



UNITY GROUP
知行集團

2024/25

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 13 December 2024)

DIRECTORS

Executive Director

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

Non-executive Directors

Mr. Tsang Sze Wai Claudius
Ms. Cai Linda Xin Xin

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

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Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

CORPORATE INFORMATION

(As at 13 December 2024)

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

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Hong Kong

AUDITOR

Beijing Xinghua Caplegend CPA Limited
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No. 46 Tsun Yip Street
Kwun Tong
Hong Kong

PRINCIPAL BANKERS

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100 Jalan Tun Perak,
50050 Kuala Lumpur,
Malaysia

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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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Revenue		
Leasing services of energy saving systems	21,784	15,186
Trading of energy saving products	54,272	16,909
Consultancy service	–	8,102
	76,056	40,197
Gross profit	38,814	26,827
EBITDA (Note 1)	32,649	22,775
EBIT (Note 1)	31,264	21,449
Profit for the period	24,984	17,257
Basic (HK cent)	0.59	0.62
Diluted (HK cent)	0.59	0.60
Non-HKFRS Financial measures – Adjusted profit for the period excluding major extraordinary items (Note 2)		
Basic (HK cent)	0.58	0.77
Diluted (HK cent)	0.58	0.75
	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Total assets	521,388	468,382
Total liabilities	155,348	154,272
Net assets	366,040	314,110

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 items as defined by the Group's management, the details of which can be referred to page 9 of this report. Adjusted profit/(loss) for the period excluding extraordinary items is not a measure of performance under HKFRS.

FINANCIAL HIGHLIGHTS

- The Group's revenue increased by 89.3% from approximately HK\$40.2 million for the six months ended 30 September 2023 to approximately HK\$76.1 million for the six months ended 30 September 2024.
- The Group's gross profit increased by 44.8% from HK\$26.8 million for the six months ended 30 September 2023 to approximately HK\$38.8 million for the six months ended 30 September 2024.
- The Group's profit for the six months period increased from approximately HK\$17.3 million for the six months ended 30 September 2023 to approximately HK\$25.0 million for the six months ended 30 September 2024.
- The Group's adjusted profit excluding major extraordinary items increased from approximately HK\$21.5 million for the six months ended 30 September 2023 to approximately HK\$24.5 million for the six months ended 30 September 2024.
- Basic and diluted earnings per share was approximately HK0.62 cents and HK0.60 cents respectively for the six months ended 30 September 2023, while basic and diluted earnings per share were approximately HK0.59 cents for the six months ended 30 September 2024.
- Adjusted basic and diluted earnings per share was approximately HK0.77 cents and HK0.75 cents respectively for the six months ended 30 September 2023, while adjusted basic and diluted earnings per share were approximately HK0.58 cents for the six months ended 30 September 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit

The total revenue of the Group was approximately HK\$76.1 million for the six months ended 30 September 2024, representing an increase of approximately 89.3% as compared to approximately HK\$40.2 million for the six months ended 30 September 2023.

An analysis of revenue is presented as follows:

		Six months ended 30 September	
	Note	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Leasing service of energy saving systems and products			
Malaysia Project	(a)	20,359	13,473
Others		1,425	1,713
Trading of energy saving products	(b)	54,272	16,909
Consultancy service income	(c)	–	8,102
		76,056	40,197

Notes:

- (a) This refers to the "Light Source in the Darkness" project in Malaysia (the "**Malaysia Project**"), which helps local condominiums 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 2024, installation of approximately 59,000 LED lights had been completed under the Malaysia Project, which led to an increase of revenue from HK\$13.5 million for the six months ended 30 September 2023 to approximately HK\$20.4 million for the six months ended 30 September 2024.

The customers under the Malaysia Project mainly represents management offices of local condominiums in Malaysia. The Malaysia Project helps the local condominiums to save energy and lighting cost and revenue is recorded as finance lease income under the relevant accounting standards. During the six months ended 30 September 2024, the Malaysia Project served 114 (31 March 2024: 81) customers. An analysis of the contribution of finance lease receivables by the five largest customers under the Malaysia Project is presented as follows:

	As at 30 September 2024 HK\$'million (Unaudited)	As at 31 March 2024 HK\$'million (Audited)
Total finance lease receivables from the five largest customers	9.2	9.3
Total finance lease receivables	66.2	43.7
% contribution by the five largest customers	13.9%	21.3%

- (b) The increase was due to the increase in demand for lighting products from the Group's trading customers.
- (c) The number of consultancy project decreased from one for the six months ended 30 September 2023 to nil for the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's gross profit margin decreased from approximately 66.7% for the six months ended 30 September 2023 to approximately 51.0% for the six months ended 30 September 2024, which was mainly due to the decrease in consultancy services income which has a higher gross profit margin.

Other income and expenses, net

The Group's net other income for the six months ended 30 September 2024 of approximately HK\$19.3 million was mainly comprised of the combined effect on (i) interest income of approximately HK\$0.3 million; (ii) reversal of expected credit loss on financial assets of approximately HK\$8.5 million; (iii) combined effect of change in fair value through profit or loss ("FVTPL") in relation to convertible bonds of approximately HK\$0.7 million and amortisation of deferred day-one loss in relation to convertible bonds of approximately HK\$1.5 million; (iv) fair value gain on equity investment at FVTPL of approximately HK\$0.3 million; and (v) net foreign exchange gain HK\$10.3 million, mainly as a result of appreciation of Indonesian Rupiah and Malaysian Ringgits against Hong Kong Dollars during the six months ended 30 September 2024.

The Group's net other income for the six months ended 30 September 2023 of approximately HK\$14.1 million was mainly comprised of the combined effect on (i) interest income of approximately HK\$0.4 million; (ii) reversal of expected credit loss on financial assets of approximately HK\$15.3 million; and (iii) fair value loss on equity investment at FVTPL of approximately HK\$1.6 million.

Selling and distribution expenses

The Group's selling and distribution expenses for the six months ended 30 September 2024 was approximately HK\$3.3 million, increasing from approximately HK\$2.5 million for the six months ended 30 September 2023.

The increase was mainly due to (i) the increase of salaries expenses and other employees benefits from approximately HK\$1.7 million for the six months ended 30 September 2023 to approximately HK\$2.1 million for the six months ended 30 September 2024; and (ii) the increase of sales commission from approximately HK\$0.4 million for the six months ended 30 September 2023 to approximately HK\$0.7 million for the six months ended 30 September 2024.

Administrative expenses

The Group's administrative expenses for the six months ended 30 September 2024 were approximately HK\$24.2 million, increasing from approximately HK\$17.3 million for the six months ended 30 September 2023.

