



UNITY GROUP
知行集團

2022/23
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 19 December 2022)

DIRECTORS

Executive Director

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

Non-executive Director

Mr. Tsang Sze Wai Claudius

Independent non-executive Directors

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

BOARD COMMITTEES

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

COMPANY SECRETARY

Mr. Wong Ho Kwan

AUTHORISED REPRESENTATIVES

Mr. Wong Man Fai Mansfield
Mr. Wong Ho Kwan

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

CORPORATE INFORMATION

(As at 19 December 2022)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG LEGAL ADVISER

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

AUDITOR

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

PRINCIPAL BANKER

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

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

STOCK CODE

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

COMPANY WEBSITE

unitygroup.eco

INVESTOR ENQUIRY HOTLINE

Tel: (852) 2121 8033

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info@unitygroup.eco



FINANCIAL HIGHLIGHTS

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue		
Leasing services of energy saving systems	3,310	3,710
Trading of energy saving products	2,272	25,953
Consultancy service	-	9,185
	5,582	38,848
Gross profit		
EBITDA (Note 1)	2,445	18,792
EBIT (Note 1)	(58,156)	(47)
	(59,565)	(2,655)
Loss attributable to owners of the Company	(62,240)	(21,720)
Basic loss per share (HK cents)	(2.6)	(1.4)
Diluted loss per share (HK cents)	(2.6)	(1.4)
Adjusted loss attributable to owners of the Company excluding some major extraordinary or non-operating income and expenses (Note 2)	(23,478)	(10,636)
Basic loss per share (HK cents)	(1.0)	(0.7)
Diluted loss per share (HK cents)	(1.0)	(0.7)
	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Total assets	355,733	417,811
Total liabilities	273,737	272,170
Net assets	81,996	145,641

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 loss after excluding some major extraordinary or non-operating income and expenses as defined by the Group's management, the details of which can be referred to page 8 of this report.

FINANCIAL HIGHLIGHTS

- The Group's revenue decreased by 85.6% from approximately HK\$38.8 million for the six months ended 30 September 2021 to approximately HK\$5.6 million for the six months ended 30 September 2022.
- The Group's gross profit decreased by 87.2% from approximately HK\$18.8 million for the six months ended 30 September 2021 to approximately HK\$2.4 million for the six months ended 30 September 2022.
- The Group's loss attributable to the owners of the Company amounted to approximately HK\$21.7 million for the six months ended 30 September 2021 while the loss attributable to the owners of the Company amounted to approximately HK\$62.2 million for the six months ended 30 September 2022.
- Excluding some major extraordinary or non-operating income and expenses, the Group's adjusted loss attributable to the owners of the Company amounted to approximately HK\$10.6 million for the six months ended 30 September 2021 while the adjusted loss attributable to the owners of the Company amounted to approximately HK\$23.5 million for the six months ended 30 September 2022.
- Basic or diluted loss per share was approximately HK1.4 cents for the six months ended 30 September 2021 while basic or diluted loss per share was approximately HK2.6 cents for the six months ended 30 September 2022. Adjusted basic or diluted loss per share calculated with reference to adjusted loss was approximately HK0.7 cents for the six months ended 30 September 2021 while adjusted basic or diluted loss per share calculated with reference to adjusted loss was approximately HK1.0 cents for the six months ended 30 September 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit

The total revenue of the Group was approximately HK\$5.6 million for the six months ended 30 September 2022, representing a decrease of approximately 85.6% as compared to that for the six months ended 30 September 2021. The decrease in revenue was mainly attributable to (i) the decrease in revenue in the trading of energy saving products segment by approximately 91.2% as the clients (including our associated company) have substantially finished their deployment in their lighting works and as such reduced their purchase of lighting products from the Group; and (ii) the decrease in revenue in the consultancy service segment from HK\$9.2 million during the six months ended 30 September 2021 to nil for the six months ended 30 September 2022 as there were no relevant services contracts for the period. Gross profit margin decreased from approximately 48.4% for the six months ended 30 September 2021 to approximately 43.8% for the six months ended 30 September 2022. The decrease was mainly due to the decrease in revenue in the consultancy service segment which has a much higher gross profit ratio than the trading of energy saving products segment.

The situation is expected to improve as the Group continues its efforts in the project in Malaysia in relation to the collaboration with Malaysian state government agency to achieve green initiatives (please refer to the Company's announcements dated 17 February 2022 and 13 July 2022 for details) and other business opportunities.

Other income and gains

The other income and gains of the Group was approximately HK\$0.5 million for the six months ended 30 September 2022, representing a decrease of approximately 68.8% from approximately HK\$1.6 million for the six months ended 30 September 2021. The decrease in other income and gains was mainly due to the decrease in net foreign exchange gain from approximately HK\$1.2 million for the six months ended 30 September 2021 to nil for the six months ended 30 September 2022, as the net foreign exchange difference was a loss during the six months ended 30 September 2022 and such loss was charged as administrative expenses.

Selling and distribution costs

The Group's selling and distribution costs for the six months ended 30 September 2022 were approximately HK\$3.0 million, representing an increase of approximately 114.3% from approximately HK\$1.4 million for the six months ended 30 September 2021. The increase was mainly due to the increase of advertising expenses by approximately HK\$1.1 million during the six months ended 30 September 2022. The increase of advertising expenses was mainly attributable to the Group's marketing efforts for the re-branding of the Group and in the projects in Malaysia.



MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

The Group's administrative expenses for the six months ended 30 September 2022 were approximately HK\$18.5 million, representing an increase of approximately 74.5% from approximately HK\$10.6 million for the six months ended 30 September 2021. The increase in administrative expenses was mainly attributable to (i) the foreign exchange loss of approximately HK\$4.4 million which was mainly due to the depreciation of Indonesian rupiah against Hong Kong dollar during the six months ended 30 September 2022; (ii) the increase in legal and professional fee of approximately HK\$1.8 million due to the preparation for a proposed scheme of arrangement between the Company and its creditors; and (iii) the increase in staff cost by approximately HK\$1.0 million, as a result of increase in number of staff in the Group.

Finance costs

The Group's finance costs were approximately HK\$12.1 million for the six months ended 30 September 2022, representing a decrease of approximately 46.5% from approximately HK\$22.6 million for the six months ended 30 September 2021. The decrease was mainly due to the decrease of interest expenses on notes payables and borrowings from approximately HK\$5.2 million and HK\$10.0 million respectively for the six months ended 30 September 2021 to approximately HK\$0.7 million and HK\$4.0 million respectively for the six months ended 30 September 2022, as a result of reduction of relevant interest-bearing debts.

Other expenses

The Group's other expenses increased to approximately HK\$41.7 million for the six months ended 30 September 2022 from approximately HK\$15.3 million for the six months ended 30 September 2021.

The increase of approximately HK\$26.4 million was mainly due to the increase of the provision for expected credit loss from HK\$15.2 million for the six months ended 30 September 2021 to HK\$41.7 million for the six months ended 30 September 2022 which was mainly due to longer ageing of trade receivables using the same set of expected credit loss rates applied as at 31 March 2022.

The situation is expected to improve in the near future as the Group is in active discussion with the relevant clients and is putting its best efforts to accelerate the recovery of aged trade receivables from these clients.

Income tax credit

The Group's income tax credit for the six months ended 30 September 2022 was approximately HK\$9.8 million while the Group's income tax credit for the year ended 30 September 2021 was approximately HK\$3.0 million. The increase is the result of estimated tax impact as a result of the increase of the provision for expected credit loss.

Share of results of associates

The Group's share of results of associates for the six months ended 30 September 2022 was approximately HK\$0.8 million while the Group's share of results of associates for the six months ended 30 September 2021 was approximately HK\$4.2 million. The decrease was mainly due to the decrease in sales of the customised LED products in the retail outlets of a major retailer in South Africa as the deployment of lighting works were substantially completed.

MANAGEMENT DISCUSSION AND ANALYSIS

EBITDA/EBIT

As a result of the foregoing, the Group's EBITDA decreased from a loss of approximately HK\$0.1 million for the six months ended 30 September 2021 to a loss of approximately HK\$58.2 million for the six months ended 30 September 2022. The Group's EBIT decreased from a loss of approximately HK\$2.7 million for the six months ended 30 September 2021 to a loss of approximately HK\$59.6 million for the six months ended 30 September 2022.

Loss for the period attributable to the owners of the Company

The Group's loss attributable to the owners of the Company increased by approximately HK\$40.5 million or 186.6% from approximately HK\$21.7 million for the six months ended 30 September 2021 to approximately HK\$62.2 million for the six months ended 30 September 2022. Excluding some major extraordinary or non-operating income and expenses, the adjusted loss attributable to the owners of the Company increased from approximately HK\$10.6 million for the six months ended 30 September 2021 to approximately HK\$23.5 million for the six months ended 30 September 2022.

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

	Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Loss for the period attributable to the owners of the Company	(62,240)	(21,720)
Add/(less) major extraordinary or non-operating expenses/(income):		
Provision for impairment loss on financial assets, net of deferred tax	34,398	12,161
Share-based payment expenses in respect of share options	-	74
Net foreign exchange loss/(gain)	4,364	(1,151)
Adjusted loss attributable to the owners of the Company excluding some major extraordinary or non-operating income and expenses	(23,478)	(10,636)

MANAGEMENT DISCUSSION AND ANALYSIS

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 2022, current assets of the Group amounted to approximately HK\$191.9 million, representing a decrease of approximately 24.3% compared to approximately HK\$253.6 million as at 31 March 2022. Current assets are mainly comprised of cash and bank balances of approximately HK\$18.8 million (31 March 2022: approximately HK\$26.3 million), trade receivables of approximately HK\$138.1 million (31 March 2022: approximately HK\$186.6 million), and amount due from an associate of approximately HK\$13.7 million (31 March 2022: approximately HK\$19.0 million). As at 30 September 2022, the Group's current liabilities are mainly comprised of borrowings of approximately HK\$28.8 million (31 March 2022: approximately HK\$33.0 million), notes payable of approximately HK\$55.0 million (31 March 2022: approximately HK\$55.0 million), trade payables of approximately HK\$30.0 million (31 March 2022: approximately HK\$31.7 million) and accruals, other payables and deposits received of approximately HK\$148.3 million (31 March 2022: approximately HK\$122.7 million). The Group's current ratio decreased to approximately 0.9 times as at 30 September 2022 compared to approximately 1.2 times as at 31 March 2022. The total outstanding notes payable and borrowings of the Group as at 30 September 2022 was approximately HK\$83.8 million (31 March 2022: approximately HK\$88.0 million), of which approximately HK\$1.1 million (31 March 2022: approximately HK\$2.8 million) was due to banks, approximately HK\$27.7 million (31 March 2022: approximately HK\$30.2 million) was due to independent third parties and notes payable of approximately HK\$55.0 million (31 March 2022: approximately HK\$55.0 million). The decrease was due to the net effect of repayment of bank and other payables drawn during the six months ended 30 September 2022.

