# 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)*
**(Stock Code: 1539)**

# AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

## FINANCIAL HIGHLIGHTS

| | 2024 | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **For the year ended 31 March** | | |
| **Revenue** | **92,619** | 46,550 |
| Leasing services of energy saving systems and products | **39,322** | 20,453 |
| Trading of energy saving products | **40,278** | 18,538 |
| Consultancy service | **12,931** | 4,863 |
| Renewable energy service | **88** | 2,696 |
| **Gross profit** | **56,744** | 27,713 |
| EBITDA *(Note 1)* | **20,969** | (8,617) |
| EBIT *(Note 1)* | **18,168** | (11,395) |
| **Profit/(loss) for the year** | **11,602** | (24,014) |
| Basic earnings/(loss) per share *(HK cents)* | **0.28** | (1.05) |
| Diluted earnings/(loss) per share *(HK cents)* | **0.08** | (1.05) |
| **Non-HKFRS Financial measures – Adjusted profit/(loss) for the year excluding major extraordinary items** *(Note 2)* | **36,311** | (63,671) |
| Adjusted basic earnings/(loss) per share *(HK cents) (Note 2)* | **1.09** | (2.71) |
| Adjusted diluted earnings/(loss) per share *(HK cents) (Note 2)* | **1.05** | (2.71) |
| **As at 31 March** | | |
| **Total assets** | **468,382** | 373,638 |
| **Total liabilities** | **154,272** | 246,986 |
| **Net assets** | **314,110** | 126,652 |

*Note 1:* EBITDA is defined as earnings before interest expenses and other finance costs, tax, and depreciation. EBIT is defined as earnings before interest expenses and other finance costs and tax. Both EBITDA and EBIT are not measures of performance under Hong Kong Financial Reporting Standards ("**HKFRS**").

*Note 2:* Amounts are calculated based on adjusted profit/(loss) for the year excluding major extraordinary items as defined by the Group's management. Details of which can be referred to page 31 of this announcement. Adjusted profit/(loss) for the year excluding extraordinary items is not a measure of performance under HKFRS.

– The Group's revenue increased by 98.7% from approximately HK$46.6 million for the year ended 31 March 2023 to approximately HK$92.6 million for the year ended 31 March 2024.

– The Group's gross profit increased by 104.7% from approximately HK$27.7 million for the year ended 31 March 2023 to approximately HK$56.7 million for the year ended 31 March 2024.

– The Group's EBITDA for the year improved from loss of approximately HK$8.6 million for the year end 31 March 2023 to profit of approximately HK$21.0 million for the year ended 31 March 2024.

– The Group's profit/(loss) for the year improved from loss of approximately HK$24.0 million for the year ended 31 March 2023 to profit of approximately HK$11.6 million for the year ended 31 March 2024.

– The Group's adjusted profit/(loss) excluding major extraordinary items improved from loss of approximately HK$63.7 million for the year ended 31 March 2023 to profit of approximately HK$36.3 million for the year ended 31 March 2024.

– Basic and diluted loss per share was approximately HK1.05 cents for the year ended 31 March 2023 while basic and diluted earnings per share were approximately HK0.28 cents and HK0.08 cents, respectively, for the year ended 31 March 2024.

– Adjusted basic and diluted loss per share was approximately HK2.71 cents for the year ended 31 March 2023 while adjusted basic and diluted earnings per share were approximately HK1.09 cents and HK1.05 cents, respectively, for the year ended 31 March 2024.

## AUDITED ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Unity Group Holdings International Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**" or "**our Group**") for the year ended 31 March 2024 together with the comparative audited figures for the prior year as follows.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2024*

| | *Notes* | **2024**<br>***HK$'000*** | 2023<br>*HK$'000* |
|---|---|---|---|
| **Revenue** | *5* | **92,619** | 46,550 |
| Cost of sales | | **(35,875)** | (18,837) |
| **Gross profit** | | **56,744** | 27,713 |
| Other income and expenses, net | *6* | **10,900** | (49,643) |
| Administrative expenses | | **(46,577)** | (36,408) |
| Selling and distribution expenses | | **(5,636)** | (6,111) |
| Finance costs | *7* | **(2,951)** | (23,260) |
| Gain on derecognition of financial liabilities | *8* | **–** | 51,591 |
| Share of results of associates | | **2,737** | 1,463 |
| **Profit/(loss) before income tax** | *8* | **15,217** | (34,655) |
| Income tax (expense)/credit | *9(a)* | **(3,615)** | 10,641 |
| **Profit/(loss) for the year** | | **11,602** | (24,014) |

| | Notes | 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|---|
| **Other comprehensive (loss)/income** | | | |
| **Items that are or may be reclassified subsequently to profit or loss:** | | | |
| Exchange difference arising on translation of financial statements of foreign operations | | **(387)** | (357) |
| Share of other comprehensive (loss)/income of associates | | **(10)** | 35 |
| **Other comprehensive loss for the year, net of tax** | | **(397)** | (322) |
| **Total comprehensive income/(loss) for the year** | | **11,205** | (24,336) |
| **Profit/(loss) for the year attributable to:** | | | |
| Owners of the Company | | **8,387** | (25,084) |
| Non-controlling interests | | **3,215** | 1,070 |
| | | **11,602** | (24,014) |
| **Total comprehensive income/(loss) for the year attributable to:** | | | |
| Owners of the Company | | **7,933** | (25,589) |
| Non-controlling interests | | **3,272** | 1,253 |
| | | **11,205** | (24,336) |
| **Earnings/(loss) per share attributable to owners of the Company** | *11* | | |
| – Basic *(HK cents)* | | **0.28** | (1.05) |
| – Diluted *(HK cents)* | | **0.08** | (1.05) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2024*

