A	125,000	-	-	-	-	125,000
TANG Warren Louis	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.162	N/A	125,000	-	-	-	-	125,000
		-	12 December 2022 to 11 December 2024	0.172	0.162	N/A	125,000	-	(125,000)	-	-	-
	-	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.162	N/A	125,000	-	-	-	-	125,000
Employees												
Employees in aggregate	2 April 2020	2 April 2020 to 1 January 2022	2 January 2022 to 1 April 2023	0.290	0.290	N/A	5,500	-	-	(5,500)	-	-
		2 April 2020 to 1 April 2022	2 April 2022 to 1 April 2023	0.290	0.290	N/A	862,500	-	-	(862,500)	-	-
	12 December 2022	-	12 December 2022 to 11 December 2024	0.172	0.162	N/A	80,318,000	-	(55,912,000)	-	-	24,406,000
	-	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.162	N/A	8,750,000	-	-	-	-	8,750,000
20 March 2023	20 March 2023 to 19 March 2024	20 March 2024 to 19 March 2026	0.139	0.133	Nil	4,500,000	-	-	-	-	4,500,000	
							119,313,680	-	(56,287,000) <small>(Note 2)</small>	(889,000)	-	62,137,680

CORPORATE GOVERNANCE

Notes:

1. For the grant of share options on 20 March 2023, 28,356,680 share options granted will vest in one year from the date of grant and are exercisable in three years from the date of grant. Out of the 28,356,680 share options granted, the grant of 23,856,680 share options to Mr. Mansfield WONG (an executive Director, chief executive officer and substantial shareholder of the Company), was approved by the shareholders at an extraordinary general meeting held on 15 June 2023.
2. The weighted average closing price of shares immediately before the dates on which the options were exercised was HK\$0.371.

As at 1 April 2023 and 30 September 2023, the total number of share options available for grant under the Share Option Scheme were 120,142,120 shares.

As at the date of this Interim Report, the total number of share options available for issue under the Share Option Scheme was 182,154,800 shares, representing approximately 5.44% of the total issued shares of the Company as at the date of this Interim Report (i.e. 3,349,413,959 shares).

Given that no share option had been granted under the Share Option Scheme during the six months ended 30 September 2023, it is not applicable for the Company to disclose the number of shares that may be issued in respect of all the share options granted under the Share Option Scheme during the six months ended 30 September 2023 divided by the weighted average number of ordinary shares in issue of the Company for the six months ended 30 September 2023.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2023.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 30 September 2023, none of the Directors, the substantial shareholders or their respective close associates (as defined under the Listing Rules) of the Company had held any position or had any interest in any businesses or companies that were or might be materially, either directly or indirectly, competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the six months ended 30 September 2023.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Board is committed to achieving and maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders of the Company and to enhance corporate value, transparency and accountability, and to formulate its business strategies and policies.

The Company has applied the principles as set out in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix 14 to the Listing Rules, together with compliance with the relevant code provisions.

The Board is of the view that, throughout the six months ended 30 September 2023, the Company has complied, to the extent applicable and permissible, with the code provisions set out in the Corporate Governance Code, except for the deviation from code provisions C.2.1 and F.2.2 as explained below.

Code provision C.2.1

The roles of Chairman of the Board and Chief Executive Officer of the Company have been performed by Mr. WONG Man Fai Mansfield. Although under code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual, the combination of the roles of chairman and chief executive officer by Mr. WONG was considered to be in the best interests of the Company and its shareholders as a whole. Mr. WONG has been leading the Group as the Chief Executive Officer and one of our subsidiaries since 2009, thus, the Board believes that the combined roles of Mr. WONG promotes better leadership for both the Board and management and enables more focused development of business strategies and implementation of objectives and policies. The balance between power and authority is maintained by the openness and cooperative spirit of the senior management and the Board, which comprise experienced and high-calibre individuals. The Board currently comprises four independent non-executive Directors and has a fairly strong independence element in its composition. The structure is supported by the Company’s well established corporate governance structure and internal control system. Therefore, the Board considers that the deviation from code provision C.2.1 is appropriate in the circumstances. The Board will review the management structure regularly and consider separating the roles of chairman and chief executive, if and when appropriate.



