

Unity Enterprise Holdings Limited

盈滙企業控股有限公司

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

INTERIM REPORT
2024



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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTOR

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Mak Alexander

Ms. Chan Mei Wah

Mr. Wu Hak Ping

AUDIT COMMITTEE

Ms. Chan Mei Wah (*Chairperson*)

Mr. Mak Alexander

Mr. Wu Hak Ping

REMUNERATION COMMITTEE

Mr. Mak Alexander (*Chairperson*)

Ms. Chan Mei Wah

Mr. Wu Hak Ping

NOMINATION COMMITTEE

Mr. Wu Hak Ping (*Chairperson*)

Ms. Chan Mei Wah

Mr. Mak Alexander

COMPANY SECRETARY

Ms. Leung Sau Fong

(member of Hong Kong Institute of Chartered Secretaries)

AUTHORISED REPRESENTATIVES

Mr. Chan Leung

Mr. Mak Alexander

AUDITOR

OOP CPA & Co.

Certified Public Accountants

Unit A, 21/F, LL Tower,

2-4 Shelley Street,

Central, Hong Kong

PRINCIPAL BANKER

Nanyang Commercial Bank Limited

151 Des Voeux Road Central

Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

71 Fort Street

PO Box 500

George Town

Grand Cayman KY1-1106

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1002, 10/F

Billion Trade Centre

31 Hung To Road

Kwun Tong, Kowloon

Hong Kong

CORPORATE INFORMATION

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716
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Hopewell Centre
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Wan Chai
Hong Kong

COMPANY'S WEBSITE

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INVESTOR RELATIONS CONTACT

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STOCK CODE

2195

INTERIM RESULTS HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

- Revenue increased by approximately 65.7% to approximately HK\$67.2 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$40.6 million).
- Gross loss increased by approximately HK\$8.1 million to approximately HK\$13.7 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$5.6 million).
- The Group recorded a loss attributable to equity holders of the Company of approximately HK\$19.0 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$6.5 million).
- Basic loss per share was approximately HK1.85 cents for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK0.65 cents).
- The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Unity Enterprise Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024, together with the comparative unaudited figures for the corresponding period in 2023.

BUSINESS REVIEW

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

During the six months ended 30 June 2024, Hong Kong grappled with economic uncertainties, posing challenges for our Group. The prevailing trend among potential customers to tighten their expenditure on maintenance and renovation projects resulted in a reduced number of tender invitations, impacting the financial performance. Intensified competition within the industry exacerbated this situation, compelling the Group to submit more competitive tender prices to secure projects, thus squeezing the gross profit margins. Moreover, heightened customer expectations for deliverables added to costs of the Group, further straining the gross profit margin of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Recognising the opportunity to bolster capabilities in RMAA projects, enhance the competitiveness in project tendering, diversify revenue streams, and fortify the supply chain resilience, the Group strategically acquired 100% equity interest in Wonder Group in April 2024. Wonder Group specializes in contracting services for RMAA works and the distribution of building materials in Hong Kong. This acquisition positions the Group to leverage potential synergies in cross-selling within the value chain of RMAA works, aiming to optimize operational efficiencies and drive growth.

As at 30 June 2024, the Group has 6 projects (31 December 2023: 7 projects) on hand.

PROSPECTS

In the face of the unstable economic conditions in Hong Kong, the Group is actively implementing cautious cost control measures to ensure the steady development and long-term operation of the business. Firstly, the Group will strengthen monitoring and management of project costs to ensure effective control and reasonable allocation of expenses. Through stricter budgeting and review processes, the Group will be able to promptly identify and address instances of cost overruns, thereby reducing financial risks. Secondly, the Group will enhance internal cost control awareness, encouraging employees to save expenses and improve efficiency. The Group will foster a culture of cost-consciousness and continuous improvement, thus enhancing overall operational efficiency and competitiveness. Overall, the Group will navigate the challenges posed by the unstable economic conditions in Hong Kong by implementing prudent cost control and management strategies. This will help ensure the company maintains competitiveness in a challenging environment.