| | Notes | 2024<br>HK$'000 | 2023<br>HK$'000<br>(Restated) |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **2,535** | 4,115 |
| Interests in associates | | **70,020** | 67,293 |
| Equity investment at fair value through profit or loss ("**FVTPL**") | | **10,800** | 25,878 |
| Trade receivables | *12* | **10,223** | 9,719 |
| Finance lease receivables | | **40,685** | 12,889 |
| Deposits | | **781** | 641 |
| Pledged deposits | | **904** | – |
| Deferred tax assets | *9(b)* | **47,843** | 51,458 |
| | | **183,791** | 171,993 |
| **Current assets** | | | |
| Inventories | | **4,204** | 1,671 |
| Trade receivables | *12* | **193,653** | 155,392 |
| Finance lease receivables | | **3,048** | 2,628 |
| Deposits, prepayments and other receivables | | **47,308** | 18,858 |
| Amount due from an associate | | **4,470** | 12,005 |
| Cash and cash equivalents | | **31,908** | 11,091 |
| | | **284,591** | 201,645 |
| **Current liabilities** | | | |
| Trade payables | *13* | **11,110** | 8,698 |
| Contract liabilities | | **258** | 312 |
| Accruals, other payables and deposits received | | **37,861** | 42,936 |
| Borrowings | *14* | **17,417** | 9,000 |
| Lease liabilities | | **1,048** | 2,650 |
| Amount due to a related company | | **1,514** | 352 |
| Amount due to a director | | **85** | 2,986 |
| Amounts due to the scheme creditors | *15* | **29,768** | 133,779 |
| Financial liabilities at FVTPL | | **–** | 3,558 |
| Convertible bonds | *16* | **12,923** | – |
| | | **111,984** | 204,271 |
| **Net current assets/(liabilities)** | | **172,607** | (2,626) |
| **Total assets less current liabilities** | | **356,398** | 169,367 |

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | **HK$'000** | *HK$'000* |
| | | | (Restated) |
| **Non-current liabilities** | | | |
| Deposits received | | **802** | 1,713 |
| Lease liabilities | | **1,158** | 674 |
| Amounts due to the scheme creditors | *15* | **40,328** | 40,328 |
| | | **42,288** | 42,715 |
| **Net assets** | | **314,110** | 126,652 |
| **Capital and reserves** | | | |
| Share capital | | **33,494** | 23,857 |
| Reserves | | **288,410** | 113,861 |
| **Equity attributable to owners of the Company** | | **321,904** | 137,718 |
| Non-controlling interests | | **(7,794)** | (11,066) |
| **Total equity** | | **314,110** | 126,652 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2024*

## 1. GENERAL INFORMATION

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

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

## 2. CHANGES IN ACCOUNTING POLICIES

### (a) Adoption of new or amendments to HKFRSs – effective 1 April 2023

In current year, the Group has applied the following new or amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2023.

| | |
|---|---|
| HKFRS 17 | Insurance Contracts |
| Amendments to HKAS 8 | Definition of Accounting Estimates |
| Amendments to HKAS 12 | Deferred tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to HKAS 12 | International Tax Reform – Pillar Two Model Rules |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies |

The application of these new or amendments to HKFRSs has no material impact to the Group's results and financial positions for the current and prior period. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

***New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism***

In July 2023, the HKICPA published "Accounting implications of the abolition of the mandatory provident fund ("**MPF**") – long service payment ("**LSP**") offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19, Employee Benefits, in conjunction with the enactment of the Amendment Ordinance resulted in a catch-up profit or loss adjustment in April 2023 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the year ended 31 March 2024, with the corresponding adjustment to the comparative carrying amount of the LSP liability. However, since the amount of the catch-up profit or loss adjustment was immaterial, the Group did not restate the comparative figure for the consolidated financial statements.

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

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

| | |
|---|---|
| Amendments to HKAS 1 | Non-current Liabilities with Covenants[1] |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current[1] |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback[1] |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements[1] |
| Amendments to HKAS 21 | Lack of Exchangeability[2] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3] |

[1] Effective for annual periods beginning on or after 1 January 2024
[2] Effective for annual periods beginning on or after 1 January 2025
[3] Effective for annual periods beginning on or after a date to be determined

The Directors anticipate that the application of theses 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 consolidated financial statements.

## 3. BASIS OF PREPARATION

### (a) Basis of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures provision of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and by the Hong Kong Companies Ordinance.

HKFRSs comprise HKFRS; Hong Kong Accounting Standards ("**HKAS**"); and Interpretations.

### (b) Historical cost convention

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

### (c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), which is the Company's presentation and functional currency and all values are rounded to the nearest thousands except otherwise indicated.

## 4. 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 and project management services ("**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 year ended 2024 and 2023.

| | Leasing service of energy saving systems and products | Trading of energy saving products | Consultancy service | Renewable energy service | Total |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Year ended 31 March 2024** | | | | | |
| **Revenue from external customers** | **39,322** | **40,278** | **12,931** | **88** | **92,619** |
| **Reportable segment profit/(loss)** | **6,417** | **31,003** | **8,854** | **(274)** | **46,000** |
| **Depreciation** | **530** | **–** | **–** | **–** | **530** |
| **Year ended 31 March 2023** | | | | | |
| Revenue from external customers | 20,453 | 18,538 | 4,863 | 2,696 | 46,550 |
| Reportable segment (loss)/profit | (29,962) | 8,121 | (11,323) | 85 | (33,079) |
| Depreciation | 1,019 | – | – | – | 1,019 |

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

| Profit or loss | **2024**<br>***HK$'000*** | 2023<br>*HK$'000* |
|---|---|---|
| Reportable segment profit/(loss) | **46,000** | (33,079) |
| Unallocated corporate income *(Note)* | **6,420** | 973 |
| Unallocated corporate expenses *(Note)* | **(38,053)** | (32,343) |
| Finance costs | **(1,887)** | (23,260) |
| Gain on derecognition of financial liabilities | **–** | 51,591 |
| Share of results of associates | **2,737** | 1,463 |
| Profit/(loss) before income tax | **15,217** | (34,655) |

*Note:*

Unallocated corporate income mainly includes gain on lease modification, interest income, government grants, amortisation of deferred day-one loss and change in FVTPL in relation to convertible bonds.

Unallocated corporate expenses mainly include fair value loss on equity investment at FVTPL, equity-settled share option expense, unallocated legal and professional fees, unallocated salaries and other administrative expenses.