The increase was the combined effect of the (i) increase in employee benefit expenses from approximately HK\$6.3 million for the six months ended 30 September 2023 to approximately HK\$14.8 million for the six months ended 30 September 2024, as a result of increase in equity-settled share option expenses to directors by approximately HK\$8.0 million; and (ii) increase in legal and professional fees from approximately HK\$2.5 million for the six months ended 30 September 2023 to approximately HK\$3.6 million for the six months ended 30 September 2024; partially off-set by the (i) decrease in travel and entertainment expenses from approximately HK\$2.7 million for the six months ended 30 September 2023 to approximately HK\$1.1 million for the six months ended 30 September 2024; and (ii) decrease in net foreign exchange loss from approximately HK\$1.5 million for the six months ended 30 September 2023 to nil for the six months ended 30 September 2024, resulting from appreciation of Malaysian Ringgit, Indonesian Rupiah and Renminbi against Hong Kong Dollars.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

The Group's finance costs increased from approximately HK\$1.8 million for the six months ended 30 September 2023 to approximately HK\$4.2 million for the six months ended 30 September 2024. The increase was mainly due to the increase in interest accrued to the creditors of the scheme of arrangement (the "**Scheme Creditors**") from approximately HK\$0.9 million for the six months ended 30 September 2023 to approximately HK\$3.4 million for the six months ended 30 September 2024, which was mainly attributable to the extra interest accrued to the Scheme Creditors. Please refer to the paragraph headed "Update on the scheme of arrangement" on page 14 of this report for further details..

Income tax expense

The Group recognised income tax expense approximately HK\$2.1 million for the six months ended 30 September 2024, which was mainly attributable to the deferred tax effect of tax losses and impairment losses. While for the six months ended 30 September 2023, an income tax expense of approximately HK\$2.5 million was recognised, of which attributable to the deferred tax effect of tax losses and impairment losses.

Share of results of associates

The Group's share of results of associates for the six months ended 30 September 2024 was approximately HK\$0.6 million, increasing from approximately HK\$0.4 million for the six months ended 30 September 2023. The increase was mainly due to the increase in the amount of sharing of results of an associate and its subsidiaries, namely KSL Group (as defined below).

EBITDA/EBIT

As a result of the foregoing, the Group's EBITDA increased from approximately HK\$22.8 million for the six months ended 30 September 2023 to approximately HK\$32.6 million for the six months ended 30 September 2024. The Group's EBIT increased from approximately HK\$21.4 million for the six months ended 30 September 2023 to approximately HK\$31.3 million for the six months ended 30 September 2024.

Non-HKFRS financial measures – Adjusted profit/(loss) for the six months period excluding extraordinary items

To supplement the unaudited consolidated results of the Group prepared in accordance with HKFRS, certain additional non-HKFRS financial measures such as EBITDA, EBIT and adjusted profit/(loss) for the six months period excluding extraordinary items have been presented in this report. These unaudited non-HKFRS financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with HKFRS. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies. The Company believes that these non-HKFRS measures provide useful information to help investors and others understand and evaluate the Company's unaudited consolidated results of operation in the same manner as management and in comparing financial results across accounting periods and to those of our peer companies by excluding certain non-operating and non-recurring items.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table reconciles the adjusted profit for the six months period excluding some major extraordinary items as defined by the Group's management for the periods indicated:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Profit for the six months period	24,984	17,257
Add back/(less) other major extraordinary items:		
Amortisation of deferred day-one loss in relation to convertible bonds	1,540	-
Change in fair value through profit and loss in relation to convertible bonds	(696)	-
Fair value (gain)/loss on equity investment at FVTPL	(300)	1,589
Share-based payment expenses in respect of share options	9,247	1,199
Net foreign exchange (gain)/loss	(10,286)	1,481
Adjusted profit for the six months period excluding major extraordinary items	24,489	21,526

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 2024, current assets of the Group amounted to approximately HK\$313.2 million, representing an increase of 10.0% from approximately HK\$284.6 million as at 31 March 2024. The current assets mainly comprised cash and bank balances of approximately HK\$4.8 million (31 March 2024: approximately HK\$31.9 million), trade receivables of approximately HK\$258.9 million (31 March 2024: approximately HK\$193.7 million), finance lease receivables of approximately HK\$5.1 million (31 March 2024: approximately HK\$3.0 million), amount due from an associate of approximately HK\$0.5 million (31 March 2024: approximately HK\$4.5 million), and deposits, prepayments and other receivables of approximately HK\$40.9 million (31 March 2024: approximately HK\$47.3 million).

As at 30 September 2024, the Group's current liabilities mainly comprised borrowings of approximately HK\$25.5 million (31 March 2024: approximately HK\$17.4 million), amounts due to the Scheme Creditors of approximately HK\$62.5 million (31 March 2024: approximately HK\$29.8 million), trade payables of approximately HK\$5.2 million (31 March 2024: approximately HK\$11.1 million), accruals, other payables and deposits received of approximately HK\$41.9 million (31 March 2024: approximately HK\$37.9 million) and convertible bonds of nil (31 March 2024: approximately HK\$12.9 million). The Group's current ratio decreased from approximately 2.5 times as at 31 March 2024 to approximately 2.2 times as at 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The debt structure of the Group is summarized as follows:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Bank borrowings	17,907	8,787
Other borrowings	7,586	8,630
Amounts due to Scheme Creditors	73,466	70,096
	98,959	87,513

The amounts due to Scheme Creditors 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, and the paragraph headed "Update on the scheme of arrangement" on page 14.

On the other hand, the other borrowings of approximately HK\$7.6 million, which has a maturity of 5 years and incurs interest at floating interest rate. As at 30 September 2024, the Group's total equity was approximately HK\$366.4 million, representing an increase of approximately 16.7% from approximately HK\$314.1 million as at 31 March 2024. As at 30 September 2024, the Group has charged certain trade and finance lease receivables of a subsidiary to secure the borrowings.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2024.

GUARANTEES

Save as disclosed in this report, the Group had no other material guarantees as at 30 September 2024.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARY OR ASSOCIATED COMPANY

The Group had no material acquisitions and disposal of subsidiaries and affiliated companies during the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENT

As at 30 September 2024, the Group held one investment with a value above 5% of the total assets of the Group, which is the interests in associates in Kedah Synergy Limited ("**KSL**"), together with its subsidiaries (the "**KSL Group**"), which accounted for approximately 14.5% of the Group's total assets as at 30 September 2024 (the "**Investment in Associates**").

Investment in Associates

The investment in associates mainly 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 2024. 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 2024, the Investment in Associates was approximately HK\$70.6 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. For the six months ended 30 September 2024, share of profit from the KSL Group amounted to approximately HK\$0.6 million (six months ended 30 September 2023: approximately HK\$0.4 million) was recognised in the unaudited condensed consolidated statement of comprehensive income of the Group.