CORPORATE GOVERNANCE

Code provision F.2.2

Code provision F.2.2 of the Corporate Governance Code stipulates that the chairman of the board should attend the annual general meeting. Due to other business engagements, Mr. WONG Man Fai Mansfield, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 28 September 2023. Dr. Wong Chi Ying Anthony, an independent non-executive Director of the Company, took the chair of the annual general meeting pursuant to the articles of association of the Company. The Board will continue to monitor and review the Company's corporate governance practices and procedures and make necessary changes when it considers appropriate.

COMPLIANCE WITH THE MODEL CODE AND SECURITIES DEALING CODE

The Company has adopted its own code of conduct for dealing in securities of the Company by the Directors and the relevant employees of the Group who are likely to be in possession of unpublished inside information of the Company (the "**Securities Dealing Code**") on terms no less exacting than the standard as set out in the Model Code as set out in Appendix 10 to the Listing Rules. Having made specific enquiries with all Directors and relevant employees of the Group, all Directors and relevant employees have confirmed that they have complied with the Securities Dealing Code and therefore, complied with the Model Code throughout the six months ended 30 September 2023 and up to the date of this report.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

The audit committee of the Board (the "**Audit Committee**") was established with its defined written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and code provision D.3.3 of the Corporate Governance Code. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. CHUNG Koon Yan (Chairman of the Audit Committee), Mr. CHEUNG Yick Hung Jackie and Dr. WONG Chi Ying Anthony, with Mr. CHUNG Koon Yan possessing the appropriate professional qualifications and accounting and related financial management expertise.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2023 contained in this report had not been audited by the Company's auditor, but were reviewed by the Audit Committee, which was of the opinion that the preparation of such interim financial information complied with the applicable accounting standards and requirements and the Listing Rules, and adequate disclosures had been made.

COMPLIANCE DISCLOSURES AND OTHER MATTERS

The Listing Rules require certain corporate governance disclosures to be made. This section details certain disclosures that have not been covered above.

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

Changes in Other Major Appointments

Mr. TANG Warren Louis, our independent non-executive Director, has been appointed as the legal consultant of the Yan Chai Hospital Board since March 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Unity Group Holdings International Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2023 together with the comparative figures for the corresponding period in 2022 as follows:

	Notes	Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	4(a)	40,197	5,582
Cost of sales		(13,370)	(3,137)
Gross profit		26,827	2,445
Other income and gains	4(b)	16,722	453
Administrative expenses		(17,811)	(18,511)
Selling and distribution costs		(2,490)	(3,035)
Finance costs	5	(1,764)	(12,087)
Other expenses		(1,621)	(41,692)
Share of results of associates		360	775
Profit/(loss) before income tax	6	20,223	(71,652)
Income tax (expense)/credit	7	(2,428)	8,831
Profit/(loss) for the period		17,795	(62,821)
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss:			
- Exchange difference arising on translation of financial statements of foreign operations		(596)	(776)
- Share of other comprehensive income of associates		63	(48)
Other comprehensive income for the period, net of tax		(533)	(824)
Total comprehensive income for the period		17,262	(63,645)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

		Six months ended 30 September	
Notes		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to:			
		17,710	(62,240)
		85	(581)
		17,795	(62,821)
Total comprehensive income for the period attributable to:			
		17,035	(63,448)
		227	(197)
		17,262	(63,645)
Profit/(loss) per share attributable to owners of the Company			
	9(a)	0.6	(2.6)
	9(b)	0.6	(2.6)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	2,442	4,115
Interests in associates		67,716	67,293
Equity investment at fair value through profit or loss ("FVTPL")		24,289	25,878
Trade receivables	11	9,080	9,719
Finance lease receivables		22,907	12,889
Deposits and other receivables		123	641
Deferred tax assets		49,031	51,458
		175,588	171,993
Current assets			
Inventories		3,123	1,671
Trade receivables	11	185,829	155,392
Finance lease receivables		1,849	2,628
Deposits, prepayments and other receivables		21,987	11,881
Due from an associate		7,174	12,005
Pledged bank deposits		1,050	-
Cash and cash equivalents		82,654	18,068
		303,666	201,645
Current liabilities			
Trade payables	12	13,374	8,698
Contract liabilities		312	312
Accruals, other payables and deposits received	13	38,137	42,936
Borrowings	14	18,673	9,000
Lease liabilities		1,460	2,650
Due to a related company		168	352
Due to a director		1,618	2,986
Amount due to the scheme creditors	15	59,604	133,779
Financial liabilities at FVTPL		-	3,558
		133,346	204,271
Net current assets/(liabilities)		170,320	(2,626)
Total assets less current liabilities		345,908	169,367