As at 30 September 2022, the Group's net assets was approximately HK\$82.0 million, representing a decrease of 43.7% from approximately HK\$145.6 million as at 31 March 2022. The Group has certain receivables, trading contracts and equity investment assigned to secure bank and other loans. Save as disclosed above, the Group has no other charges on its assets as at 30 September 2022.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2022.

GUARANTEES

The Group had no material guarantees as at 30 September 2022.

SIGNIFICANT INVESTMENTS

As at 30 September 2022, the Group held two investments with a value above 5% of the total assets of the Group. The two investments are (a) the interests in associates in Kedah Synergy Limited ("**KSL**"), together with its subsidiaries (the "**KSL Group**"), which accounted for approximately 18.7% of the Group's total assets as at 30 September 2022 (the "**Investment in Associates**"); and (b) the equity investment at fair value through profit or loss in InVinity Energy Group Limited, which accounted for approximately 8.2% of the Group's total assets as at 30 September 2022 (the "**Equity Investment**").

MANAGEMENT DISCUSSION AND ANALYSIS

Investment in Associates

The Investment in Associates represents the Group's investment in the KSL Group. The KSL Group includes associated companies of the Group which were owned as to approximately 47.5% by the Group as at 30 September 2022. 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 2022, the Investment in Associates was approximately HK\$66.5 million.

The Investment in Associates is accounted for by equity method in which 47.5% share of the results of the KSL Group is reflected in the carrying amount of the investment. During the six months ended 30 September 2022, share of profits from the KSL Group amounted to approximately HK\$0.8 million (six months ended 30 September 2021: approximately HK\$4.2 million) was recognised in the unaudited condensed consolidated statement of comprehensive income of the Group.

The net profit attributable to the shareholders of KSL Group for the six months ended 30 September 2022 was approximately HK\$1.6 million (six months ended 30 September 2021: approximately HK\$8.8 million).

The revenue of KSL Group for the six months ended 30 September 2022 was approximately HK\$7.5 million (for the six months ended 30 September 2021: approximately HK\$24.5 million).

The decrease were mainly due to the decrease in sales of the customised LED products in the retail outlets of a major retailer in South Africa as the deployment of lighting works were substantially completed.

No dividend income from KSL was recognised during the six months ended 30 September 2022. The Group will continue to hold the investment in the KSL Group as long-term investment as the management believes the investment will continue to generate profit for the Group and the business of the KSL Group is in line with the Group's core business.

Equity Investment

The Equity Investment represents the Group's approximately 23.6% equity interest in InVinity Energy Group Limited ("**InVinity**", together with its subsidiaries, the "**InVinity Group**"). The InVinity Group is principally engaged in investing in mining activities in relation to vanadium. The total initial investment cost in InVinity was US\$3.2 million, or approximately HK\$24.8 million. As at 30 September 2022, the Equity Investment was approximately HK\$29.1 million (31 March 2022: approximately HK\$29.1 million).

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

Save 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 2022.



MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group had 53 full-time employees (31 March 2022: 40 full-time employees). The Group offers a competitive remuneration package commensurate with industry practice and provides benefits to its employees, including bonuses, medical coverage and provident fund contributions.

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

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

FOREIGN CURRENCY EXPOSURE

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

GEARING RATIO

As at 30 September 2022, the gearing ratio of the Group, which is calculated on the basis of the amount of total debts divided by the total equity, was 167.5% (31 March 2022: 98.3%).



MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2022.

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

FUTURE OUTLOOK

Financial status

The Group has been spending tremendous efforts in improving its financial through capital injection, debt reduction and debt restructuring. On 11 November 2022, the proposed scheme of arrangement (the "**Scheme**"), which was proposed to settle the outstanding principal of liabilities of the Company with various creditors over a period of two and a half years at an interest rate of 2.5% per annum or through issuance of new shares of the Company, was sanctioned by the High Court. Going forward, the Group will strive to ensure that the Scheme will become effective and satisfy its obligations. The Company will make announcement(s) regarding the progress of the Scheme as and when appropriate.

The Group is now in a better position to build banking relationships and is in the process of securing new bank financing at normal market interest rates.

Business

The Group is continuing its efforts in the "Light Source in the Darkness" project in Malaysia (the "**Project**"), which helps local condominiums to solve their lighting problems and achieve energy efficiency at the same time. The Project starts from Selangor in Malaysia, which the Group is targeting an installation of 6,000,000 lightings, and has already completed the installation of approximately 10,000 lightings tubes during the period. The Project will be extended to other five regions of Malaysia, targeting an installation of another 10,000,000 lightings. The Group continues to develop a strong pipeline and is securing required bank financing to execute the Project.

The Group is also actively looking into business opportunities in renewable energy in Hong Kong and PRC, and is in discussion with various potential customers and technology providers for potential collaboration.

The Group will continue to build recurring and stable income streams in the green sector while seizing new business expansion opportunities, so as to act in the best interests of its shareholders.