## 5. REVENUE

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

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Revenue from contracts with customer within the scope of HKFRS 15** | | |
| Trading of energy saving products | **40,278** | 18,538 |
| Consultancy services income | **12,931** | 4,863 |
| Renewable energy service income | **88** | 2,696 |
| | **53,297** | 26,097 |
| **Revenue from other sources** | | |
| Leasing service income | **39,322** | 20,453 |
| **Total** | **92,619** | 46,550 |
| **Timing of revenue recognition** | | |
| At a point in time | **85,765** | 40,098 |
| Over time | **6,854** | 6,452 |
| | **92,619** | 46,550 |

## 6. OTHER INCOME AND EXPENSES, NET

| | 2024<br>*HK$'000* | 2023<br>*HK$'000* |
|---|---|---|
| Interest income | | |
| – from bank and pledged deposits | **254** | 165 |
| – from other receivables | **396** | 396 |
| | **650** | 561 |
| Reversal of/(provision for) impairment loss of financial assets, net | **20,264** | (46,026) |
| Amortisation of deferred day-one loss *(note 16)* | **(8,638)** | – |
| Change in FVTPL in relation to convertible bonds *(note 16)* | **14,392** | – |
| Government grants *(note)* | **–** | 65 |
| Fair value loss on equity investment at FVTPL | **(15,078)** | (3,262) |
| Write-off of property, plant and equipment | **(686)** | (338) |
| Others | **(4)** | (643) |
| | **10,900** | (49,643) |

*Note:*

For the year ended 31 March 2023, the Group has received financial support from the Hong Kong Special Administrative Region Government who set up the Anti-epidemic Fund under the Employment Support Scheme to encourage entities to retain their employees who would otherwise be made redundant. Under the Employment Support Scheme, the Group is required not to make redundancies during the subsidy period and to spend all of subsidies on paying salaries.

## 7. FINANCE COSTS

| | 2024<br>*HK$'000* | 2023<br>*HK$'000* |
|---|---|---|
| Interest expenses for financial liabilities carried at amortised cost: | | |
| Interest on amounts due to the scheme creditors | **1,259** | 50 |
| Interest on borrowings | **1,384** | 7,537 |
| Interest on notes payable | **–** | 1,330 |
| Interest on other payable | **–** | 13,769 |
| Interest on lease liabilities | **111** | 149 |
| | **2,754** | 22,835 |
| Interest on financial liabilities at FVTPL | **197** | 425 |
| Total finance costs | **2,951** | 23,260 |

## 8. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is stated at after charging/(crediting) the following:

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Auditor's remuneration | **1,966** | 1,450 |
| Cost of inventories recognised as expenses | | |
| – Cost of inventories sold | **28,766** | 14,958 |
| – Write-off of inventories | **134** | 29 |
| | **28,900** | 14,987 |
| Depreciation of property, plant and equipment | | |
| – Owned assets | **530** | 628 |
| – Right-of-use assets | **2,271** | 2,150 |
| | **2,801** | 2,778 |
| Employee benefit expenses (including directors' remuneration) | | |
| – Salaries and welfare | **17,968** | 15,008 |
| – Equity-settled share option expense | **8,462** | 5,347 |
| – Contributions to defined contribution retirement plan | **1,214** | 989 |
| | **27,644** | 21,344 |
| Provision for warranty, net | **38** | 95 |
| Bad debts written off | **–** | 55 |
| (Reversal of)/provision for impairment loss of financial assets, net | **(20,264)** | 46,026 |
| Amortisation of deferred day-one loss | **8,638** | – |
| Change in FVTPL in relation to convertible bonds | **(14,392)** | – |
| Fair value loss on equity investment at FVTPL | **15,078** | 3,262 |
| Write-off of property, plant and equipment | **686** | 338 |
| Net foreign exchange losses | **6,923** | 3,325 |
| Gain on early termination of lease | **(14)** | (2) |
| Gain on derecognition of financial liabilities *(Note)* | **–** | (51,591) |

*Note:*

For the year ended 31 March 2023, as disclosed in noted 15 to the annual results announcement, all admitted claims owned by the Company to the scheme creditors has been discharged and released in full as against the Company on the effective date of the Scheme. The difference of HK$51,591,000 between the carrying amounts of the financial liabilities extinguished and the amounts due to the scheme creditors was recognised as gain on derecognition of financial liabilities.

## 9. INCOME TAX EXPENSE/(CREDIT)

### (a) Income tax

The amount of taxation in the consolidated statement of comprehensive income represents:

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current tax – Hong Kong Profits Tax | | |
| – Over-provision in respect of prior years | **–** | (2,548) |
| Deferred tax | | |
| – Current year | **3,615** | (8,093) |
| Income tax expense/(credit) | **3,615** | (10,641) |

Hong Kong profits tax is calculated at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK$2,000,000 of a qualified entity's assessable profit is 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 25% (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, if taxable profits arise. Another subsidiary in Malaysia's corporate income tax is calculated at the applicable rate in Malaysia.

### (b) Deferred tax

Details of the deferred tax assets recognised and movements during the year are as follows:

| | Tax losses and impairment loss HK$'000 | Tax depreciation HK$'000 | Total HK$'000 |
|---|---|---|---|
| At 1 April 2022 | 43,195 | 170 | 43,365 |
| Credited to profit or loss for the year | 8,093 | – | 8,093 |
| At 31 March 2023 and 1 April 2023 | 51,288 | 170 | 51,458 |
| Charged to profit or loss for the year | (3,280) | (335) | (3,615) |
| At 31 March 2024 | 48,008 | (165) | 47,843 |

## 10. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2023: Nil).

## 11. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

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

| **Profit or loss** | **2024** ***HK$'000*** | 2023 *HK$'000* |
|---|---|---|
| Profit/(loss) attributable to owners of the Company | **8,387** | (25,084) |

| **Weighted average number of ordinary shares** | **2024** ***'000*** | 2023 *'000* |
|---|---|---|
| Issued ordinary shares at 1 April | **2,385,668** | 2,385,668 |
| Effect of shares issued for settlement of amounts due to scheme creditors | **554,046** | – |
| Effect of shares options exercised | **42,448** | – |
| Effect of conversion of convertible bonds | **65,567** | – |
| Weighted average number of ordinary shares at 31 March | **3,047,729** | 2,385,668 |

**(b) Diluted earnings/(loss) per share**

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

| **Profit attributable to owners of the Company** | **2024**<br>***HK$'000*** |
|---|---|
| Profit attributable to owners of the Company | **8,387** |
| Effect of change in FVTPL in relation to convertible bonds | **(14,392)** |
| Effect of amortisation of deferred day-one loss | **8,638** |
| Profit attributable to owners of the Company (diluted) | **2,633** |

| **Number of shares** | **2024**<br>***'000*** |
|---|---|
| Weighted average number of shares for the purpose of calculating basic earnings per share | **3,047,729** |
| Effect of dilutive potential shares on convertible bonds | **53,587** |
| Effect of dilutive potential shares on share options | **45,930** |
| Weighted average number of shares for the purpose of calculating diluted earnings per share | **3,147,246** |

For the year ended 31 March 2023, there was no dilutive effects on the impact of the exercise of the share options and share settlement to certain scheme creditors as they are anti-dilutive.