The increase in share of profit was due to the increase in the net profit attributable to the shareholders of the KSL Group from approximately HK\$0.8 million for the six months ended 30 September 2023 to approximately HK\$1.2 million for the six months ended 30 September 2024.

No dividend income from KSL was recognised during the six months ended 30 September 2024. 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.

The amount due from KSL Group as of 30 September 2024 amounted to approximately HK\$0.5 million (31 March 2024: approximately HK\$4.5 million) which represents the Group's share of initial shareholder financing provided to KSL Group to finance its business. Such shareholder financing was provided as the management believes the investment in KSL Group will continue to generate profit for the Group and the business of the KSL Group is in line with the Group's core business.

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 2024.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 September 2024, the Group had 75 full-time employees (31 March 2024: 70). 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

2015 AND 2024 SHARE OPTION SCHEMES

The Company has adopted the 2015 Share Option Scheme and 2024 Share Option Scheme (as defined in the "Corporate Governance" section of this interim report). Under the Share Option Schemes, the Board may in its absolute discretion grant options to the Group's eligible participants to subscribe for its shares. The purpose of the Share Option Schemes is to enable the Company to provide an incentive for the eligible 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 eligible participants whose contributions are or may be beneficial to the growth of our Group.

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 markets, 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, and also the costs of hedging, 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 2024, the gearing ratio of the Group, which is calculated on the basis of the amount of total debts divided by the total equity, was 27.0%, which has decreased from 36.1% as at 31 March 2024.

DIVIDEND

The Board did not recommend the payment of any dividend for the six months ended 30 September 2024. The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM CONVERTIBLE BONDS

The Company entered into a convertible bond subscription agreement on 9 June 2023 with Asia JIT Capital Investment L.L.C. (the “**Subscriber**”) for subscription of convertible bond of aggregate amount of US\$15 million, and the Subscriber and its nominees partially completed subscription of convertible bonds of aggregate principal amount of US\$10 million which were priced the same at face value (gross proceeds of approximately HK\$78 million) on 29 September 2023, with net price/proceeds of approximately HK\$74.5 million. The convertible bonds can be converted into newly issued ordinary shares of the Company at conversion price of HK\$0.330 per share (i.e. a maximum issue of 236,363,636 ordinary shares of the Company) and US\$7.5 million have been converted into 177,272,727 newly issued ordinary shares of the Company on 17 November 2023. The Directors consider raising funds by issuing the convertible bonds is justifiable considering the recent market conditions which represent an opportunity for the Group to enhance its working capital and strengthen its financial position for its business including capital expenditures and potential acquisitions. For details, please refer to the circular of the Company dated 28 June 2023 and the announcements of the Company dated 9 June 2023, 12 June 2023, 24 July 2023, 21 August 2023, 29 September 2023, 17 November 2023 and 31 May 2024.

The table below sets out the application of the proceeds up to 30 September 2024:

Intended use	Intended use of proceeds (HK\$ million)	Actual usage up to 30 September 2024 (HK\$ million)	Unutilised proceeds up to 30 September 2024 (HK\$ million)
Capital expenditure on energy saving projects	59.6	59.6	–
General working capital	14.9	14.9	–
Total	74.5	74.5	–

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

Update on the Scheme of Arrangement

Regarding the second dividend distribution (the **"Dividend"**) that was originally due on 3 July 2024, subsequent to the first Scheme Creditor's meeting (the **"First Meeting"**) held on 15 August 2024, a second Scheme Creditors' Committee meeting (the **"Second Meeting"**) was held on 14 October 2024, whereby the Company provided an update to the Scheme Creditors' Committee on the status of the Company and to discuss the future treatment of the subsequent payments for the Dividend. It was agreed between the Company and the scheme creditors as a result of the First Meeting and the Second Meeting, that (i) the interest will continue to accrue at the scheme interest rate at 2.5% for the unsettled principal amount; (ii) an additional interest equal to 1% per month (the **"Extra Interest"**) on the principal amount of the Dividend to accrue until the Dividend is settled and the interest to be settled together with the Dividend; (iii) a schedule of repayment taking into account of (i) and (ii) has been agreed, whereas approximately HK\$7.6 million, HK\$8.5 million, HK\$8.4 million, and HK\$8.3 million will be settled by October, November, December 2024 and January 2025 respectively; (iv) if the Company cannot fulfill the payment obligation of the schedule set out in (iii), the Extra Interest per month in (ii) will be revised to 1.25% from 1% accordingly. As of the date of this report, HK\$7.6 million has been settled by the Group in accordance to the schedule in (ii).

FUTURE OUTLOOK

Potential secondary listing in Malaysia

The Group has considered a potential secondary listing on Bursa Malaysia Securities Berhad (**"Potential Listing"**) and has appointed qualified and experienced professional parties in Malaysia to commence preparation for the Potential Listing. The Directors expect that by pursuing the Potential Listing, it would provide Malaysian and regional investors easier access to the trading of the Company's shares, which would reflect the value of the shares of the Company and the Company as a whole, and it would also further assist the Company's business development in Malaysia and strengthen its position when dealing with local banking and financial institutions. The improved reputation of the Group would also assist the Group to attract quality personnel for business expansion and operations in Malaysia.

For more details regarding the Potential Listing, please refer to the announcement of the Company dated 20 November 2024.

Business outlook

Energy Saving

Malaysia

The Group's "Light Source in the Darkness" project in Malaysia, (the **"Malaysia Project"**), which helps local condominiums solve their lighting problems and achieve energy efficiency at the same time in the common areas using the Group's energy management contract solution, is receiving a lot of compliments by customers and government support locally.

MANAGEMENT DISCUSSION AND ANALYSIS

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. The Group targets to complete installation of 1 million LED lightings in Selangor by March 2025. The Malaysia Project has also indirectly helped the Group open door to new potential business opportunities with local retail chains, property developers, property management companies, and local government.

Since September 2024, the Group has also successfully secured new local bank financing to support the Malaysia Project and hence the Group expects the deployment of Malaysia Project to accelerate.

Singapore

In November 2024, the Group has entered into strategic partnerships with (i) Primech Holdings Limited (Nasdaq: PMEC), a leading provider of comprehensive technology-driven facilities services serving both public and private sectors throughout Singapore; and (ii) its subsidiary Primech AI, a leading robotics company dedicated to pushing the boundaries of innovation in technology. Primech Holdings Limited will collaborate with the Group to explore and implement cutting-edge energy solutions in Singapore, focusing on enhancing energy efficiency within its extensive facilities management operations. Primech AI and the Group will cooperate on the business development and trial deployment of the Hytron restroom cleaning robot into major properties in Dubai, which aims to evolutionize facility maintenance with cutting-edge robotic technology, improving efficiency and reducing the environmental footprint of cleaning operations.