CORPORATE GOVERNANCE

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

As at 30 September 2022, the interests and short positions 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 and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules required to be notified to our Company and the Stock Exchange, were as follows:

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

Name of Director	Nature of interest and capacity	Number of Shares ^(Note 1)	Approximate percentage of issued share capital ^(Note 3)
WONG Man Fai Mansfield ^(Note 2)	Interest in controlled corporation	1,253,939,204 (L)	52.56%
	Beneficial owner	8,598,000 (L)	0.36%
CHEUNG Yick Hung Jackie	Beneficial owner	125,000 (L)	0.005%
		^(Note 4)	
CHUNG Koon Yan	Beneficial owner	25,000 (L)	0.001%
		^(Note 5)	
WONG Chi Ying Anthony	Beneficial owner	25,000 (L)	0.001%
		^(Note 6)	

Notes:

- The letter "L" denotes the person's long position in such shares respectively.
- Abundance Development Limited is wholly-owned by Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares of the Company owned by Abundance Development Limited.
- The total number of issued shares of the Company as at 30 September 2022 was 2,385,668,000.
- These shares represented 7,000 underlying shares under the options granted by the Company on 2 April 2020 pursuant to the Share Option Scheme, and 118,000 shares beneficially owned by Mr. CHEUNG Yick Hung Jackie.
- These shares represented 7,000 underlying shares under the options granted by the Company on 2 April 2020 pursuant to the Share Option Scheme, and 18,000 shares beneficially owned by Mr. CHUNG Koon Yan.
- These shares represented 7,000 underlying shares under the options granted by the Company on 2 April 2020 pursuant to the Share Option Scheme, and 18,000 shares beneficially owned by Dr. WONG Chi Ying Anthony.

CORPORATE GOVERNANCE

Save as disclosed above, as at 30 September 2022, 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 2022, 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 of the Company 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 Shareholder	Nature of interest and capacity	Number of Shares ^(Note 1)	Approximate percentage of issued share capital ^(Note 5)
Abundance Development Limited ^(Note 2)	Beneficial owner	1,244,267,204 (L)	52.16%
CAI Linda Xin Xin ^(Note 3)	Interest of spouse	1,262,537,204 (L)	52.92%
Ancient Wisdom Limited ^(Note 4)	Person having a security interest in shares	1,229,147,920 (L)	51.52%
WU Shang Tun Mason ^(Note 4)	Interest of controlled corporation	1,229,147,920 (L)	51.52%
Beyond Ever Limited	Beneficial owner	168,366,000 (L)	7.06%

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. Ms. CAI Linda Xin Xin is the spouse of Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares of the Company owned by Abundance Development Limited, and Ms. CAI Linda Xin Xin is deemed to be interested in all the shares of the Company in which Mr. WONG Man Fai Mansfield is interested.
4. 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.
5. The total number of issued shares of the Company as at 30 September 2022 was 2,385,668,000.

Save as disclosed above, as at 30 September 2022, the Directors were not aware of any persons/entities who had any interest or short position in the securities in the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

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



CORPORATE GOVERNANCE

The following tables discloses movements in the Company's share options during the six months ended 30 September 2022:

Grantees	Date of grant	Vesting period	Exercise period	Exercise price per share (HK\$)	Closing price per share immediately before the date of grant (HK\$)	Number of share options					Outstanding as at 30 September 2022
						Outstanding as at 1 April 2022	Granted during the period	Exercised during the period	Lapsed/forfeited during the period	Cancelled during the period	
Directors											
CHUNG Koon Yan	2 April 2020	2 April 2020 to 1 January 2022	2 January 2022 to 1 April 2023	0.290	0.290	750	-	-	-	-	750
		2 April 2020 to 1 April 2022	2 April 2022 to 1 April 2023	0.290	0.290	6,250	-	-	-	-	6,250
CHEUNG Yick Hung Jackie	2 April 2020	2 April 2020 to 1 January 2022	2 January 2022 to 1 April 2023	0.290	0.290	750	-	-	-	-	750
		2 April 2020 to 1 April 2022	2 April 2022 to 1 April 2023	0.290	0.290	6,250	-	-	-	-	6,250
WONG Chi Ying Anthony	2 April 2020	2 April 2020 to 1 January 2022	2 January 2022 to 1 April 2023	0.290	0.290	750	-	-	-	-	750
		2 April 2020 to 1 April 2022	2 April 2022 to 1 April 2023	0.290	0.290	6,250	-	-	-	-	6,250
Employees											
Employees in aggregate	2 April 2020	2 April 2020 to 1 January 2022	2 January 2022 to 1 April 2023	0.290	0.290	5,500	-	-	-	-	5,500
		2 April 2020 to 1 April 2022	2 April 2022 to 1 April 2023	0.290	0.290	862,500	-	-	-	-	862,500
						889,000	-	-	-	-	889,000

As at 30 September 2022, the total number of shares available for issue under the Share Option Scheme was 24,383,000 shares, representing approximately 1.022% of the total issued shares as at 30 September 2022 (i.e. 2,385,668,000 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 2022.

CORPORATE GOVERNANCE

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 30 September 2022, 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 2022.

CORPORATE GOVERNANCE

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

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

The Board is of the view that, throughout the six months ended 30 September 2022, the Company had 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.