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Non-current liabilities			
Deposits received		1,009	1,713
Lease liabilities		222	674
Amount due to the scheme creditors	15	10,999	40,328
Convertible bonds	16	75,813	-
		88,043	42,715
Net assets			
		257,865	126,652
EQUITY			
Share capital	17	31,720	23,857
Reserves		236,984	113,861
Equity attributable to owners of the Company			
Non-controlling interests		(10,839)	(11,066)
Total equity			
		257,865	126,652

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Share capital HK\$'000	Share premium* HK\$'000	Share option reserve* HK\$'000	Capital reserves* HK\$'000	Merger reserve* HK\$'000	Foreign exchange reserves* HK\$'000	Convertible bond reserves* HK\$'000	Accumulated losses* HK\$'000	Subtotal HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2023 (Audited)	23,857	565,198	5,446	7,388	12,183	201	-	(476,555)	137,718	(11,066)	126,652
Equity option under scheme arrangement	7,300	97,098	-	-	-	-	-	-	104,398	-	104,398
Exercise of share option	563	9,118	(3,514)	-	-	-	-	-	6,167	-	6,167
Equity-settled share option arrangements	-	-	1,199	-	-	-	-	-	1,199	-	1,199
Release of share option reserve upon the forfeit or lapse of share options	-	-	(100)	-	-	-	-	100	-	-	-
Issuance of convertible bond – equity component	-	-	-	-	-	-	2,187	-	2,187	-	2,187
Profit for the period	-	-	-	-	-	-	-	17,710	17,710	85	17,795
Other comprehensive income:											
Exchange difference arising on translation of financial statements of foreign operations	-	-	-	-	-	(738)	-	-	(738)	142	(596)
Share of other comprehensive income of associates	-	-	-	-	-	63	-	-	63	-	63
Total comprehensive income for the period	-	-	-	-	-	(675)	-	17,710	17,035	227	17,262
At 30 September 2023 (Unaudited)	31,720	671,414	3,031	7,388	12,183	(474)	2,187	(458,745)	268,704	(10,839)	257,865
At 1 April 2022 (Audited)	23,857	565,198	99	7,388	12,183	706	2,187	(451,471)	157,960	(12,319)	145,641
Loss for the period	-	-	-	-	-	-	-	(62,240)	(62,240)	(581)	(62,821)
Other comprehensive income:											
Exchange difference arising on translation of financial statements of foreign operations	-	-	-	-	-	(1,160)	-	-	(1,160)	384	(776)
Share of other comprehensive income of associates	-	-	-	-	-	(48)	-	-	(48)	-	(48)
Total comprehensive income for the period	-	-	-	-	-	(1,208)	-	(62,240)	(63,448)	(197)	(63,645)
At 30 September 2022 (Unaudited)	23,857	565,198	99	7,388	12,183	(502)	-	(513,711)	94,512	(12,516)	81,996