The Group's collaboration with Primech Holdings and Primech AI (together "**Primech**") represents a significant opportunity to leverage the Group's expertise in energy solutions alongside Primech's innovations in robotic technologies. The Group and Primech share a vision to expand the Group's technological footprint in Singapore and beyond, setting new standards for international collaboration in energy and robotic solutions.

Middle East

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Vertical Farming

In June 2024, the Group entered into a memorandum of understanding ("**MOU**") with Nestlé Products Sdn. Bhd. ("**Nestlé**") and GoBiz Asia Sdn. Bhd. ("**GoBiz**"), the Malaysian operating arm of Nestlé S. A., the world's largest fast-moving consumer goods company. Under the MOU, Unity Group will join hand with Nestlé to establish the VEGGiTY Proof of Concept Model ("**VPM Model**"). Unity Group and GoBiz will be responsible for the delivery, installation, operation, cultivation and management of the VPM Model in Malaysia and ensure the products meet Nestlé's standards, expecting to achieve a stable chili supply by December 2024 or another mutually agreed upon date.



Illustration of the VPM Model

CORPORATE GOVERNANCE

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

As at 30 September 2024, 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 C3 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 5)
WONG Man Fai Mansfield (Note 2)	Interest in controlled corporation	1,832,805,360 (L)	53.216%
	Beneficial owner	92,148,121 (L) (Note 3)	2.675%
CAI Linda Xin Xin	Interest of spouse	1,924,953,481 (L) (Note 4)	55.891%
TSANG Sze Wai Claudius	Beneficial owner	41,856,000 (L)	1.215%
CHEUNG Yick Hung Jackie	Beneficial owner	125,000 (L)	0.004%
CHUNG Koon Yan	Beneficial owner	268,000 (L)	0.008%
WONG Chi Ying Anthony	Beneficial owner	268,000 (L)	0.008%
TANG Warren Louis	Beneficial owner	250,000 (L)	0.007%

Notes:

- The letter "L" denotes the person's long position in such shares respectively.
- Abundance Development Limited and Mpplication Group Limited are 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 and Mpplication Group Limited.
- These shares represented the shares beneficial owned by Mr. WONG Man Fai Mansfield.
- Ms. CAI Linda Xin Xin is the spouse of Mr. WONG Man Fai Mansfield. Under the SFO, 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.
- The total number of issued shares of the Company as at 30 September 2024 was 3,444,111,548.

CORPORATE GOVERNANCE

Save as disclosed above, as at 30 September 2024, 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 2024, 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	1,820,785,360 (L)	52.867%
Mpplication Group Limited (Note 3)	Beneficial owner	12,020,000 (L)	0.349%
Asia JIT Capital Investment L.L.C. (Note 4)	Beneficial owner	354,545,454 (L)	10.294%
Adel Abdulhameed Ibrahim Abdulla Alhosani (Note 4)	Interest of controlled corporation	354,545,454 (L)	10.294%
Ancient Wisdom Limited (Note 5)	Person having a security interest in shares	1,240,547,360 (L)	36.019%
WU Shang Tun Mason (Note 5)	Interest of controlled corporation	1,240,547,360 (L)	36.019%

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. 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 might be issued upon full conversion of the convertible bond issued by the Company.

On 29 September 2023, Asia JIT Capital Investment L.L.C. and its nominees partially completed subscription of convertible bonds of aggregate principal amount of US\$10,000,000, which could be converted into newly issued ordinary shares of the Company at conversion price of HK\$0.330 per share (i.e. a maximum issue of 236,363,636 ordinary shares of the Company) and US\$7,500,000 have been converted into 177,272,727 issued ordinary shares of the Company on 17 November 2023.

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.

5. 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.
6. The total number of issued shares of the Company as at 30 September 2024 was 3,444,111,548.

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

2015 SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 5 March 2015 (which was amended on 26 October 2016) ("**2015 Share Option Scheme**"). Under the 2015 Share Option Scheme, the Board might 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 2015 Share Option Scheme was 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 were or might 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 2023/2024 Annual Report.

CORPORATE GOVERNANCE

The following tables discloses movements in the Company's share options during the six months ended 30 September 2024:

Number of share options														
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	Outstanding as at 1 April 2024	Granted during the period	Exercised during the period	Weighted average closing price of the shares immediately before the dates on which the options were exercised	Lapsed/ forfeited during the period	Cancelled during the period	Outstanding as at 30 September 2024	
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	0.44	-	-	-	
TSANG Sze Wai Claudius	8 December 2023	8 December 2023 to 7 December 2024	8 December 2024 to 7 December 2027	0.601	0.600	N/A	23,856,000	-	-	-	-	-	23,856,000	
CHUNG Koon Yan	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.158	N/A	125,000	-	125,000	0.41	-	-	-	
CHEUNG Yick Hung Jackie	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.158	N/A	125,000	-	125,000	0.41	-	-	-	
WONG Chi Ying Anthony	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.158	N/A	125,000	-	125,000	0.41	-	-	-	
TANG Warren Louis	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.158	N/A	125,000	-	125,000	0.41	-	-	-	
Employees														
Employees in aggregate	12 December 2022	-	12 December 2022 to 11 December 2024	0.172	0.158	N/A	24,406,000	-	-	-	-	-	24,406,000	
			12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.158	N/A	8,750,000	-	6,750,000	0.41	-	-	2,000,000
	20 March 2023	20 March 2023 to 19 March 2024	20 March 2024 to 19 March 2026	0.139	0.139	Nil	4,500,000	-	4,500,000	0.44	-	-	-	
	8 December 2023	8 December 2023 to 7 December 2024	8 December 2024 to 7 December 2027	0.601	0.600	Nil	28,656,000	-	-	-	-	-	28,656,000	
		8 December 2023 to 7 December 2025	8 December 2025 to 7 December 2027	0.601	0.600	Nil	4,800,000	-	-	-	-	-	4,800,000	
		8 December 2023 to 7 December 2026	8 December 2026 to 7 December 2027	0.601	0.600	Nil	4,900,000	-	-	-	-	-	4,900,000	
							124,224,680	-	35,606,680	-	-	-	88,618,000	

CORPORATE GOVERNANCE

As at 1 April 2024 and 30 September 2024, the total number of share options available for grant under the 2015 Share Option Scheme were 57,930,120 shares.

Given that no share option had been granted under the 2015 Share Option Scheme during the six months ended 30 September 2024, 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 2015 Share Option Scheme during the six months ended 30 September 2024 divided by the weighted average number of ordinary shares in issue of the Company for the six months ended 30 September 2024.

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 30 October 2024, the 2015 Share Option Scheme was terminated in accordance to the terms of the 2015 Share Option Scheme and replaced by the 2024 Share Option Scheme (as defined below) for the purpose of, among other things, reflecting the latest changes and requirements under Chapter 17 of the Listing Rules.