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

CORPORATE GOVERNANCE

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 for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiries with all Directors and relevant employees, 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 2022 and up to the date of this report.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2022 contained in this report had not been audited by the Company’s auditor, but were reviewed by the Audit Committee, which was of the opinion that the preparation of such interim financial information complied with the applicable accounting standards and requirements and the Listing Rules, and adequate disclosures had been made.

COMPLIANCE DISCLOSURES AND OTHER MATTERS

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

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

Changes in Other Major Appointments/Professional Qualifications

Mr. TANG Warren Louis, our independent non-executive Director, was appointed as a deputy magistrate in Hong Kong at the West Kowloon Magistrates' Courts in August 2022.

Directors' Positions Held

- Mr. LAM Arthur resigned as a non-executive Director of the Company on 31 August 2022.
- Mr. TSANG Sze Wai Claudius was appointed as a non-executive Director of the Company on 16 December 2022.

CORPORATE GOVERNANCE

DISCLOSURES PURSUANT TO RULES 13.19 AND 13.21 OF THE LISTING RULES

As disclosed in the announcement of the Company dated 16 October 2020, two statutory demands were issued to the Company due to the defaults in payment in relation to the issuance of the deeds of settlement (the **"Deeds of Settlement"**) to two companies incorporated in the British Virgin Islands. Under the statutory demands, the Company was demanded to pay the amount of approximately HK\$28,642,361.11 and HK\$21,962,083.33 respectively.

As disclosed in the announcement of the Company dated 6 November 2020, a statutory demand was issued to the Company due to a default in payment in relation to a loan (the **"Hitachi Loan"**) provided by Hitachi Capital (Hong Kong) Limited. The Company has provided a guarantee for its subsidiary under the Hitachi Loan. Under the statutory demand, the Company was demanded to pay the amount of approximately HK\$12,481,617.92.

The Directors have been taking proactive steps to exhaust all feasible rescue plans, including but not limited to debt restructuring and equity and/or debt financing, which may or may not be bundled together, to enhance the cashflows and improve the financial position of the Group, and to continue discussions with creditors in order to restructure the outstanding indebtedness. Where the circumstances giving rise to the obligations under Rule 13.19 of the Listing Rules continue to exist, the Company will include relevant disclosures in subsequent interim and annual reports in accordance with Rule 13.21 of the Listing Rules, and will disclose further developments on this matter by way of further announcement(s) in a timely manner in accordance with requirements under the Listing Rules.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

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 2022 together with the comparative figures for the corresponding period in 2021 as follows:

	Notes	Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4(a)	5,582	38,848
Cost of sales		(3,137)	(20,056)
Gross profit		2,445	18,792
Other income and gains	4(b)	453	1,576
Administrative expenses		(18,511)	(10,581)
Selling and distribution costs		(3,035)	(1,376)
Finance costs	5	(12,087)	(22,577)
Other expenses		(41,692)	(15,269)
Share of results of associates		775	4,202
Loss before income tax	6	(71,652)	(25,233)
Income tax credit	7	8,831	3,013
Loss for the period		(62,821)	(22,220)
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss:			
- Exchange difference arising on translation of financial statements of foreign operations		(776)	189
- Share of other comprehensive income of associates		(48)	(84)
Other comprehensive income for the period, net of tax		(824)	105
Total comprehensive income for the period		(63,645)	(22,115)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Notes	Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss for the period attributable to:			
Owners of the Company		(62,240)	(21,720)
Non-controlling interests		(581)	(500)
		(62,821)	(22,220)
Total comprehensive income for the period attributable to:			
Owners of the Company		(63,448)	(21,536)
Non-controlling interests		(197)	(579)
		(63,645)	(22,115)
Loss per share attributable to owners of the Company			(restated)
Basic (HK cents)	9	(2.6)	(1.4)
Diluted (HK cents)	9	(2.6)	(1.4)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	5,753	6,979
Interests in associates		66,522	65,795
Equity investment at fair value through profit or loss ("FVTPL")		29,140	29,140
Trade receivables	11	10,458	16,087
Finance lease receivables		713	2,184
Deposits and other receivables		676	693
Deferred tax assets		50,604	43,365
		163,866	164,243
Current assets			
Inventories		1,109	1,257
Trade receivables	11	138,055	186,559
Finance lease receivables		5,156	7,903
Deposits, prepayments and other receivables		15,037	12,530
Due from an associate		13,688	19,008
Cash and cash equivalents		18,822	26,311
		191,867	253,568
Current liabilities			
Trade payables	12	29,978	31,636
Contract liabilities		428	546
Accruals, other payables and deposits received	13	148,279	122,696
Borrowings	14	28,799	32,999
Lease liabilities		2,421	2,404
Due to a related company		184	280
Due to directors		-	12,135
Provision for taxation		-	2,548
Financial liabilities at FVTPL		-	3,717
		210,089	208,961
Net current (liabilities)/assets		(18,222)	44,607
Total assets less current liabilities		145,644	208,850

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Non-current liabilities			
Trade payables	12	1,378	2,263
Deposits received		2,107	2,849
Lease liabilities		1,780	3,100
Notes payable	15	54,997	54,997
Financial liabilities at FVTPL		3,386	-
		63,648	63,209
Net assets			
		81,996	145,641
EQUITY			
Share capital	16	23,857	23,857
Reserves		70,655	134,103
Equity attributable to owners of the Company			
		94,512	157,960
Non-controlling interests		(12,516)	(12,319)
Total equity			
		81,996	145,641