* These reserve accounts comprise the consolidated reserves of HK\$236,984,000 in the condensed consolidated statement of financial position as at 30 September 2023 (31 March 2023: HK\$113,861,000).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cash flows from operating activities		
Profit/(loss) before income tax	20,223	(71,652)
Adjustments for:		
Interest income	(372)	(309)
Interest expense	1,764	12,087
Bad debts written off	-	56
Depreciation of property, plant and equipment	1,326	1,409
Equity-settled share option expense	1,199	-
Fair value loss on equity investment at fair value through profit or loss	1,589	-
Gain on early termination of lease	(13)	(2)
Reversal of interest payables	(1,037)	-
(Reversal of)/provision for impairment loss of financial assets	(15,284)	41,636
Share of results of associates	(360)	(775)
Provision for/(reversal of) warranty provision, net	66	(5)
Operating profit before working capital changes	11,175	(17,555)
(Increase)/decrease in inventories	(1,452)	148
(Increase)/decrease in trade receivables	(14,997)	8,748
(Increase)/decrease in finance lease receivables	(8,758)	5,809
Increase in deposits, prepayments and other receivables	(9,388)	(2,301)
Increase/(decrease) in trade payables	4,676	(1,882)
Decrease in amount due to a related company	(184)	(96)
Decrease in contract liabilities	-	(118)
(Decrease)/increase in accruals, other payables and deposits received	(6,608)	3,825
Cash used in operations	(25,536)	(3,422)
Income tax paid	-	(956)
Net cash used in operating activities	(25,536)	(4,378)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cash flows from investing activities		
Purchases of property, plant and equipment	(39)	(422)
Repayments from associates	4,831	5,320
Interest received	173	55
Net cash generated from investing activities	4,965	4,953
Cash flows from financing activities		
Proceed from share option arrangement	6,167	-
Interest paid on other payables	-	(1,750)
Interest paid on borrowings	(624)	(364)
Interest element on lease payments	(47)	(15)
Capital element of lease payments	(1,299)	(1,270)
Proceed from borrowings	10,434	-
Repayment of borrowings	(760)	(4,163)
Net proceed from issuance of convertible bonds	78,000	-
Repayment to financial liabilities at fair value through profit or loss	(3,424)	-
Advances from a director	4,962	-
Repayments of advances from a director	(6,331)	-
Net cash generated from/(used in) financing activities	87,078	(7,562)
Net increase/(decrease) in cash and cash equivalents	66,507	(6,987)
Cash and cash equivalents at beginning of the period	18,068	26,311
Effect of foreign exchange rate changes	(871)	(502)
Cash and cash equivalents at end of the period	83,704	18,822

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Unity Group Holdings International Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 14 December 2011. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is 15th Floor, Chinachem Century Tower, 178 Gloucester Road, Wan Chai, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries are collectively referred to as the “**Group**” hereafter. The Group is principally engaged in the provision of leasing services of energy saving systems and products, consultancy service, installation services of renewable energy systems and trading of energy saving products.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2023 except that the Group has adopted the newly issued and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”), which are effective for the annual period beginning on 1 April 2023, as disclosed in the annual financial statements for the year ended 31 March 2023. The adoption of these new and revised HKFRSs does not have a significant impact on the Group’s results and financial position.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 March 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Adoption of New and Revised Hong Kong Financial Reporting Standards

The following new/revised HKFRSs, potentially relevant to the Group's unaudited condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax Related to Assets and Liabilities arising from a Single Transaction

(c) Basis of measurement

These unaudited condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values.

(d) Functional and presentation currency

These unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, financial information relating to these operations is reported internally and is regularly reviewed by the executive director, being the chief operating decision maker, based on the following segments:

- (1) Provision of leasing service of energy saving systems and products;
- (2) Trading of energy saving products;
- (3) Provision of consultancy service (“**Consultancy service**”); and
- (4) Provision of installation services of renewable energy systems (“**Renewable energy service**”)

Segment revenue below represents revenue from external customers. There were no inter-segment sales during the period.

	Leasing services of energy saving systems HK\$'000	Trading of energy saving products HK\$'000	Consultancy service HK\$'000	Renewable energy service HK\$'000	Total HK\$'000
Six months ended 30 September 2023 (Unaudited)					
Revenue from external customers	15,186	16,909	8,102	-	40,197
Reportable segment profit	5,095	19,054	7,621	19	31,789
Depreciation	500	-	-	-	500
Six months ended 30 September 2022 (Unaudited)					
Revenue from external customers	3,310	2,272	-	-	5,582
Reportable segment loss	(4,932)	(28,870)	(13,559)	-	(47,361)
Depreciation	1,173	-	-	-	1,173