## 12. TRADE RECEIVABLES

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **497,652** | 479,019 |
| *Less:* Provision for impairment loss | **(293,776)** | (313,908) |
| Trade receivables, net | **203,876** | 165,111 |
| Classified as: | | |
| Non-current assets *(Note)* | **10,223** | 9,719 |
| Current assets | **193,653** | 155,392 |
| | **203,876** | 165,111 |

*Note:*

The Group has offered settlement term to a customer attributed to the segment of trading of energy saving products, interest-bearing of 5% per annum with settlement schedule in 84 months. As such, the fair value of the consideration attributable to the customer is determined by discounting the nominal amount of all future receipts using an imputed rate of interest of 5% per annum.

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 schedules 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:

| | 2024<br>*HK$'000* | 2023<br>*HK$'000* |
|---|---|---|
| 0 to 30 days | **19,716** | 20,595 |
| 31 to 90 days | **2,985** | 10,078 |
| 91 to 180 days | **10,623** | 6,493 |
| 181 to 365 days | **32,405** | 12,122 |
| Over 365 days | **138,147** | 115,823 |
| | **203,876** | 165,111 |

## 13. TRADE PAYABLES

| | 2024<br>*HK$'000* | 2023<br>*HK$'000* |
|---|---|---|
| Trade payables | **11,110** | 8,698 |

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

| | 2024<br>*HK$'000* | 2023<br>*HK$'000* |
|---|---|---|
| 0 to 30 days | **3,378** | 7,962 |
| 31 to 90 days | **44** | 192 |
| 91 to 180 days | **4,931** | 71 |
| 181 to 365 days | **460** | – |
| Over 365 days | **2,297** | 473 |
| | **11,110** | 8,698 |

The Group generally made purchase with various terms, operating on cash on delivery or payment in advance terms.

## 14. BORROWINGS

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Unsecured and guaranteed bank loans: | | |
| Amounts repayable on demand | **8,787** | 9,000 |
| Secured and guaranteed other loans: | | |
| Amounts repayable on demand | **8,630** | – |
| Total borrowings classified as current liabilities | **17,417** | 9,000 |

## 15. AMOUNTS DUE TO THE SCHEME CREDITORS

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current liabilities | **29,768** | 133,779 |
| Non-current liabilities | **40,328** | 40,328 |
| | **70,096** | 174,107 |

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Within one year | **29,768** | 133,779 |
| After one year but within two years | **40,328** | 29,330 |
| After two years but within five years | **–** | 10,998 |
| | **70,096** | 174,107 |

*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, with reference to the terms of the Scheme, as well as the date fixed by the Scheme Administrators for the first distribution date of the Scheme, the outstanding balances would be settled on the following basis:

(1) 5% of total outstanding principal on the effective date of the Scheme;

(2) 40% of total outstanding principal prior to the first anniversary of the 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 for allotment and issuance. On 28 June 2023, approximately 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.

Subsequent to the end of the reporting period, the Company had not settled the Second Dividend Distribution that was originally due on 3 July 2024. A Scheme Creditors' Committee meeting (the "**Meeting**") was held on 15 August 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 payments for the Second Dividend Distribution.

It was agreed between the Company and the Scheme Creditors subsequent to the Meeting, that (i) the interest will continue to accrue at the scheme interest rate at 2.5% for the unsettled principal amount until the Second Dividend Distribution is settled and such interest will be settled together with the Second Dividend Distribution; (ii) an additional interest equal to 1% per month (the "**Extra Interest**") on the principal amount of the Second Dividend Distribution to accrue until the Second Dividend Distribution is settled and the interest to be settled together with the Second Dividend Distribution; (iii) if the Company cannot fulfill the payment obligation of (i) and (ii) by 30 September 2024, another Scheme Creditors' meeting will be held with the Scheme Creditors accordingly to discuss further actions.

Furthermore, subsequent to the end of the reporting period, on 30 August 2024, Abundance Development Limited, a company wholly owned by Mr. Mansfield Wong, executive Director and the controlling shareholder of the Company, had reached an agreement with one of the scheme creditors in transferring all the rights on the amounts outstanding due by the Company to the then scheme creditor amounted to approximately HK$43.7 million. Abundance Development Limited becomes the beneficial owner of that portion of the amounts due under the Scheme thereon.

## 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 fair value of the Bonds is a level 3 recurring fair value measurement and is determined using valuation model for which involved unobservable inputs. 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 17 November 2023, the Bonds with an aggregate principal amount of US$7,500,000 (equivalent to approximately HK$58,125,000) were converted into approximately 177,273,000 newly issued shares of the Company upon Mandatory Conversion.

Subsequent to the end of the reporting period, on 31 May 2024, 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.

The movements of the convertible bonds is as follows:

| | **Financial liabilities at FVTPL** | **Deferred day-one loss** | **Total** |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *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** | 26,911 | (13,988) | 12,923 |

## 17. EVENTS AFTER REPORTING PERIOD

Subsequent to the end of the reporting period, on 24 August 2024, Synergy ESCO (Malaysia) Sdn. Bhd. (the "**Borrower**"), a subsidiary of the Company, has entered into an all combo facility agreement with Malayan Banking Berhad (the "**Lender**"), whereas the Lender agreed to provide a banking facility of up to RM50,000,000 (equivalent to approximately HK$90,000,000) (the "**Banking Facility**"). The purpose of the Banking Facility is to part finance or reimburse the purchase, instalment and/or procurement of the Ultra LED equipment. The Banking Facility bears an annual interest rate of 6.65%, being the base lending rate in Malaysia, and is guaranteed (a) by the Company at the amount of RM50,000,000 (equivalent to approximately HK$90,000,000); (b) by the assignment over the lease contracts entered into the leasing of the Ultra LED equipment financed by the relevant Banking Facility; and (b) by the assignment over the lease revenue in relation to the leasing of the Ultra LED equipment financed by the relevant Banking Facility.