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	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 2022 (Audited)	23,857	565,198	99	7,388	12,183	706	(451,471)	157,960	(12,319)	145,641
Loss for the period	-	-	-	-	-	-	(62,240)	(62,240)	(581)	(62,821)
Other comprehensive income:										
Exchange difference arising on translation of financial statements	-	-	-	-	-	(1,160)	-	(1,160)	384	(776)
Share of other comprehensive income of associates	-	-	-	-	-	(48)	-	(48)	-	(48)
Total comprehensive income for the year	-	-	-	-	-	(1,208)	(62,240)	(63,448)	(197)	(63,645)
At 30 September 2022 (Unaudited)	23,857	565,198	99	7,388	12,183	(502)	(513,711)	94,512	(12,516)	81,996
At 1 April 2021 (Audited)	6,600	103,771	3,172	7,388	12,183	(321)	(70,668)	62,125	(7,576)	54,549
Shares issued under Share Option Scheme	28	968	(210)	-	-	-	-	786	-	786
Equity settled share option arrangements	-	-	74	-	-	-	-	74	-	74
Release of share option reserve upon the forfeit or lapse of share options	-	-	(1,337)	-	-	-	1,337	-	-	-
Loss for the period	-	-	-	-	-	-	(21,720)	(21,720)	(500)	(22,220)
Other comprehensive income:										
Exchange difference arising on translation of financial statements	-	-	-	-	-	268	-	268	(79)	189
Share of other comprehensive income of associates	-	-	-	-	-	(84)	-	(84)	-	(84)
Total comprehensive income for the year	6,628	104,739	1,699	7,388	12,183	(137)	(91,051)	41,449	(8,155)	33,294
At 30 September 2021 (Unaudited)	6,628	104,739	1,699	7,388	12,183	(137)	(91,051)	41,449	(8,155)	33,294

* These reserve accounts comprise the consolidated reserves of HK\$70,655,000 in the condensed consolidated statement of financial position as at 30 September 2022 (31 March 2022: HK\$134,103,000).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Cash flows from operating activities		
Loss before income tax	(71,652)	(25,233)
Adjustments for:		
Interest income	(309)	-
Interest expense	12,087	22,577
Bad debts written off	56	-
Depreciation of property, plant and equipment	1,409	2,608
Equity-settled share option expense	-	74
Gain on early termination of lease	(2)	(2)
Write-off of inventories	-	67
Provision for impairment loss of financial assets	41,636	15,174
Share of results of associates	(775)	(4,202)
Reversal of warranty provision, net	(5)	(19)
Operating profit before working capital changes	(17,555)	11,044
Decrease in inventories	148	114
Decrease/(increase) in trade receivables	8,748	(19,369)
Decrease in finance lease receivables	5,809	5,227
Increase in deposits, prepayments and other receivables	(2,301)	(631)
(Decrease)/increase in trade payables	(1,882)	9,515
(Decrease)/increase in amount due to a related company	(96)	168
Decrease in contract liabilities	(118)	(213)
Increase/(decrease) in accruals, other payables and deposits received	3,825	(534)
Cash (used in)/generated from operations	(3,422)	5,321
Income tax paid	(956)	-
Net cash (used in)/generated from operating activities	(4,378)	5,321

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Cash flows from investing activities		
Purchases of property, plant and equipment	(422)	(483)
Repayments from associates	5,320	-
Interest received	55	-
Net cash generated from/(used in) investing activities	4,953	(483)
Cash flows from financing activities		
Interest paid on other payables	(1,750)	-
Interest paid on borrowings	(364)	(113)
Interest element on lease payments	(15)	(69)
Capital element of lease payments	(1,270)	(952)
Repayment of borrowings	(4,163)	(1,556)
Advances from directors	-	782
Repayments of advances from directors	-	(1,048)
Net cash used in financing activities	(7,562)	(2,956)
Net (decrease)/increase in cash and cash equivalents	(6,987)	1,882
Cash and cash equivalents at beginning of the period	26,311	8,204
Effect of foreign exchange rate changes	(502)	260
Cash and cash equivalents at end of the period	18,822	10,346

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of compliance

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

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2022 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 2022, as disclosed in the annual financial statements for the year ended 31 March 2022. 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 2022.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Amendments to HKFRS 3
Amendments to HKFRS 16
Amendments to HKAS 16
Amendments to HKFRSs
Amendments to HKAS 37

Business Combination: Reference to the Conceptual Framework
Covid-19-Related Rent Concessions beyond 30th June 2021
Property, Plant and Equipment: Proceeds before Intended Use
Annual Improvements to HKFRSs 2018-2020 Cycle
Onerous Contracts – Cost of Fulfilling a Contract

(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;
- (2) Trading of energy saving products; and
- (3) Provision of consultancy service on leasing service of energy saving systems (“**Consultancy service**”).