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

	Leasing services of energy saving systems HK\$'000	Trading of energy saving products HK\$'000	Consultancy service HK\$'000	Renewable energy service HK\$'000	Total HK\$'000
As at 30 September 2023 (Unaudited)					
Reportable segment assets	85,002	142,548	46,187	206	273,943
Reportable segment liabilities	15,711	12,271	16	85	28,083
As at 31 March 2023 (Audited)					
Reportable segment assets	38,170	159,597	38,068	322	236,157
Reportable segment liabilities	14,744	9,503	16	237	24,500

The total presented for the Group's operating segments reconcile to the Group's key financial figures as presented as follows:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Reportable segment profit/(loss)	31,789	(47,361)
Unallocated corporate income (Note)	1,423	406
Unallocated corporate expenses (Note)	(11,585)	(13,385)
Finance costs	(1,764)	(12,087)
Share of results of associates	360	775
Profit/(loss) before income tax	20,223	(71,652)

Note: Unallocated corporate income mainly includes net foreign exchange gain. Unallocated corporate expenses mainly include depreciation of right-of-use assets, legal and professional fees, salaries and other staff costs.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Reportable segment assets	273,943	236,157
Interest in associates	67,716	67,293
Equity investment at FVTPL	24,289	25,878
Pledged bank deposits	1,050	-
Cash and cash equivalents	82,654	18,068
Due from an associate	7,174	12,005
Deferred tax assets	169	169
Other corporate assets	22,259	14,068
Group assets	479,254	373,638
Reportable segment liabilities	28,083	24,500
Borrowings	18,673	9,000
Lease liabilities	1,574	3,098
Convertible bonds	75,813	-
Financial liabilities at FVTPL	-	3,558
Due to a related company	168	352
Due to a director	1,618	2,986
Amounts due to the scheme creditors	70,603	174,107
Other corporate liabilities (note)	24,857	29,385
Group liabilities	221,389	246,986

Note: Other corporate liabilities mainly include accruals and other payables for legal and professional fees, salaries and other operating expenses.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

The Group's revenue from external customers are divided into the following geographical areas:

	Revenue from external customers Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Hong Kong (domiciled)	35	1,274
Australia	7,867	-
Indonesia	340	961
Japan	8,726	-
Malaysia	15,102	3,043
Others	8,127	304
	40,197	5,582

The Group's non-current assets are mainly located in Hong Kong and Malaysia, which are divided into the following geographical areas (other than financial assets and deferred tax assets):

	Specified non-current assets	
	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Hong Kong (domiciled)	68,567	68,876
Malaysia	1,451	2,251
Others	140	281
	70,158	71,408

The geographical location of revenue allocated is based on the location at which the goods were delivered and services were provided. The geographical location of non-current assets is based on the physical location of the assets. The Company is an investment holding company where the Group has majority of its operation and workforce in Hong Kong, and therefore, Hong Kong is considered as the Group's place of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

The Group's customer base is diversified and includes only the following customers with whom transactions have exceeded 10% of the Group's revenues. Revenue derived from these customers are as follows:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Customer A #	8,726	N/A
Customer B ##	8,102	N/A
Customer C #	N/A	1,077
Customer D #	7,867	N/A
Customer E ###	N/A	961
Customer F #	N/A	668
Customer G ####	N/A	644
Customer H ####	N/A	767

* Attributable to segment of trading of energy saving products

** Attributable to segment of Consultancy service

Attributable to segments of leasing service of energy saving systems and trading of energy saving products

Attributable to segments of leasing service of energy saving systems

N/A Transactions did not exceed 10% of the Group's revenue

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE AND OTHER INCOME AND GAINS

- (a) Revenue represents the income from trading of energy saving products, provision of leasing service, consultancy service and renewable energy service. An analysis of revenue is as follows:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue from contracts with customer within the scope of HKFRS 15		
Trading of energy saving products	16,909	2,272
Consultancy service income	8,102	-
Renewable energy service income	-	-
	25,011	2,272
Revenue from other sources		
Leasing service income	15,186	3,310
	40,197	5,582
Timing of revenue recognition		
At a point in time	25,011	2,272

- (b) An analysis of the Group's other income and gains is as follows:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest income		
- From bank deposits	173	110
- From other receivables	199	199
	372	309
Government grants	-	49
Reversal of impairment losses on financial assets	15,284	-
Others	1,066	95
	16,722	453