FINANCIAL REVIEW

REVENUE

For the six months ended 30 June 2024, the Group's unaudited consolidated revenue amounted to approximately HK\$67.2 million (six months ended 30 June 2023: approximately HK\$40.6 million). The increase in revenue of approximately 65.7% was mainly attributable to the increase in revenue derived from a large-scale residential project in Kennedy Town.

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS LOSS AND GROSS LOSS MARGIN

For the six months ended 30 June 2024, the gross loss amounted to approximately HK\$13.7 million (six months ended 30 June 2023: approximately HK\$5.6 million) and the gross loss margin was approximately 20.4% (six months ended 30 June 2023: approximately 13.7%). The gross loss was caused by the postponement and cost overrun of existing construction project. The budget cost overrun occurred due to the client's elevated standards for deliverables.

OTHER INCOMES

For the six months ended 30 June 2024, the other incomes amounted to approximately HK\$1,000, which included the bank interest income of approximately HK\$1,000.

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

ADMINISTRATIVE EXPENSES

Administrative expenses primarily comprise staff costs, depreciation, office expenses, audit fee and professional fees. The administrative expenses decreased from approximately HK\$4.6 million for the six months ended 30 June 2023 to approximately HK\$3.2 million for the six months ended 30 June 2024, representing a decrease of approximately HK\$1.4 million or 30.5%. Such decrease was mainly attributed to the decrease in staff cost.

FINANCE COSTS

The Group's finance costs amounted to approximately HK\$50,000 (six months ended 2023: approximately HK\$4,000) for the six months ended 30 June 2024. The increase in finance costs was attributed to the increase in interest on bank borrowing.

MANAGEMENT DISCUSSION AND ANALYSIS

INCOME TAX EXPENSE

The income tax expense decreased from approximately HK\$1.6 million for the six months ended 30 June 2023 to approximately HK\$62,000 for the six months ended 30 June 2024. The decrease in income tax expenses for the six months ended 30 June 2024 as there was no additional tax expenses relating to the final assessments of previous years issued by the IRD.

LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD

The loss and total comprehensive expense for the period increased from approximately HK\$6.5 million for the six months ended 30 June 2023 to approximately HK\$19.0 million for the six months ended 30 June 2024, representing an increase of approximately HK\$12.6 million. Such increase was mainly contributed by the deterioration in gross loss margin, the decrease in other incomes and increase in loss allowances on trade receivables and contract assets. The net loss margin was approximately 28.3% for the six months ended 30 June 2024 and approximately 15.9% for the six months ended 30 June 2023, respectively.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The liquidity requirements are primarily attributable to the working capital for the business operations. The principal sources of liquidity are cash generated from the operations, the proceeds from the listing of the ordinary shares of the Company (the "Share(s)") and bank borrowing. As at 30 June 2024, the Group maintained a healthy liquidity position with net current assets balance, cash and bank balances of approximately HK\$108.9 million (31 December 2023: approximately HK\$125.3 million) and approximately HK\$17.5 million (31 December 2023: approximately HK\$10.1 million), respectively. The cash and bank balances were denominated in Hong Kong dollars. The Shares were listed on Main Board of the Stock Exchange on 31 March 2021 (the "Listing"). As at 30 June 2024, the capital structure of the Company comprised mainly issued share capital and reserves. The Group also deployed bank borrowing as its financial resources.

MANAGEMENT DISCUSSION AND ANALYSIS

BANK BORROWING

Bank borrowing as at 30 June 2024 amounted to approximately HK\$2.5 million (31 December 2023: approximately HK\$3.4 million). The bank borrowings were denominated in Hong Kong dollars and bear interest at floating rates.

GEARING RATIO

The gearing ratio is calculated as bank borrowings divided by the total equity. The Group's gearing ratio was 2.0% and 2.7% as at 30 June 2024 and 31 December 2023, respectively.

NET DEBT TO EQUITY RATIO

The net debt to equity ratio recorded net cash position as at 30 June 2024 and 31 December 2023.

TREASURY POLICY

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

CAPITAL EXPENDITURES

For the six months ended 30 June 2024, the Group incurred capital expenditures of approximately HK\$0.1 million (six months ended 30 June 2023: approximately HK\$0.3 million) to acquire the office equipments and right-to-use asset.