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

	Leasing services of energy saving systems HK\$'000	Trading of energy saving products HK\$'000	Consultancy service HK\$'000	Total HK\$'000
Six months ended 30 September 2022 (Unaudited)				
Revenue from external customers	3,310	2,272	-	5,582
Reportable segment loss	(4,932)	(28,870)	(13,559)	(47,361)
Depreciation	1,173	-	-	1,173
Six months ended 30 September 2021 (Unaudited)				
Revenue from external customers	3,710	25,953	9,185	38,848
Reportable segment (loss)/profit	(2,547)	(6,246)	5,684	(3,109)
Capital expenditure	188	-	-	188
Depreciation	2,387	-	-	2,387

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

	Leasing services of energy saving systems HK\$'000	Trading of energy saving products HK\$'000	Consultancy service HK\$'000	Total HK\$'000
As at 30 September 2022 (Unaudited)				
Reportable segment assets	21,007	154,195	34,252	209,454
Reportable segment liabilities	8,274	38,929	16	47,219
As at 31 March 2022 (Audited)				
Reportable segment assets	24,796	190,214	45,490	260,500
Reportable segment liabilities	9,771	37,686	17	47,474

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	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Reportable segment loss	(47,361)	(3,109)
Unallocated corporate income (Note)	406	1,453
Unallocated corporate expenses (Note)	(13,385)	(5,202)
Finance costs	(12,087)	(22,577)
Share of results of associates	775	4,202
Loss before income tax	(71,652)	(25,233)

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 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Reportable segment assets	209,454	260,500
Interest in associates	66,522	65,795
Equity investment at FVTPL	29,140	29,140
Cash and cash equivalents	18,822	26,311
Due from an associate	13,688	19,008
Deferred tax assets	169	169
Other corporate assets	17,938	16,888
Group assets	355,733	417,811
Reportable segment liabilities	47,219	47,474
Borrowings	28,799	32,999
Lease liabilities	3,886	5,051
Settlement payables	47,125	47,125
Notes payable	54,997	54,997
Financial liabilities at FVTPL	3,386	3,717
Provision for taxation	-	2,548
Due to a related company	184	280
Due to directors	-	12,135
Other corporate liabilities (note)	88,141	65,844
Group liabilities	273,737	272,170

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	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong (domiciled)	1,274	8,086
Australia	-	8,475
Indonesia	961	1,613
Japan	-	8,300
Malaysia	3,043	3,161
Others	304	9,213
	5,582	38,848

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

	Specified non-current assets	
	As at 30 September 2022	As at 31 March 2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong (domiciled)	68,873	68,924
Malaysia	3,342	3,338
Others	60	512
	72,275	72,774

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

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

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Customer A #	N/A	8,300
Customer B ##	N/A	9,185
Customer C #	1,077	7,758
Customer D #	N/A	8,475
Customer E ###	961	N/A
Customer F #	668	N/A
Customer G ####	644	N/A
Customer H ####	767	N/A

* Attributable to segment of trading of energy saving products

** Attributable to segment of Consultancy service

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

Attributable to segments of leasing service of energy saving systems

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE AND OTHER INCOME AND GAINS

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

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue from contracts with customer within the scope of HKFRS 15		
Trading of energy saving products	2,272	25,953
Consultancy service income	-	9,185
	2,272	35,138
Revenue from other sources		
Leasing service income	3,310	3,710
	5,582	38,848
Timing of revenue recognition		
At a point in time	2,272	35,138

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

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest income		
- From bank deposits	110	-
- From other receivables	199	199
	309	199
Government grants	49	23
Net foreign exchange gain	-	1,151
Others	95	203
	453	1,576

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCE COSTS

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest on financial liabilities carried at amortised cost		
– Interest on other payables	7,116	7,015
– Interest on borrowings	3,983	9,987
– Interest on notes payable	691	5,157
– Interest on lease liabilities	82	93
– Interest on bonds payable	–	100
	11,872	22,352
Interest on financial liabilities at FVTPL	215	225
	12,087	22,577

6. LOSS BEFORE INCOME TAX

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

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Cost of inventories recognised as expenses		
– Cost of inventories sold	1,775	17,393
– Write-off of inventories*	–	67
	1,775	17,460
Depreciation of property, plant and equipment		
– Owned	329	1,598
– Right-of-use assets	1,080	1,010
	1,409	2,608
Employee benefit expenses		
– Salaries and welfare	7,384	5,875
– Equity-settled share option expense	–	74
– Defined contributions	468	210
	7,852	6,159
Reversal of warranty provision, net	(5)	(19)
Provision for impairment loss of financial assets*	41,636	15,174
Bad debts written off	56	–
Net foreign exchange loss/(gain)	4,364	(1,151)

* These items have been included in other expenses in the condensed consolidated statement of comprehensive income for the six months ended 30 September 2022 and 2021.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX CREDIT

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

	Six months ended 30 September	
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Current tax		
– Over-provision in respect of prior years	(1,592)	–
Deferred tax		
– Current period	(7,239)	(3,013)
Income tax credit	(8,831)	(3,013)

Hong Kong profits tax is calculated at the rate of 16.5% (six months ended 30 September 2021: 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 2021: 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 has been granted pioneer status under the Promotion of Investments Act, 1986 by the Malaysian Investment Development Authority which exempts 100% of statutory income in relation to its principal activity of provision of energy management systems solutions.