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCE COSTS

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on financial liabilities carried at amortised cost		
– Interest on other payables	1	7,116
– Interest on borrowings	624	3,983
– Interest on notes payable	–	691
– Interest on lease liabilities	47	82
– Interest on amounts due to the scheme creditors	894	–
	1,566	11,872
Interest on financial liabilities at FVTPL	198	215
	1,764	12,087

6. LOSS BEFORE INCOME TAX

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

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cost of inventories recognised as expenses		
– Cost of inventories sold	10,701	1,775
Depreciation of property, plant and equipment		
– Owned	265	329
– Right-of-use assets	1,061	1,080
	1,326	1,409
Employee benefit expenses		
– Salaries and welfare	8,407	7,384
– Equity-settled share option expense	1,199	–
– Defined contributions	567	468
	10,173	7,852
Provision for/(reversal of) warranty provision, net	66	(5)
(Reversal of)/provision for impairment loss of financial assets*	(15,284)	41,636
Bad debts written off	–	56
Net foreign exchange loss	1,981	4,364

* These items have been included in other income and gains and other expenses in the condensed consolidated statement of comprehensive income for the six months ended 30 September 2023 and 30 September 2022 respectively.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX EXPENSE/(CREDIT)

Income tax expense/(credit) in the unaudited condensed consolidated statement of comprehensive income represents:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax		
– Over-provision in respect of prior years	–	(1,592)
Deferred tax		
– Current period	2,428	(7,239)
Income tax expense/(credit)	2,428	(8,831)

Hong Kong profits tax is calculated at the rate of 16.5% (six months ended 30 September 2022: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profit being calculated at 8.25%, which is in accordance with the new two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

Provision for the enterprise income tax in the People's Republic of China (the "PRC") is calculated based on a statutory tax rate of 25% (six months ended 30 September 2022: 25%) of the estimated assessable profits as determined in accordance with the relevant income tax law in the PRC.

A subsidiary in Malaysia has elected to pay a lump sum income taxation charge of Malaysian Ringgit ("RM") 20,000 per annum. Another subsidiary in Malaysia's corporate income tax is calculated at the applicable rate in Malaysia.

8. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 September 2023 (for the six months ended 30 September 2022: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Profit/(loss) for the period attributable to owners of the Company for the purpose of calculating basic earnings/(loss) per share	17,710	(62,240)

	Six months ended 30 September	
	2023 '000 (Unaudited)	2022 '000 (Unaudited)
Number of shares		
Weighted average number of shares for the purpose of calculating basic earnings/(loss) per share	2,791,185	2,385,668
	HK cent	HK cents
Basic earnings/(loss) per share	0.6	(2.6)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. EARNINGS/(LOSS) PER SHARE (Continued)

(b) Diluted earnings/(loss) per share

The calculation of the diluted earnings/(loss) per share attributable to the owners of the Company for the six months ended 30 September 2023 and 2022.

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Profit/(loss) for the period attributable to owners of the Company	17,710	(62,240)

	Six months ended 30 September	
	2023 '000 (Unaudited)	2022 '000 (Unaudited)
Number of shares		
Weighted average number of shares in issue	2,791,185	2,385,668
Effect of dilutive potential shares on convertible bonds	1,292	-
Effect of dilutive potential shares on share options	38,558	-
Weighted average number of shares for diluted earnings/(loss) per share	2,831,035	2,385,668
	HK cent	HK cents
Diluted earnings/(loss) per share	0.6	(2.6)

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired items of property, plant and equipment at cost of approximately HK\$39,000 (six months ended 30 September 2022: approximately HK\$422,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. TRADE RECEIVABLES

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Trade receivables	493,812	479,019
Less: Provision for impairment loss	(298,903)	(313,908)
Trade receivables, net	194,909	165,111
Classified as:		
Non-current assets	9,080	9,719
Current assets	185,829	155,392
	194,909	165,111

The Group's trading terms with its customers are mainly on credit. Generally, the credit period is ranging from cash on delivery to 365 days, except for a customer who has been granted the settlement schedule of 84 months from the Group.