Save as disclosed above and elsewhere in this annual results announcement, the Group has no disclosable material events after the reporting period.

## MATERIAL DIFFERENCES BETWEEN 2024 AUDITED ANNUAL RESULTS AND 2024 UNAUDITED ANNUAL RESULTS ANNOUNCEMENT

Since the financial information contained in the 2024 Company's announcement of unaudited annual results for the year ended 31 March 2024, dated 28 June 2024 (the "**2024 Unaudited Annual Results Announcement**") was not audited by the Auditor as at the date of its publication, and subsequent adjustments have been made to such information upon completion of the auditing process, shareholders of the Company and potential investors are advised to pay attention to the following differences between the financial information of the audited annual results of the Group for the year ended 31 March 2024 (the "**2024 Audited Annual Results**") disclosed in this announcement and that disclosed in the 2024 Unaudited Annual Results Announcement.

Set forth below are details and reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"):

| **Financial items** | **2024 Audited Annual Results disclosure in this announcement** | **Disclosure in 2024 Unaudited Annual Results Announcement** | **Difference (Decrease)/ increase in income or decrease/ (increase) in expenses** | **Reason** |
|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | |
| **Consolidated Statement of Comprehensive Income** | | | | |
| Other income and expenses, net | 10,900 | 22,576 | (11,676) | (a), (c) |
| Administrative expenses | 46,577 | 47,494 | 917 | (b) |
| Finance costs | 2,951 | 4,340 | 1,389 | (a) |
| Other expenses | – | 9,734 | 9,734 | (a) |
| **Net differences on profit for the year ended 31 March 2024** | | | **+364** | |

| Financial items | 2024 Audited Annual Results disclosure in this announcement *HK$'000* | Disclosure in 2024 Unaudited Annual Results Announcement *HK$'000* | Difference (Decrease)/ increase in assets or decrease/ (increase) in liabilities *HK$'000* | Reason |
|---|---|---|---|---|
| **Consolidated Statement of Financial Position** | | | | |
| **Non-current assets** | | | | |
| Equity investments at fair value through profit or loss | 10,800 | 16,848 | (6,048) | (c) |
| Pledged deposits | 904 | – | 904 | (f) |
| **Current assets** | | | | |
| Deposits, prepayments and other receivables | 47,308 | 40,432 | 6,876 | (d) |
| Pledged deposits | – | 904 | (904) | (f) |
| Cash and cash equivalents | 31,908 | 38,885 | (6,977) | (e) |
| **Current liabilities** | | | | |
| Accruals, other payables and deposits received | 37,861 | 37,605 | (256) | (b) |
| Amount due to a director | 85 | 500 | 415 | (b) |
| Convertible bonds | 12,923 | – | (12,923) | (a) |
| **Non-current liabilities** | | | | |
| Convertible bonds | – | 18,953 | 18,953 | (a) |
| **Net differences on net asset position as at 31 March 2024** | | | **40** | |

*Notes:*

(a) The difference represented the result of adjustments made to the convertible bonds, where other income and expenses are adjusted to reflect the fair value changes of convertible bonds throughout the year, net of the amortisation of day-one loss of the convertible bonds. The relevant finance cost recorded were reversed. Such adjustments also led to the decrease in the carrying amount of the convertible bonds and the convertible bonds were reclassified from non-current liabilities to current liabilities.

(b) The difference represented the result of net effect of net increase in audit fees and reversal of certain expense that were previously considered.

(c) The difference represented the result of additional fair value loss of the equity investment at FVTPL recognised.

(d) The difference represeated the result of reclassification from cash and cash equivalents, net of certain fees in relation to issuance of convertible bonds, adjusted to offset against share premium in reserves.

(e) The difference represented the result of reclassification to other receivables.

Synergy Lighting Limited ("**SLL**"), a wholly owned subsidiary of the Group, had placed a deposit (the "**Deposit**") to a then financial institution (the "**Institution**") in the Republic of Guinea ("**Guinea**") for the purpose of certain projects to start up in West Africa. As at 31 March 2023, the Deposit amounted to approximately US$900,000 (equivalent to approximately HK$6,982,000. Subsequent to the end of the reporting period, on 16 August 2024, SLL received a letter from the Institution (the "**Letter**") stating that (a) the status of the Institution as a financial institution in Guinea had been expired on 11 May 2022, following the withdrawal of the approval authorizing the Institution to legally operate as a bank in Guinea by the Central Bank of Guinea; and (b) SLL's bank account on the Institution would be closed; and (c) the Institution will arrange a full refund of the Deposit to SLL by 31 August 2024. The Deposit had been fully refunded to SLL on the date of the Announcement.

The management of the Group had classified the Deposit as under cash and cash equivalents in the consolidated statement of financial position as at 31 March 2023. Since the receipt of the Letter, the directors reassessed the accounting classification of the Deposit and determined that the Deposit no longer meet the definition as a cash and cash equivalents under HKAS 7 "Cash Flow Statements". Since the Deposit, in substance, is a receivable by SLL to a counterparty which is not a financial institution, the management believes that it is more appropriate to classify the Deposit as an other receivable in accordance with HKFRS 9 "Financial Instruments". Accordingly, the directors have reclassified the Deposit from "Cash and cash equivalents" to other receivables under "Deposits, prepayments and other receivables" in the consolidated statement of financial position as at 31 March 2023.

In the opinion of the directors, (a) the reclassification was not material; (b) the reclassification has no impact to the consolidated statement of financial position of the Group as at 1 April 2022; and (c) the reclassification has no impact to the consolidated net assets, consolidated net current assets and consolidated statement of profit or loss as at and for the year ended 31 March 2023, hence no prior year adjustments have been made to the comparative amounts. Certain comparative amounts have been reclassified to conform to the current years' presentation and accounting treatment.

(f) The difference represented reclassification of pledged deposits from current assets to non-current assets.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue and gross profit

The total revenue of the Group was approximately HK$92.6 million for the year ended 31 March 2024, representing an increase of approximately 98.7% as compared to approximately HK$46.6 million for the year ended 31 March 2023.