According to the terms of the 2015 Share Option Scheme, no further options might be granted after termination but in all other respects, the provisions of the 2015 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination. Share options granted under the 2015 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2015 Share Option Scheme.

2024 SHARE OPTION SCHEME

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 30 October 2024, the Company has adopted a share option scheme ("**2024 Share Option Scheme**"). The 2024 Share Option Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 1 November 2024.

Following the grant of share options on 10 December 2024 (for details, please refer to the Company's announcement dated 10 December 2024), as at the date of this Interim Report, the total number of share options available for issue under the 2024 Share Option Scheme was 177,687,154 shares, representing approximately 5.16% of the total issued shares of the Company as at the date of this Interim Report (i.e. 3,444,111,548 shares).

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 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 30 September 2024, 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 2024.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

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 C1 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 2024, 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 provision C.2.1 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 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

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 C3 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 2024 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 on 5 March 2025 with its defined written terms of reference (which was revised in November 2018) 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 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 2024 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

- Director's Position Held

Ms. CAI Linda Xin Xin was appointed as a non-executive Director with effect from 31 July 2024.

- Director's Fee

Ms. CAI Linda Xin Xin agreed to reduce her director's remuneration from HK\$396,000 per annum to HK\$66,000 per annum with effect from 1 September 2024.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

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 2024 together with the comparative figures for the corresponding period in 2023 as follows:

	Notes	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)*
Revenue	4	76,056	40,197
Cost of sales		(37,242)	(13,370)
Gross profit		38,814	26,827
Other income and expenses, net	5	19,312	14,064
Administrative expenses		(24,189)	(17,312)
Selling and distribution expenses		(3,259)	(2,490)
Finance costs	6	(4,191)	(1,764)
Share of results of associates		586	360
Profit before income tax	7	27,073	19,685
Income tax expense	8	(2,089)	(2,428)
Profit for the period		24,984	17,257
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of financial statements of foreign operations		2,755	(596)
Share of other comprehensive income of associates		(4)	63
Other comprehensive income/(loss) for the period, net of tax		2,751	(533)
Total comprehensive income for the period		27,735	16,724

* Certain adjustment are made to conform with the audited results of the year ended 31 March 2024.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)*
Profit for the period attributable to:			
Owners of the Company		20,293	17,172
Non-controlling interests		4,691	85
		24,984	17,257
Total comprehensive income for the period attributable to:			
Owners of the Company		22,392	16,497
Non-controlling interests		5,343	227
		27,735	16,724
Earnings per share attributable to owners of the Company	10		
– Basic (HK cent)		0.59	0.62
– Diluted (HK cent)		0.59	0.60

* Certain adjustment are made to conform with the audited results of the year ended 31 March 2024.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	5,321	2,535
Interests in associates		70,602	70,020
Equity investment at fair value through profit or loss ("FVTPL")		11,100	10,800
Trade receivables	12	10,884	10,223
Finance lease receivables		61,128	40,685
Deposits		824	781
Pledged deposits		2,561	904
Deferred tax assets		45,754	47,843
		208,174	183,791
Current assets			
Inventories		3,193	4,204
Trade receivables	12	258,819	193,653
Finance lease receivables		5,114	3,048
Deposits, prepayments and other receivables		40,874	47,308
Amount due from associates		453	4,470
Cash and cash equivalents		4,761	31,908
		313,214	284,591
Current liabilities			
Trade payables	13	5,175	11,110
Contract liabilities		-	258
Accruals, other payables and deposits received		41,896	37,861
Borrowings	14	25,493	17,417
Lease liabilities		2,625	1,048
Amount due to a related company		2,212	1,514
Amount due to a director		866	85
Amounts due to the scheme creditors	15	62,467	29,768
Convertible bonds	16	-	12,923
		140,734	111,984
Net current assets		172,480	172,607
Total assets less current liabilities		380,654	356,398

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Non-current liabilities			
Deposits received		774	802
Lease liabilities		2,841	1,158
Amounts due to the scheme creditors	15	10,999	40,328
		14,614	42,288
Net assets		366,040	314,110
CAPITAL AND RESERVES			
Share capital	17	34,441	33,494
Reserves		334,050	288,410
Equity attributable to owners of the Company		368,491	321,904
Non-controlling interests		(2,451)	(7,794)
Total equity		366,040	314,110

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company									
	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	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
Issue of shares for settlement of amounts due to the scheme creditors	7,300	379,632	-	(282,534)	-	-	-	104,398	-	104,398
Transaction costs on issue of shares	-	(3,532)	-	-	-	-	-	(3,532)	-	(3,532)
Equity-settled share option arrangements	-	-	1,199	-	-	-	-	1,199	-	1,199
Shares issued under share option scheme	564	9,118	(3,514)	-	-	-	-	6,168	-	6,168
Release of share option reserve upon the forfeiture or lapse of share options	-	-	(99)	-	-	-	99	-	-	-
Profit for the period	-	-	-	-	-	-	17,172	17,172	85	17,257
Other comprehensive (loss)/income for the period:										
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 (loss)/income for the period	-	-	-	-	-	(675)	17,172	16,497	227	16,724
At 30 September 2023 (Unaudited) (Restated)	31,721	950,416	3,032	(275,146)	12,183	(474)	(459,284)	262,448	(10,839)	251,609
At 1 April 2024 (Audited)	33,494	1,009,411	10,284	(275,146)	12,183	(253)	(468,069)	321,904	(7,794)	314,110
Issue of shares upon conversion of convertible bonds	591	13,176	-	-	-	-	-	13,767	-	13,767
Equity-settled share option arrangements	-	-	9,247	-	-	-	-	9,247	-	9,247
Shares issued under share option scheme	356	3,659	(2,834)	-	-	-	-	1,181	-	1,181
Profit for the period	-	-	-	-	-	-	20,293	20,293	4,691	24,984
Other comprehensive income/(loss) for the period:										
Exchange difference arising on translation of financial statements of foreign operations	-	-	-	-	-	2,103	-	2,103	652	2,755
Share of other comprehensive loss of associates	-	-	-	-	-	(4)	-	(4)	-	(4)
Total comprehensive income for the period	-	-	-	-	-	2,099	20,293	22,392	5,343	27,735
At 30 September 2024 (Unaudited)	34,441	1,026,246	16,697	(275,146)	12,183	1,846	(447,776)	368,491	(2,451)	366,440