8. DIVIDENDS

No dividend has been paid or declared by the Company during each of the six months ended 30 September 2022 (for the six months ended 30 September 2021: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. LOSS PER SHARE

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of calculating basic loss per share	(62,240)	(21,720)

	Six months ended 30 September	
	2022 '000 (Unaudited)	2021 '000 (Unaudited) (Restated)
Number of shares Weighted average number of shares for the purpose of calculating basic loss per share	2,385,668	1,508,251

For the six months ended 30 September 2022 and 2021, diluted loss per share is the same as basic loss per share. There are no dilutive effects on the impact of the exercise of the share options as they are anti-dilutive.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group acquired items of property, plant and equipment at cost of HK\$422,000 (six months ended 30 September 2021: HK\$4,683,000), and disposed of items of property, plant and equipment with an aggregate net book value of nil (six months ended 30 September 2021: HK\$92,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. TRADE RECEIVABLES

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Trade receivables	457,791	469,330
Less: Provision for impairment loss	(309,278)	(266,684)
Trade receivables, net	148,513	202,646
Classified as:		
Non-current assets	10,458	16,087
Current assets	138,055	186,559
	148,513	202,646

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 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
0 to 30 days	3,980	34,333
31 to 90 days	3,961	8,132
91 to 180 days	8,373	6,939
181 to 365 days	41,311	38,656
Over 365 days	90,888	114,586
	148,513	202,646

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. TRADE PAYABLES

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Trade payables	31,356	33,899
Classified as:		
Non-current liabilities	1,378	2,263
Current liabilities	29,978	31,636
	31,356	33,899

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

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
0 to 30 days	960	15,038
31 to 90 days	-	19
91 to 180 days	13,064	662
181 to 365 days	587	590
Over 365 days	16,745	17,590
	31,356	33,899

The Group generally made purchase with various terms, operating on cash on delivery or payment in advance terms, except for a supplier who has granted a settlement schedule of up to 60 months to the Group. As such, the fair value of the consideration attributable to the supplier is determined by discounting the nominal amount of all future payments.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

In 2017, the Company issued certain notes to two companies (the "Creditors"), which became overdue on 22 July 2020. As such, the Company subsequently entered into a deed of settlement with each of the Creditors (collectively, "Deeds of Settlement") in respect of the notes on 22 July 2020. The payables with the Creditors are intended to be settled, along with certain other borrowings (Note 14) and other liabilities, through a scheme of arrangement (the "Scheme"), which once becomes effective, (1) the principal amounts of the payables will be settled over 30 months from the effective date of the Scheme, or settled by issuance of shares of the Company; and (2) the relevant interest payables recognised before the effective date of the Scheme will be forfeited.

14. BORROWINGS

	Notes	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Unsecured and guaranteed bank loan Amounts repayable within one year	(a)	1,063	2,849
Secured and guaranteed other loan Amounts repayable within one year	(b)	13,800	13,800
Unsecured and guaranteed other loans Amounts repayable within one year	(c)	13,936	16,350
Total borrowings		28,799	32,999

Notes:

- (a) As at 30 September 2022, the balance was overdue. The balance is intended to be settled through the Scheme (Note 13).
- (b) As at 30 September 2022, the balance was overdue. The balance is intended to be settled through the Scheme (Note 13).
- (c) As at 30 September 2022, the balance amounted to HK\$12,747,000 (31 March 2022: HK\$12,783,000) was overdue, out of which an amount of HK\$12,461,000 is intended to be settled through the Scheme (Note 13).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. BORROWINGS (Continued)

Based on the schedule repayment dates set out in the bank loan and other loan agreements and ignoring the effect of any repayment on demand clause, the borrowings are repayable as follows:

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Within one year	28,799	32,999

15. NOTES PAYABLE

As at 30 September 2022, the notes payable was HK\$54,997,000 (31 March 2022: HK\$54,997,000). The notes payable comprised of the followings:

(a) 9.5% notes

During the year ended 31 March 2022, the Company issued unsecured guaranteed notes with a principal amount of HK\$14,270,000 at 9.5% interest rate per annum with a term of 24 months. The 9.5% notes are guaranteed by Mr. Wong Man Fai Mansfield.

(b) 0% notes

During the year ended 31 March 2022, the Company issued unsecured guaranteed notes with a principal amount of HK\$40,727,000 with a term of 24 months and non-interest bearing. The 0% notes are guaranteed by Mr. Wong Man Fai Mansfield.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Issued and fully paid ordinary shares:		
At 1 April 2021	660,000	6,600
Issue of shares under share option scheme	24,728	247
Issue of shares under subscription	1,100,000	11,000
Issue of shares for debt settlement	600,940	6,010
At 31 March 2022 (Audited), 1 April 2022 and 30 September 2022 (Unaudited)	2,385,668	23,857

17. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Sales of goods to associates	1,077	7,759
Computer software consultancy service fees paid to a related company	168	168

(b) Compensation of key management personnel

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

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Short-term employee benefits	1,544	1,957
Equity-settled share option expense	-	74
	1,544	2,031

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS

Fair value measurement

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

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

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

	30 September 2022 (Unaudited)			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Equity investment at FVTPL				
Unlisted equity investment	-	-	29,140	29,140
Financial liabilities at FVTPL				
Redeemable preference shares	-	-	(3,386)	(3,386)

	31 March 2022 (Audited)			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Equity investment at FVTPL				
Unlisted equity investment	-	-	29,140	29,140
Financial liabilities at FVTPL				
Redeemable preference shares	-	-	(3,717)	(3,717)

There were no transfers between different levels during the period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS (Continued)

Information about level 3 fair value measurements

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

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

	As at 30 September 2022 HK\$'000 (Unaudited)
At 1 April 2022 (audited)	29,140
Fair value change	-
At 30 September 2022 (unaudited)	29,140

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

The fair value of redeemable preference shares is determined using a discounted cash flow method.

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



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