An analysis of revenue is presented as follows:

| | *Note* | **2024** <br> ***HK$'000*** | 2023 <br> *HK$'000* |
|---|---|---|---|
| Leasing service of energy saving systems and products | | | |
| Malaysia Project | *(a)* | **36,160** | 14,447 |
| Others | | **3,162** | 6,006 |
| Trading of energy saving products | *(b)* | **40,278** | 18,538 |
| Consultancy service income | *(c)* | **12,931** | 4,863 |
| Renewable energy service income | *(d)* | **88** | 2,696 |
| | | **92,619** | 46,550 |

*Notes:*

(a) This refers to the "Light Source in the Darkness" project in Malaysia (the "**Malaysia Project**"), which helps local condominiums to solve their lighting problems and achieve energy efficiency at the same time. The Malaysia Project is receiving a lot of compliments by customers and government support locally. The Malaysia Project starts out in Selangor state of Malaysia which has a total of approximately 8,000 condominiums and targets to install 6 million LED lights by 2025. During the year ended 31 March 2024, installation of approximately 121,000 (2023: 52,000) LED lights were completed under the Malaysia Project, which led to an increase of revenue from HK$14.4 million for the year ended 31 March 2023 to approximately HK$36.2 million for the year ended 31 March 2024.

(b) This refers to revenue from trading of lighting products of the Group. The increase was the result of revenue contribution from a new customer and the increase in demand from existing trading customers.

(c) The increase was due to the increase in the number of consultancy and project management projects from 2 for the year ended 31 March 2023 to 3 for the year ended 31 March 2024.

(d) There were no major solar photovoltaic systems installation project during the year ended 31 March 2024, hence the renewable energy service income decreased.

**Other income and expenses, net**

The Group's net other income for the year ended 31 March 2024 of approximately HK$10.9 million was mainly comprised of the combined effect on (i) interest income of approximately HK$0.7 million; (ii) reversal of expected credit loss on financial assets of approximately HK$20.3 million; (iii) combined effect of change in FVTPL in relation to convertible bonds of approximately HK$14.4 million and amortisation of deferred day-one loss in relation to convertible bonds of approximately HK$8.6 million; and (iv) fair value loss on equity investment at FVTPL of approximately HK$15.1 million.

The Group's net other expenses for the year ended 31 March 2023 of approximately HK$49.6 million was mainly comprised of the combined effect on (i) interest income of approximately HK$0.6 million; (ii) provision of expected credit loss on financial assets of approximately HK$46.0 million; and (iii) fair value loss on equity investment at FVTPL of approximately HK$3.3 million.

**Selling and distribution expenses**

The Group's selling and distribution expenses for the year ended 31 March 2024 was approximately HK$5.6 million, decreasing from approximately HK$6.1 million for the year ended 31 March 2023. The decrease was mainly due to (i) the decrease of advertising and promotion expenses from approximately HK$1.9 million for the year ended 31 March 2023 to approximately HK$1.0 million for the year ended 31 March 2024; partially offset by (ii) the increase of salaries expenses and other employees benefits from approximately HK$4.1 million for the year ended 31 March 2023 to approximately HK$4.4 million for the year ended 31 March 2024.

### Administrative expenses

The Group's administrative expenses for the year ended 31 March 2024 were approximately HK$46.6 million, increasing from approximately HK$36.4 million for the year ended 31 March 2023.

The increase was the combined effect of the (i) increase in currency exchange loss from approximately HK$3.3 million for the year ended 31 March 2023 to approximately HK$6.9 million for the year ended 31 March 2024 resulting from depreciation of Indonesian Rupiah and Renminbi; (ii) increase in travel and entertainment expenses from approximately HK$1.9 million to approximately HK$5.8 million for the year ended 31 March 2024; and (iii) increase in employee benefit expenses from approximately HK$21.3 million for the year ended 31 March 2023 to approximately HK$27.6 million for the year ended 31 March 2024, as a result of increase in staff member from 57 as of 31 March 2023 to 70 as of 31 March 2024; partially off-set by the decrease in legal and professional fees from approximately HK$8.8 million for the year ended 31 March 2023 to approximately HK$4.7 million for the year ended 31 March 2024.

### Finance costs

The Group's finance costs decreased from approximately HK$23.3 million for the year ended 31 March 2023 to approximately HK$3.0 million for the year ended 31 March 2024.

The decrease was mainly due to the sanction of the scheme of arrangement (the "**Scheme**") by the High Court which became effective on 21 February 2023, where debts owed to the relevant scheme creditors have accrued interest at 2.5% per annum since first distribution date, which is much lower than the interest rate on borrowings and other payable during the year ended 31 March 2023.

### Gain on derecognition of financial liabilities

The Group recognised a gain of approximately HK$51.6 million from the waiver of all the loan interests and default interests as a result of the Scheme during the year ended 31 March 2023. For the year ended 31 March 2024, no such gain was recognised.

**Income tax expense/(credit)**

The Group recognised income tax expenses amounted to approximately HK$3.6 million for the year ended 31 March 2024, which was mainly attributable to the deferred tax effect of tax losses and impairment losses. While for the year ended 31 March 2023, an income tax credit approximately HK$10.6 million was recognised, of which approximately HK$8.1 million were deferred tax credit and approximately HK$2.5 million were current tax credit due to the over-provision in respect of prior years.

**Share of results of associates**

The Group's share of results of associates for the year ended 31 March 2024 was approximately HK$2.7 million, increasing from approximately HK$1.5 million for the year ended 31 March 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 improved from a loss of approximately HK$8.6 million for the year ended 31 March 2023 to a profit of approximately HK$21.0 million for the year ended 31 March 2024. The Group's EBIT improved from a loss of approximately HK$11.4 million for the year ended 31 March 2023 to a profit of approximately HK$18.2 million for the year ended 31 March 2024.

**Non-HKFRS financial measures – Adjusted profit/(loss) for the year excluding extraordinary items**

To supplement the 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 year excluding extraordinary items have been presented in this announcement. 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 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.