CONTINGENT LIABILITIES

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
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Performance bonds for guarantee of completion of projects issued by insurance companies

6,613

6,613

FOREIGN EXCHANGE EXPOSURE

The Group has a minimal exposure to foreign currency risk as most of the business transactions and assets and liabilities of the Group are principally denominated in Hong Kong Dollar. As such, the Directors consider the Group's risk in foreign exchange is insignificant and no foreign exchange hedging was conducted by the Group during the six months ended 30 June 2024.

SUBSEQUENT EVENTS

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the six months ended 30 June 2024 and up to the date of this report.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

References are made to the announcements of the Company dated 22 March 2024, 16 April 2024 and 30 April 2024. On 30 April 2024, the Group acquired the entire equity interests in Wonder Group, which was satisfied by the issue and allotment of 174,603,175 ordinary shares of the Company.

Saved as disclosed above, there were no other material acquisitions or disposals of subsidiaries and associated companies and joint ventures during the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 18 employees (31 December 2023: 25 employees) who were directly employed by the Group and based in Hong Kong. The Group offers remuneration package to the employees which includes salary and bonuses. Generally, the Group considers employees' salaries based on each of their qualifications, position and seniority. The Company has an annual review system to appraise the performance of the employees, which constitutes the grounds of our decision as to the salary raises, bonuses and promotions. The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

DIVIDEND

The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2024 and 2023.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at the 30 June 2024, the Group did not have other plans for material investments and capital assets.

USE OF PROCEEDS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Purposes	Original intended use of Net Proceeds HK\$ million	Revised intended use of Net Proceeds as at 29 April 2022 HK\$ million	Revised intended use of Net Proceeds as at 6 June 2023 HK\$ million	Utilised amount as at 30 June 2024 HK\$ million	Unutilised amount as at 30 June 2024 HK\$ million	Expected timeline for utilising the unutilised Net Proceeds
Upgrading the construction equipment and enhancing the safety measures through the provision of metal scaffolding system (“Plan 1”)	57.5	9.6	–	–	–	N/A
Meeting working capital requirement and paying certain upfront costs and expenses (“Plan 2”)	25.7	73.6	83.2	83.2	–	N/A
Further strengthening our manpower (“Plan 3”)	7.5	7.5	7.5	5.2	2.3	By December 2024
Total	90.7	90.7	90.7	88.4	2.3	

The actual use of Plan 3 was delayed as the Group implement product cost control and management strategies.

As at the date of this report, there was no further change for the intended use of Net Proceeds.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Group is committed to ensuring high standards of corporate governance and business practices. The Company had adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules as its own corporate governance code. Mr. Chan Leung will perform both of the roles as the chairman and the chief executive officer of the Company. This deviates from code provision C.2.1 of the CG Code, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board currently comprises an executive Director and three independent non-executive Directors and therefore has a fairly strong independence in its composition, and they meet regularly to discuss issues relating to the operation of the Company in order to provide adequate safeguards to protect the interests of the Company and its Shareholders. In addition, after taking into account the past experience of Mr. Chan Leung, the Board is of the opinion that vesting the roles of the chairman and the chief executive officer of the Company in Mr. Chan Leung helps to facilitate the execution of the Group’s business strategies and enhance the effectiveness of its operation. Hence, the aforesaid deviation is appropriate and in the best interest of the Company at the present stage.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the required standard for securities transactions by Directors. All Directors, after specific enquiries by the Company, confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2024.

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

Except for the issue of 174,603,175 Shares as consideration shares for the acquisition of Wonder Group on 30 April 2024, no purchase, sale or redemption of the Company’s listed securities was made by the Company or any of its subsidiaries during the six months ended 30 June 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at 30 June 2024 or at any time during the six months ended 30 June 2024.