* These reserve accounts comprise the consolidated reserves of approximately HK\$334,050,000 in the unaudited condensed consolidated statement of financial position as at 30 September 2024 (31 March 2024: approximately HK\$288,410,000).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Cash flows from operating activities		
Profit before income tax	27,073	19,685
Adjustments for:		
Interest income	(272)	(372)
Interest expense	4,191	1,764
Depreciation of property, plant and equipment	1,385	1,326
Equity-settled share option expense	9,247	1,199
Fair value (gain)/loss on equity investment at FVTPL	(300)	1,589
Gain on disposal of property, plant and equipment	(1)	-
Gain on early termination of lease	-	(13)
Reversal of impairment loss of financial assets	(8,461)	(15,284)
Amortisation of deferred day-one loss in relation to convertible bonds	1,540	-
Change in fair value through profit or loss in relation to convertible bonds	(696)	-
Share of results of associates	(586)	(360)
(Reversal of)/provision for warranty, net	(118)	66
Write-off of inventories	13	-
Write-off of trade and other payables	(838)	-
Operating cash flows before movements in working capital	32,177	9,600
Change in inventories	998	(1,452)
Change in trade receivables	(57,242)	(14,997)
Change in finance lease receivables	(22,633)	(8,758)
Change in deposits, prepayments and other receivables	6,590	(5,856)
Change in trade payables	(5,935)	4,676
Change in amount due to a related company	698	(184)
Change in contract liabilities	(258)	-
Change in accruals, other payables and deposits received	4,967	(4,533)
Net cash used in operating activities	(40,638)	(21,504)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Cash flows from investing activities		
Purchases of property, plant and equipment	(4)	(39)
Repayments from an associate	4,017	4,831
Interest received	55	173
Placement of pledged deposits	(1,482)	(1,050)
Net cash generated from investing activities	2,586	3,915
Cash flows from financing activities		
Proceeds from share options arrangements	1,182	6,167
Payments for transaction costs on issue of shares	-	(3,533)
Proceeds from issue of convertible bonds	-	77,500
Interest paid on borrowings	(677)	(624)
Interest element on lease payments	(144)	(47)
Capital element of lease payments	(903)	(1,299)
Proceed from borrowings	8,346	10,434
Repayment of borrowings	(1,161)	(760)
Redemption of financial liabilities at FVTPL	-	(3,558)
Advances from a director	3,262	4,962
Repayments to a director	(2,481)	(6,331)
Net cash generated from financing activities	7,424	82,911
Net (decrease)/increase in cash and cash equivalents	(30,628)	65,322
Cash and cash equivalents at beginning of the period	31,908	11,090
Effect of foreign exchange rate changes	3,481	(737)
Cash and cash equivalents at end of the period	4,761	75,675

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 Company’s share are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

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.

The directors of the Company considered the Company’s ultimate holding company as at 31 March 2024 is Abundance Development Limited, a company established in Hong Kong and its ultimate controlling party is Mr. Wong Man Fai Mansfield (“**Mr. Mansfield Wong**”).

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 2024 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 2024, as disclosed in the annual financial statements for the year ended 31 March 2024. 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 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

(b) New or amended HKFRSs in issue but are not yet effective

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 21 and HKFRS 1	Lack of Exchangeability (amendments) ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments) ²
Amendments to HKFRS 18	Presentation and Disclosure in Financial Statements (new standard) ³
Amendments to Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments) ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments) ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of these new or amended HKFRSs will not result in significant impact on the Group's consolidated financial performance and positions and/or the disclosures to the unaudited condensed financial statements.

(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 ended 30 September 2024 and 2023.

	Leasing service of energy saving systems and products 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 2024 (Unaudited)					
Revenue from external customers	21,784	54,272	-	-	76,056
Reportable segment profit	10,799	15,615	15,491	-	41,905
Depreciation	107	-	-	-	107
Provision for/(reversal of) impairment loss of financial assets	1,899	5,231	(15,591)	-	(8,461)
Finance cost	517	-	-	-	517
As at 30 September 2024 (Unaudited)					
Reportable segment assets	90,653	217,617	54,462	12	362,744
Reportable segment liabilities	25,193	12,684	16	19	37,912

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

	Leasing service of energy saving systems and products 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)					
(Restated)					
Revenue from external customers	15,186	16,909	8,102	-	40,197
Reportable segment profit/(loss)	4,629	19,054	7,621	19	31,323
Depreciation	500	-	-	-	500
Provision for/(reversal of) impairment loss of financial assets	(599)	15,843	20	20	15,284
Finance cost	466	-	-	-	466
As at 31 March 2024 (Audited)					
Reportable segment assets	66,915	168,682	38,871	13	274,481
Reportable segment liabilities	29,162	4,943	16	18	34,139

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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Profit or loss		
Reportable segment profit	41,905	31,323
Unallocated corporate income (note)	2,932	(1,235)
Unallocated corporate expenses (note)	(14,676)	(9,465)
Unallocated finance costs	(3,674)	(1,298)
Share of results of associates	586	360
Profit before income tax	27,073	19,685

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 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Reportable segment assets	362,744	274,481
Interests in associates	70,602	70,020
Equity investment at FVTPL	11,100	10,800
Cash and cash equivalents	4,761	31,908
Amount due from associates	453	4,470
Deferred tax assets	45,753	47,843
Other corporate assets	25,975	28,860
Group assets	521,388	468,382
Reportable segment liabilities	37,912	34,139
Borrowings	8,670	8,787
Lease liabilities	5,466	2,206
Amount due to a related company	2,212	1,514
Amount due to a director	866	85
Amounts due to the scheme creditors	73,466	70,096
Convertible bonds	–	12,923
Other corporate liabilities (note)	26,756	24,522
Group liabilities	155,348	154,272

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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Hong Kong (domiciled)	32	35
Japan	26,209	8,726
Malaysia	21,744	15,102
Indonesia	35	340
Macau	–	8,102
Australia	27,787	7,867
Other overseas locations	249	25
	76,056	40,197

The Group's non-current assets are 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 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Hong Kong (domiciled)	74,767	71,815
Malaysia	882	461
Others	274	279
	75,923	72,555

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:

	Revenue from external customers Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Customer A [*]	26,209	8,726
Customer B ^{**}	N/A	8,102
Customer C [#]	27,787	7,867

* Attributable to segment of trading of energy saving products

** Attributable to segment of consultancy service

N/A Revenue from the relevant customer was less than 10% of the Group total revenue for the reporting period

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE

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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue from contracts with customer within the scope of HKFRS 15		
Trading of energy saving products	54,272	16,909
Consultancy service income	–	8,102
	54,272	25,011
Revenue from other sources		
Leasing service income	21,784	15,186
Total	76,056	40,197

5. OTHER INCOME AND EXPENSES, NET

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Interest income		
– from bank deposits	73	173
– from other receivables	199	199
	272	372
Reversal of impairment loss of financial assets, net	8,461	15,284
Amortisation of deferred day-one loss in relation to convertible bonds	696	–
Change in FVTPL in relation to convertible bonds	(1,540)	–
Fair value gain/(loss) on equity investment at FVTPL	300	(1,589)
Net foreign exchange gain	10,286	–
Others	837	(3)
	19,312	14,064