The following table reconciles the adjusted profit/(loss) for the years excluding major extraordinary items as defined by the Group's management for the years presented to the profit or loss for the years indicated:

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Profit/(loss) for the year | **11,602** | (24,014) |
| Add back/(less) other major extraordinary items: | | |
| Amortisation of deferred day-one loss *(note (a))* | **8,638** | – |
| Change in fair value through profit and loss in relation to convertible bonds *(note (a))* | **(14,392)** | – |
| Fair value loss on equity investment at FVTPL *(note (a))* | **15,078** | 3,262 |
| Gain on derecognition of financial liabilities *(note (b))* | **–** | (51,591) |
| Share-based payment expenses in respect of share options *(note (a))* | **8,462** | 5,347 |
| Net foreign exchange loss *(note (a))* | **6,923** | 3,325 |
| Adjusted profit/(loss) for the year excluding major extraordinary items | **36,311** | (63,671) |

*Note:*

(a) These items were considered as non-operating in nature. All fair value changes and amortisation of deferred day-one-loss related to convertible bonds, fair value loss on equity investment at FVTPL, share-based payment expenses in respect of share options and net foreign exchange loss were considered as not related to principal business and core operation of the Group, therefore all these changes were considered as non-operating.

(b) This item is considered as non-recurring in nature, therefore in assessing company financial performances, non-recurring items were excluded.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group mainly finances its business with internally generated cash flows and bank and other borrowings. As at 31 March 2024, currents assets of the Group amounted to approximately HK$284.6 million, representing an increase of 41.2% from approximately HK$201.6 million as at 31 March 2023. The current assets mainly comprised cash and bank balances of approximately HK$31.9 million (2023: approximately HK$11.1 million), trade receivables of approximately HK$193.7 million (2023: approximately HK$155.4 million), finance lease receivables of approximately HK$3.0 million (2023: approximately HK$2.6 million), amount due from an associate of approximately HK$4.5 million (2023: approximately HK$12.0 million), and deposits, prepayments and other receivables of approximately HK$47.3 million (2023: approximately HK$18.9 million).

As at 31 March 2024, the Group's current liabilities mainly comprised borrowings of approximately HK$17.4 million (2023: approximately of HK$9.0 million), amounts due to the scheme creditors of approximately HK$29.8 million (2023: approximately HK$133.8 million), trade payables of approximately HK$11.1 million (2023: approximately HK$8.7 million), accruals, other payables and deposits received of approximately HK$37.9 million (2023: approximately HK$42.9 million) and convertible bonds of approximately HK$12.9 million (2023: Nil). The Group's current ratio increased from approximately 1.0 times as at 31 March 2023 to approximately 2.5 times as at 31 March 2024.

The Group completed the Scheme to restructure its financial liabilities and initiated financing with new borrowers during the year ended 31 March 2024 and changes in the debt structure of the Group is summarized as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'million*** | *HK$'million* |
| Bank borrowings | **8,787** | 9,000 |
| Other borrowings | **8,630** | – |
| Due to scheme creditors to be settled by cash payments | **70,096** | 69,708 |
| Due to scheme creditors settled subsequently by issue of shares of the Company | **–** | 104,399 |
| | **87,513** | 183,107 |

Out of the total amounts due to the scheme creditors of HK$174.1 million, HK$104.4 million was settled on 28 June 2023 through completion of issue of shares of the Company pursuant to the terms of the Scheme, which led to a decrease in overall debt. The remaining HK$69.7 million due to the 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.

On the other hand, the other borrowings of HK$8.6 million in the current year has a maturity of 5 years and incurs interest at floating interest rate. As at 31 March 2024, the Group's total equity was approximately HK$314.1 million, representing an increase of approximately 247.9% from approximately HK$126.7 million as at 31 March 2023. As at 31 March 2024, the Group has charges on the trade and finance lease receivables of a subsidiary to secure the borrowings.

## CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 March 2024.

## GUARANTEES

The Group had no material guarantees as at 31 March 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 year ended 31 March 2024.

## SIGNIFICANT INVESTMENT

As at 31 March 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 14.9% of the Group's total assets as at 31 March 2024 (the "**Investment in Associates**").

**Investment in Associates**

The Investment in Associates represents the Group's investment in the KSL Group. The KSL Group includes associated companies of the Group which were owned as to 47.5% by the Group as at 31 March 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 31 March 2024, the carrying amount of the Investment in Associates was approximately HK$70.0 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 year ended 31 March 2024, share of profit from the KSL Group amounted to approximately HK$2.7 million (2023: approximately HK$1.5 million) was recognised in the 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$3.1 million for the year ended 31 March 2023 to approximately HK$5.8 million for the year ended 31 March 2024.

No dividend income from KSL was recognised during the year ended 31 March 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.

## EMPLOYEES AND REMUNERATION POLICIES

As of 31 March 2024, the Group had 70 full-time employees (2023: 57). 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.

## SHARE OPTION SCHEME

The Company has adopted the 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**") 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.

## GRANT OF SHARE OPTIONS

On 8 December 2023, the Company granted a total of 62,212,000 share options to subscribe for an aggregate of 62,212,000 ordinary shares of HK$0.01 each in the share capital of the Company, comprising (i) 23,856,000 share options to a non-executive Director; and (ii) 38,356,000 share options to certain Qualified Participants, being employees of the Group, under the Share Option Scheme. Details of the grant are set out in the Company's announcements dated 8 December 2023 and 11 December 2023.

## 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 announcement. 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 31 March 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 36.1%, which has decreased from 144.6% as at 31 March 2023.

## DIVIDEND

The Board did not recommend the payment of any dividend for the year ended 31 March 2024. The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

## EVENTS OCCURRED AFTER THE END OF THE FINANCIAL YEAR

**Conversion of convertible bonds with aggregate principal amount of US$2.5 million**

On 31 May 2024, convertible 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.

**New banking facilities from Malayan Banking Berhad**

On 24 August 2024, Synergy ESCO (Malaysia) Sdn. Bhd. (the "**Borrower**"), a subsidiary of the Company, has entered into an all combo facility agreement with Malayan Banking Berhad (the "**Lender**"), whereas the Lender agreed to provide a banking facility of up to RM50,000,000 (equivalent to approximately HK$90,000,000) (the "**Banking Facility**"). The purpose of the Banking Facility is to part finance or reimburse the purchase, instalment and/or procurement of the Ultra LED equipment.

**Update on the scheme of arrangement**

The Company had not yet settled a second dividend distribution (the "**Dividend**") of the Scheme that was originally due on 3 July 2024. A Scheme Creditors' Committee meeting (the "**Meeting**") was held on 15 August 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 payments for the Dividend.