Based on invoices date, ageing analysis of the Group's trade receivables (net of provision for impairment loss) is as follows:

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
0 to 30 days	27,782	20,595
31 to 90 days	3,371	10,078
91 to 180 days	5,908	6,493
181 to 365 days	30,510	12,122
Over 365 days	127,338	115,823
	194,909	165,111

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. TRADE PAYABLES

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Trade payables	13,374	8,698
Classified as:		
Current liabilities	13,374	8,698

Based on goods receipts date, ageing analysis of the Group's trade payables is as follows:

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
0 to 30 days	9,335	7,962
31 to 90 days	412	192
91 to 180 days	643	71
181 to 365 days	2,513	-
Over 365 days	471	473
	13,374	8,698

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Current liabilities:		
Accruals	13,059	15,081
Other payables	21,822	24,661
Warranty provision	2,083	2,016
Deposits received	1,174	1,178
	38,138	42,936
Non-current liabilities:		
Deposits received	1,009	1,713

14. BORROWINGS

		As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Unsecured and guaranteed bank borrowing			
Amounts repayable on demand	(a)	9,000	9,000
Secured and guaranteed other borrowings			
Amounts repayable on demand	(b)	9,673	-
Total borrowings		18,673	9,000

Notes:

- (a) As at 30 September 2023, the bank borrowing of approximately HK\$9,000,000 (31 March 2023: approximately HK\$9,000,000) was under personal guarantee from Mr. Mansfield Wong and the guarantee from the Government of Hong Kong.
- (b) As at 30 September 2023, the other borrowings of approximately HK\$9,673,000 (31 March 2023: Nil) are under corporate guarantees from a subsidiary of the Group and personal guarantee from Mr. Mansfield Wong. The borrowings are also secured by pledged bank deposits of approximately HK\$1,050,000 and the finance lease and trade receivables (net of impairment) of approximately HK\$14,200,000.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. BORROWINGS (Continued)

Based on the schedule repayment dates set out in the bank loans and other loan agreements and without taking into consideration of any repayment on demand clause, the borrowings are repayable as follows:

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Within one year	2,728	214
After one year but within two years	2,966	873
After two years but within five years	11,101	3,815
After five years	1,878	4,098
	18,673	9,000

15. AMOUNT DUE TO SCHEME CREDITORS

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Non-current liabilities	10,999	40,328
Current liabilities	59,604	133,779
	70,603	174,107

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Within one year	59,605	133,779
After one year but within two years	10,998	29,330
After two years but within five years	-	10,998
	70,603	174,107

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. AMOUNT DUE TO SCHEME CREDITORS (Continued)

Note:

The Group initiated the debt restructuring scheme in the previous years. All necessary statutory, regulatory, and creditors' approvals of the scheme have been obtained during the year ended 31 March 2023. The Scheme became effective on 21 February 2023. All admitted claims owned by the Company to those creditors would be discharged and released in full as against the Company on the effective date of the Scheme. The duration of the Scheme shall be 30 months. Under the Scheme, there are two settlement options for scheme creditors to elect for the settlement preference.

Under cash option, the outstanding balances would be settled on the following basis:

- (1) 5% of total outstanding principal on the effective date of the Scheme;
- (2) 40% of total outstanding principal prior to the first anniversary of the effective date of the Scheme;
- (3) 40% of total outstanding principal prior to the second anniversary of the effective date of the Scheme; and
- (4) 15% of total outstanding principal at the end of the Scheme.

All outstanding interest would be discharged on the effective date of the Scheme and the outstanding balance would be charged at 2.5% per annum commencing on the effective date of the Scheme.

Under equity option, the Company will allot, issue and register in the name of scheme creditors such number of new shares, credited as fully paid at a premium of 25% of debts, to the average closing price of the Company as quoted on the Stock Exchange for the last five consecutive trading days prior to the effective date of the Scheme.

All scheme creditors have to elect the settlement option before 22 March 2023, in which certain scheme creditors with the total admitted claims balances of approximately HK\$104,399,000 as at 31 March 2023 have elected the equity option. For the remaining balances of HK\$69,708,000, those balances would be settled by cash according to the abovementioned schedule.