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest expenses for financial liabilities carried at amortised cost:		
Interest on amounts due to the scheme creditors	3,369	894
Interest on borrowings	677	624
Interest on other payables	1	1
Interest on lease liabilities	144	47
	4,191	1,566
Interest on financial liabilities at FVTPL	-	198
	4,191	1,764

7. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Cost of inventories recognised as expenses		
– Cost of inventories sold	34,695	10,701
– Write-off of inventories	13	-
	34,708	10,701
Depreciation of property, plant and equipment		
– Owned assets	108	265
– Right-of-use assets	1,278	1,061
	1,386	1,326
Employee benefit expenses (including directors' remuneration)		
– Salaries and welfare	9,503	8,407
– Equity-settled share option expense	9,247	1,199
– Defined contributions	661	567
	19,411	10,173
(Reversal of)/provision for warranty, net	(118)	66
Reversal of impairment loss of financial assets, net	(8,461)	(15,284)
Fair value (gain)/loss on equity investment at FVTPL	(300)	1,589
Net foreign exchange (gain)/losses	(10,286)	1,981

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. INCOME TAX EXPENSE

Income tax expense in the unaudited condensed consolidated statement of comprehensive income represents:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax		
– Current period	–	–
Deferred tax		
– Current period	2,089	2,428
Income tax expense	2,089	2,428

Hong Kong profits tax is calculated at the rate of 16.5% (six months ended 30 September 2023: 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 2023: 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.

9. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the weighted average number of shares in issued during the period, calculated as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Profit attributable to owners of the Company	20,293	17,172

	Six months ended 30 September	
	2024 '000 (Unaudited)	2023 '000 (Unaudited) (Restated)
Weighted average number of ordinary shares		
Issued ordinary shares at the beginning of the period	3,349,414	2,385,668
Effect of shares issued for settlement of amounts due to the scheme creditors	-	377,065
Effect of shares options exercised	22,274	28,453
Effect of conversion of convertible bonds	39,610	-
Weighted average number of ordinary share at the end of the period	3,411,298	2,791,186
	HK cent	HK cent
Basic earnings per share	0.59	0.62

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the diluted profit attributable to owners of the Company and the diluted weighted average number of shares in issued during the period, calculated as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Profit attributable to owners of the Company	20,293	17,172
Effect of change in FVTPL in relation to convertible bonds	(696)	-
Effect of amortisation of deferred day-one loss in relation to convertible bonds	1,540	-
Profit attributable to owners of the Company (diluted)	21,137	17,172

	Six months ended 30 September	
	2024 '000 (Unaudited)	2023 '000 (Unaudited) (Restated)
Weighted average number of ordinary shares (diluted)		
Weighted average number of shares for the purpose of calculating basic earnings per share	3,411,298	2,791,186
Effect of dilutive potential shares on convertible bonds	-	13,655
Effect of dilutive potential shares on share options	25,782	47,130
Weighted average number of shares for the purpose of calculating diluted earnings per share (diluted)	3,437,080	2,851,971
	HK cent	HK cent
Diluted earnings per share	0.59	0.60

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired items of property, plant and equipment at cost of approximately HK\$4,000 (six months ended 30 September 2023: approximately HK\$39,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. TRADE RECEIVABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Trade receivables	555,089	497,652
Less: Provision for impairment loss	(285,386)	(293,776)
Trade receivables, net	269,703	203,876
Classified as:		
Non-current assets	10,884	10,223
Current assets	258,819	193,653
	269,703	203,876

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 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
0 to 30 days	1,288	19,716
31 to 90 days	1,291	2,985
91 to 180 days	55,692	10,623
181 to 365 days	18,543	32,405
Over 365 days	192,889	138,147
	269,703	203,876

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. TRADE PAYABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Trade payables	5,175	11,110

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

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
0 to 30 days	110	3,378
31 to 90 days	79	44
91 to 180 days	82	4,931
181 to 365 days	2,549	460
Over 365 days	2,355	2,297
	5,175	11,110

14. BORROWINGS

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Secured and guaranteed bank loans:		
Amounts repayable on demand (a)	9,237	-
Unsecured and guaranteed bank loans:		
Amounts repayable on demand (b)	8,670	8,787
Secured and guaranteed other loans:		
Amounts repayable on demand (c)	7,586	8,630
Total borrowings classified as current liabilities	25,493	17,417

Notes:

- (a) As at 30 September 2024, the bank borrowings of approximately RM4,900,000 (equivalent to approximately HK\$9,237,000) (31 March 2024: nil) was under (i) corporate guarantee by the Company at the amount of banking facilities of RM50,000,000 (equivalent to approximately HK\$90,000,000); (ii) by the assignment over the lease contracts entered into the leasing of the Ultra LED equipment financed by the relevant Banking Facility and (iii) by the assignment over the lease revenue in relation to the leasing of the Ultra LED equipment financed by the relevant Banking Facility. It was secured by finance lease receivables of approximately RM3,427,000 (equivalent to approximately HK\$6,460,000) (31 March 2024: nil), trade receivables of approximately RM95,000 (equivalent to approximately HK\$180,000) (31 March 2024: nil), and bank deposit of approximately RM870,000 (equivalent to approximately HK\$1,640,000) (31 March 2024: nil).
- (b) As at 30 September 2024, the bank borrowing of approximately HK\$8,670,000 (31 March 2024: approximately HK\$8,787,000) was under personal guarantee from Mr. Mansfield Wong and the guarantee from the Government of Hong Kong.
- (c) As at 30 September 2024, other loans of approximately HK\$7,586,000 (31 March 2024: approximately HK\$8,630,000) was secured by the finance lease receivables of approximately HK\$14,395,000 (31 March 2024: approximately HK\$13,088,000), trade receivables of approximately HK\$788,000 (31 March 2024: approximately HK\$561,000), pledged deposit of approximately HK\$922,000 (31 March 2024: approximately HK\$904,000) and was under personal guarantee from Mr. Mansfield Wong.

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 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within one year	3,215	2,322
After one year but within two years	4,853	2,633
After two years but within five years	12,710	7,190
After five years	4,715	5,272
	25,493	17,417

15. AMOUNTS DUE TO SCHEME CREDITORS

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Current liabilities	62,467	29,768
Non-current liabilities	10,999	40,328
	73,466	70,096

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within one year	62,467	29,768
After one year but within two years	10,999	40,328
	73,466	70,096

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. AMOUNTS DUE TO SCHEME CREDITORS (Continued)

Note:

The Company initiated the debt restructuring scheme (the “**Scheme**”) in the previous years. All necessary statutory, regulatory, and creditors’ approvals have been obtained during the year ended 31 March 2023. The Scheme became effective and had been approved for further proceeding on 21 February 2023. All admitted claims owed 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 terms of the Scheme, as well as the date fixed by the Scheme Administrators for the first distribution date of the Scheme, 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 first distribution date of the Scheme, i.e. 3 July 2024 (the “**Second Dividend Distribution**”);
- (3) 40% of total outstanding principal prior to the second anniversary of the first distribution date of the Scheme, i.e. 3 July 2025; and
- (4) 15% of total outstanding principal at the end of the Scheme, i.e. 31 January 2026.