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

As at 30 June 2024, none of the Directors and chief executives of the Company and/or any of their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (which has the same meaning as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2024, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

LONG POSITIONS IN THE SHARES

Name of shareholder	Capacity/Nature of interest	Number of Shares held/ interested	Percentage of interest
Harvest Land Company Limited ("Harvest Land") (Note 1)	Beneficial owner	525,000,000	44.70%
Mr. Yeung Wing Sun (Note 1)	Interest in controlled corporation	525,000,000	44.70%
Ms. Yu So Yin (Note 2)	Interest of spouse	525,000,000	44.70%
Ms. Yui Cheung Yung	Beneficial owner	150,000,000	12.77%
Mr. Leung Yuen Keung (Note 3)	Interest of spouse	150,000,000	12.77%

Notes:

1. Harvest Land is beneficially owned as to 100% by Mr. Yeung Wing Sun. Mr. Yeung Wing Sun and Harvest Land are regarded as a group of controlling shareholders of Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 44.70% of the issued share capital of the Company. Mr. Yeung Wing Sun is deemed to be interested in the Shares held by Harvest Land pursuant to the SFO.
2. Ms. Yu So Yin is the spouse of Mr. Yeung Wing Sun. Accordingly, Ms. Yu So Yin is deemed to be interested in all the Shares in which Mr. Yeung Wing Sun is interested under the SFO.
3. Mr. Leung Yuen Keung is the spouse of Ms. Yui Cheung Yung. Accordingly, Mr. Leung Yuen Keung is deemed to be interested in all the Shares in which Ms. Yui Cheung Yung is interested under the SFO.

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any persons who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

Written resolutions were passed on 15 March 2021 to adopt the share option scheme (the “Scheme”). The principal terms of the Scheme are summarised in the paragraph headed “D. Share Option Scheme” in Appendix V of the Prospectus. No share options have been granted, exercised, cancelled or lapsed under the Scheme during the six months ended 30 June 2024. The Scheme will remain in force for a period of 10 years after the date of adoption.

MANAGEMENT CONTRACT

No contract, other than a contract of service with any Director or any person in the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the six months ended 30 June 2024.

COMPETING INTERESTS

The controlling shareholders, namely Harvest Land and Mr. Yeung (collectively, the “Controlling Shareholder(s)”) had entered into the deed of non-competition in favour of the Company on 18 March 2021 (the “Non-competition Undertaking”). Each of the Controlling Shareholders has confirmed that he/it had complied with the Non-Competition Undertaking during the six months ended 30 June 2024 and up to the date of this report. The independent non-executive Directors have reviewed that state of compliance of each of the Controlling Shareholder with the Non-competition Undertaking and as far as the independent non-executive Directors can ascertain, there has been no breach of the undertakings given in the Non-competition Undertaking by the Controlling Shareholders during the six months ended 30 June 2024 and up to the date of this report.

CONNECTED AND RELATED PARTY TRANSACTIONS

The Group had not entered into any connected transaction or continued connected transactions during the six months ended 30 June 2024 and up to the date of this interim report, which is required to be disclosed under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued share capital was held by the public during the six months ended 30 June 2024 and up to the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

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

REVIEW OF INTERIM FINANCIAL RESULTS BY AUDIT COMMITTEE

The unaudited interim consolidated financial information of the Group for the six months ended 30 June 2024 and the accounting information given in this interim report has not been audited by the Company’s external auditor but has been reviewed by the audit committee of the Company, which was of the opinion that the preparation of such accounting information complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement was published on the Company’s website at www.hongdau.com.hk and the Stock Exchange’s website at www.hkexnews.hk. This interim report of the Company for the six months ended 30 June 2024 will be published on the websites of both the Stock Exchange and the Company in due course in the manner as required by the Listing Rules.

APPRECIATION

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

On behalf of the Board
Chan Leung
Chairman and Executive Director

Hong Kong, 28 August 2024

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	6	67,200	40,557
Cost of services		(80,889)	(46,123)
Gross loss		(13,689)	(5,566)
Other incomes	7	1	2,795
Administrative expenses (Loss allowances)/reversal of loss allowances on trade receivables and contract assets		(3,182)	(4,579)
Finance costs	8	(2,052)	2,445
Loss before income tax	9	(50)	(4)
Income tax expense	10	(18,972)	(4,909)
Loss and total comprehensive expense for the period		(62)	(1,551)
Loss attributable to equity holders of the Company		(19,034)	(6,460)
Loss per share attributable to equity holders of the Company Basic and diluted	12	(HK1.85 cents)	(HK0.65 cents)