The abovementioned settlement shares has been approved by independent shareholders in an extraordinary general meeting on 15 June 2023 for allotment and issuance. On 28 June 2023, 730,061,232 shares were allotted and issued to the relevant scheme creditors.

Details are set out in the Company's announcements dated 3 August 2022, 14 October 2022, 11 November 2022, 17 February 2023, 14 April 2023 and 15 June 2023.

16. CONVERTIBLE BONDS

	Debt component HK\$'000	Equity component HK\$'000	Total HK\$'000
As at 1 April 2023	-	-	-
Issuance of convertible bonds	75,813	2,187	78,000
As at 30 September 2023 (Unaudited)	75,813	2,187	78,000

On 29 September 2023, the Company issued convertible bonds in an aggregate principal amount of US\$10,000,000 (the "**Convertible Bonds**") in Hong Kong with a coupon rate of 8.0% per annum and a maturity of 24 months. Holders of the Convertible Bonds shall have the rights to convert all or part of the principal amount of its Convertible Bonds into shares of the Company at HK\$0.33 per share. (Please refer to the Company's announcements dated 9 June 2023 and 29 September 2023 for details).

The Convertible Bonds is also secured by trade receivables (net of impairment) of approximately HK\$196.8 million from a subsidiary of the Group.

Subsequent to the reporting date, Convertible Bonds with an aggregate principal amount of US\$7,500,000 was converted into 177,272,727 newly issued shares of the Company by holders of the Convertible Bonds on 17 November 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Issued and fully paid ordinary shares:		
At 1 April 2022, 31 March 2023 (Audited) and 1 April 2023	2,385,668	23,857
Issue of shares under share option scheme	56,287	563
Issue of shares under scheme arrangement (note (a))	730,061	7,300
At 30 September 2023 (Unaudited)	3,172,016	31,720

Note:

- (a) On 15 June 2023, the Company has completed issuance of new shares of 730,061,000 at HK\$0.143 each to the certain scheme creditors for settlement of debts. The consideration has been fully satisfied by the corresponding amount of debts (Note 15). Upon the completion of the settlement, approximately HK\$7,300,000 and HK\$97,098,000 were credited against share capital and share premium, respectively.

18. RELATED PARTY TRANSACTIONS

- (a) The Group had the following material related party transactions during the period:

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Sales of goods to associates	–	1,077
Computer software consultancy service fees paid to a related company	187	168

- (b) Compensation of key management personnel

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

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Short-term employee benefits	2,063	1,544
Equity-settled share option expense	1,642	–
	3,705	1,544

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. FINANCIAL INSTRUMENTS

Fair value measurement

The fair values of the Group's current portion of financial assets and liabilities measured at amortised cost are not materially different from their carrying amounts because of the immediate or short term maturity. The fair values of the non-current portion of financial assets and liabilities measured at amortised cost are not disclosed because the values are not materially different from their carrying amounts.

The following table provides an analysis of financial instruments carried at fair value by level of the fair value hierarchy:

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

	30 September 2023 (Unaudited)			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Equity investment at FVTPL				
Unlisted equity investment	-	-	24,289	24,289
	31 March 2023 (Audited)			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Equity investment at FVTPL				
Unlisted equity investment	-	-	25,878	25,878
Financial liabilities at FVTPL				
Redeemable preference shares	-	-	(3,558)	(3,558)

There were no transfers between different levels during the period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. FINANCIAL INSTRUMENTS (Continued)

Information about level 3 fair value measurements

The fair value of the unlisted equity investment is estimated using asset-based method under cost model.

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
At beginning of the period/year	25,878	29,140
Fair value adjustment	(1,589)	(3,262)
At end of the period/year	24,289	25,878

One of key significant unobservable inputs to determine the fair value of unlisted equity investment is the discount on age and condition of receivables. The higher discount on these factors would result in the lower in the fair value measurement of the fair value of unlisted equity investment, and vice versa.

The fair value of convertible bonds – debt component is determined using a discounted cash flow method.

One of key significant unobservable inputs to determine the fair value of redeemable preference shares is the discount rate. A higher discount rate would result in a decrease in the fair value of convertible bonds – debt component, and vice versa.



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