It was agreed between the Company and the scheme creditors subsequent to the Meeting, that (i) the interest will continue to accrue at the scheme interest rate at 2.5% for the unsettled principal amount until the Dividend is settled and such interest will be settled together with the Dividend; (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) if the Company cannot fulfill the payment obligation of (i) and (ii) by 30 September 2024, another meeting will be held with the scheme creditors accordingly to discuss further actions.

Furthermore, on 30 August 2024, Abundance Development Limited, a company wholly owned by Mr. Mansfield Wong, executive Director and the controlling shareholder of the Company, had reached an agreement with one of the scheme creditor in transferring all the rights on the amounts outstanding due by the Company to the then scheme creditor amounted to approximately HK$43.7 million. Abundance Development Limited becomes the beneficial owner of that portion of the amounts due under the Scheme thereon.

## FUTURE OUTLOOK

### Financial Status

The Group's financial status continues to improve after the series of restructuring actions completed in June 2023 and new source of financing from banks and financing companies. In particular, the Group completed the issue of US$10.0 million convertible bonds with aggregate principal amount of US$10.0 million to an investor on 29 September 2023, which are fully converted into equity shares of the Company on 17 November 2023 and 31 May 2024, greatly enhancing the capital structure and the financial health of the Group. The Group will continue to build new banking relationships, explore other means of financings such as bonds, equity, and co-investment with investment funds, so as to continue refining the capital structure of the Group.

## Business outlook

### *Energy Saving*

*Malaysia*

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

The Malaysia Project starts out in Selangor state of Malaysia which has a total of approximately 8,000 condominiums and targets to install 6 million LED lights. The Group targets to complete installation of 1 million LED lightings in Selangor by March 2025 and the Group is actively looking into additional financing source to accelerate the deployment.

*Middle East*

The Group kicked off its business in the Middle East during the year and has completed an energy saving project with Leaf Tower in United Arab Emirates ("**U.A.E.**") through enhancement of their lighting and cooling systems.

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

(a) Provision of energy management contract energy saving solutions in the Middle East, starting with around 700 commercial, residential and corporation buildings in Abu Dhabi and expanding to cover the entire U.A.E. and Middle East market;

(b) Procurement and offering of private-label solar equipment to meet the demand for a potential of 100GW solar projects in U.A.E. with estimated aggregate monetary amount of US$15 billion by 2030; and

(c) Establishment of a carbon emission reduction offsetting platform.

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

***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 Nestle's standards, expecting to achieve a stable chili supply by December 2024.

***Renewable Energy***

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

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

* *For identification purpose*

## 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 year ended 31 March 2024.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 31 March 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 businesses of the Group, or gave rise to any concern regarding conflict of interests during the year ended 31 March 2024.

## 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 C1 to the Listing Rules, together with compliance with the relevant code provisions.

The Board is of the view that, throughout the year ended 31 March 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 provisions C.2.1 and F.2.2 as explained below:

**Code provision C.2.1**

The roles of Chairman of the Board and Chief Executive Officer of the Company have been performed by Mr. Wong Man Fai Mansfield. Although under code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual, the combination of the roles of chairman and chief executive officer by Mr. Wong was considered to be in the best interests of the Company and its shareholders as a whole. Mr. Wong has been leading our 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.

**Code Provision F.2.2**

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

A detailed Corporate Governance Report setting out the Group's framework of governance and explanations about how the provisions of the Corporate Governance Code have been applied will be included in the Company's 2023/2024 Annual Report.

## 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 ("**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 year ended 31 March 2024 and up to the date of this announcement.

## AUDIT COMMITTEE AND REVIEW OF CONSOLIDATED FINANCIAL INFORMATION

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 announcement, 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 main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as reviewing the efficiency and effectiveness of the Group's operations, external audit and of risk management and internal control systems.

The Audit Committee has reviewed the audited consolidated annual results of the Group for the year ended 31 March 2024, including the accounting principles and practices adopted by the Group, which was of the opinion that such financial information complied with the applicable accounting standards and requirements and the Listing Rules, and adequate disclosures had been made.

## POSTPONEMENT OF ANNUAL GENERAL MEETING

As mentioned in the Company's announcement dated 26 July 2024, subsequent to the delayed publication of the 2023/2024 Annual Results, the Company anticipates the 2023/2024 Annual Report could be despatched by 30 September 2024.

Due to the delay in despatch of the 2023/2024 Annual Report, it is expected that the annual general meeting of the Company will be postponed to late-October 2024 accordingly. Pursuant to Rule 13.46(2)(b) of the Listing Rules, the Company is required to lay its annual financial statements before the Company's shareholders at its annual general meeting within the period of six months after the end of the financial year, i.e., on or before 30 September 2024.

Pursuant further to article 56 of the Company's articles of association, the Company is required to hold the annual general meeting within a period of not more than six months after the end of the Company's financial year, i.e., on or before 30 September 2024.

The Board acknowledges that the expected postponement of the annual general meeting of the Company will constitute non-compliance with Rule 13.46(2)(b) of the Listing Rules and article 56 of the Company's articles of association. Further updates will be provided in accordance with the Listing Rules, as and when necessary.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## SCOPE OF WORK OF BEIJING XINGHUA CAPLEGEND CPA LIMITED (FORMERLY KNOWN AS "AFG CPA & COMPANY LIMITED")

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Group's auditor, Beijing Xinghua Caplegend CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Beijing Xinghua Caplegend CPA Limited in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Beijing Xinghua Caplegend CPA Limited on the preliminary announcement.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This audited annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.unitygroup.eco).

The Annual Report of the Company for the year ended 31 March 2024 containing the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the same websites in due course.

## RESUMPTION OF TRADING

Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 9 September 2024.

By order of the Board
**Unity Group Holdings International Limited**
**Wong Man Fai Mansfield**
*Chairman, Chief Executive Officer and*
*Executive Director*

Hong Kong, 6 September 2024

*As at the date of this announcement, the executive Director is Mr. Wong Man Fai Mansfield; the non-executive Director is Mr. Tsang Sze Wai Claudius and Ms. Cai Linda Xin Xin; and the independent non-executive Directors are Mr. Chung Koon Yan, Mr. Cheung Yick Hung Jackie, Dr. Wong Chi Ying Anthony and Mr. Tang Warren Louis.*