The first distribution took place on 3 July 2023, 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 first distribution date of the Scheme.

Under equity option, the Company would 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\$104,398,000 as at 31 March 2023 had elected the equity option. For the remaining balances of approximately HK\$69,708,000, those balances would be settled by cash according to the abovementioned schedule.

During the year ended 31 March 2024, the abovementioned settlement shares had been approved by independent shareholders in an extraordinary general meeting on 15 June 2023 and become unconditional for allotment and issuance. On 28 June 2023, approximate 730,061,000 settlement shares were allotted and issued to the relevant scheme creditors and balances of approximately HK\$104,398,000 had been settled.

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.

Regarding the Second Dividend Distribution (the “**Dividend**”) that was originally due on 3 July 2024, subsequent to the first Scheme Creditor’s meeting (the “**First Meeting**”) held on 15 August 2024, a second Scheme Creditors’ Committee meeting (the “**Second Meeting**”) was held on 14 October 2024, whereby the Company provided an update to the Scheme Creditors’ Committee on the status of the Company and to discuss the future treatment of the subsequent payments for the Dividend. It was agreed between the Company and the scheme creditors as a result of the First Meeting and the Second Meeting, that (i) the interest will continue to accrue at the scheme interest rate at 2.5% for the unsettled principal amount; (ii) an additional interest equal to 1% per month (the “**Extra Interest**”) on the principal amount of the Dividend to accrue until the Dividend is settled and the interest to be settled together with the Dividend; (iii) a schedule of repayment taking into account of (i) and (ii) has been agreed, whereas approximately HK\$7.6 million, HK\$8.5 million, HK\$8.4 million, and HK\$8.3 million will be settled by October, November, December 2024 and January 2025 respectively; (iv) if the Company cannot fulfill the payment obligation of schedule set out in (iii), the Extra Interest per month in (ii) will be revised to 1.25% from 1% accordingly. As of the date of this report, HK\$7.6 million has been settled in accordance to the schedule in (ii).

Abundance Development Limited, a company wholly owned by Mr. Mansfield Wong, executive Director and the controlling shareholder of the Company, is a beneficial owner of a portion of the amounts due under the Scheme amounted to approximately HK\$43.7 million.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. CONVERTIBLE BONDS

On 29 September 2023, the Company issued convertible bonds (the "**Bonds**") in an aggregate principal amount of US\$10,000,000 with a maturity of 24 months (the "**Maturity Date**"). The Bonds shall bear interest at 8% per annum but no interest shall be payable thereon if and to the extent conversion right is exercised. Holders of the Bonds (the "**Bondholders**") 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 (the "**Conversion Price**") at any time during the period commencing from the issuance date of the Bonds to the Maturity Date. In addition, if the average closing price per share as stated in the daily quotation sheet issued by the Stock Exchange for 20 consecutive trading days during the period commencing from the issuance date of the Bonds to the Maturity Date is equal to or exceeds 150% of the Conversion Price, the Bondholders must exercise the mandatory conversion right of the Bonds.

The principal amount of the Bonds which remains outstanding on the Maturity Date shall be automatically redeemed by the Company on the Maturity Date (the "**Mandatory Conversion**") of the Bonds at its outstanding principal amount, plus interest calculated at the rate of 8% per annum on the principal amount from the date of issue of the Bonds up to and including the day the Company fully pays the redemption price to the Bondholders.

The shares to be allotted and issued upon conversion of the Bonds will be duly and validly issued as fully paid and free from any encumbrance and will rank at least pari passu with all other shares then in issue. The Bonds are secured by charge over certain receivables of a subsidiary of the Company to secure the performance of the Bonds.

The Bonds are hybrid contracts that contain liability component and embedded derivative component. The Company designated the entire Bonds as at fair value through profit or loss. The fair value as of the issue date of the Bonds was approximately US\$19,698,000 (equivalent to approximately HK\$152,659,000). The day-one loss of approximately HK\$75,159,000, which represented the difference between the nominal value and the fair value of the Bonds at the issue date, is not recognised in profit or loss immediately but is deferred. The deferred day-one loss will be amortised over the term of the Bonds and included in "other income and expenses, net" in profit or loss.

On 31 May 2024, the Bonds with an aggregate principal amount of US\$2,500,000 (equivalent to approximately HK\$19,375,000) were converted into approximately 59,091,000 newly issued shares of the Company upon Mandatory Conversion.

	Financial liabilities at FVTPL HK\$'000	Deferred day-one loss HK\$'000	Total HK\$'000
At 1 April 2023	-	-	-
Issuance of convertible bonds	152,659	(75,159)	77,500
Amortisation of deferred day-one loss	-	8,638	8,638
Conversion of convertible bonds	(111,356)	52,533	(58,823)
Change in fair value through profit and loss	(14,392)	-	(14,392)
At 31 March 2024 (Audited) and 1 April 2024	26,911	(13,988)	12,923
Amortisation of deferred day-one loss	-	1,540	1,540
Conversion of convertible bonds	(26,215)	12,448	(13,767)
Change in fair value through profit and loss	(696)	-	(696)
At 30 September 2024 (Unaudited)	-	-	-

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. SHARE CAPITAL

	Notes	Number of shares '000	Amount HK\$'000
Authorised:			
Ordinary shares of HK\$0.01 each			
At 1 April 2023, 31 March 2024 and 1 April 2024 and 30 September 2024		50,000,000	500,000
Issued and fully paid:			
At 1 April 2023		2,385,668	23,857
Issue of shares for settlement of amounts due to the scheme creditors		730,061	7,300
Issue of shares under share option scheme		56,412	564
Issue of share upon conversion of convertible bonds		177,273	1,773
At 31 March 2024 (Audited) and 1 April 2024		3,349,414	33,494
Issue of shares under share option scheme		35,607	356
Issue of share upon conversion of convertible bonds	(a)	59,091	591
At 30 September 2024 (Unaudited)		3,444,112	34,441

Notes:

(a) On 31 May 2024, Bonds of US\$2,500,000 have been converted to share capital of the Company amounted to approximately 59,091,000 shares.

18. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Computer software consultancy service fees paid to a related company	168	187

(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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term employee benefits	2,336	2,063
Equity-settled share option expense	4,144	1,642
	6,480	3,705



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