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	651	665
Goodwill	14	19,470	–
Total non-current assets		20,121	665
Current assets			
Trade receivables	15	105,375	94,567
Contract assets	16	21,902	23,850
Deposits, prepayments and other receivables	17	25,694	47,141
Amount due from a controlling shareholder		15	1,123
Cash and bank balances	18	17,450	10,100
Total current assets		170,436	176,781
Current liabilities			
Trade payables	19	37,033	37,415
Accrued liabilities and other payables	20	21,588	10,536
Bank borrowing		2,534	3,353
Lease liabilities	21	205	146
Tax payable		225	–
Total current liabilities		61,585	51,450
Net current assets		108,851	125,331
Total assets less current liabilities		128,972	125,996
Non-current liabilities			
Lease liabilities	21	21	50
Deferred tax liabilities	22	104	65
Total non-current liabilities		125	115
NET ASSETS		128,847	125,881
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	23	11,746	10,000
Reserves		117,101	115,881
TOTAL EQUITY		128,847	125,881

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to equity holders of the Company				
	Note	Share capital HK\$'000	Share premium (note i) HK\$'000	Retained earnings/ (accumulated losses) (note ii) HK\$'000	Total equity HK\$'000
(Unaudited)					
At 1 January 2024		10,000	101,105*	14,776*	125,881
Issuance of shares in consideration for the acquisition of subsidiaries		1,746	20,254	-	22,000
Loss for the period and total comprehensive expense for the period		-	-	(19,034)	(19,034)
At 30 June 2024		11,746	121,359*	(4,258)*	128,847
(Unaudited)					
At 1 January 2023		10,000	101,105*	44,188*	155,293
Loss for the period and total comprehensive expense for the period		-	-	(6,460)	(6,460)
At 30 June 2023		10,000	101,105*	37,728*	148,833

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

Note i Share premium

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

Note ii Retained earnings/(accumulated losses)

The retained earnings/(accumulated losses) represent cumulative net gains or losses recognised in profit or loss.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Note	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	8,310	(36,878)
Cash flows from investing activities		
Interest received	1	275
Purchase of property, plant and equipment	(1)	(6)
Decrease of time deposits	–	25,000
Net cash generated from investing activities	–	25,269
Cash flows from financing activities		
Repayments of bank borrowings	(819)	–
Payments of lease liabilities	(96)	(164)
Finance cost paid	(45)	–
Net cash used in financing activities	(960)	(164)
Net increase/(decrease) in cash and cash equivalents	7,350	(11,773)
Cash and cash equivalents at beginning of the period	10,100	24,540
Cash and cash equivalents at end of the period, representing cash and bank balances	17,450	12,767

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. GENERAL

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

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

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

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

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements (the “unaudited interim financial statements”) are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and the Hong Kong Companies Ordinance. These unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include HKASs and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the amendments to HKFRSs as disclosed in note 3 below.

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

3. ADOPTION OF HKFRSs

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

APPLICATION OF NEW AND AMENDMENTS OF HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹

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

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

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

⁴ Effective date not yet determined

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

5. OPERATING SEGMENT INFORMATION GEOGRAPHICAL INFORMATION

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

INFORMATION ABOUT MAJOR CUSTOMERS

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	30,561	19,221
Customer B	29,829	9,153
Customer C	N/A*	6,000

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

6. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), being the executive directors of the Company, in order for CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

- (i) Provision of RMAA works; and
- (ii) Distribution of building materials

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

During the six months ended 30 June 2024, the Group commenced in the business engaging in distributorship of building materials to customers in Hong Kong along with the acquisition of Wonder Holdings Limited and its subsidiaries ("Wonder Group").

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

DISAGGREGATION OF REVENUE

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
RMAA	65,958	40,557
Distributorship of building materials	1,242	–
	67,200	40,557
Type of contract nature		
Project-based		
— Main contractor	32,248	21,203
— Subcontractor	33,710	19,354
	65,958	40,557
Type of developments		
Residential	51,221	29,916
Commercial and industrial	11,911	4,641
Institutional	2,826	6,000
	65,958	40,557

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

Revenue from distributorship of building materials arose from sale of building materials in Hong Kong and was recognised when control of goods has transferred, being when the goods are delivered to the customers.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

The information of segment results is as follows:

For the six months ended 30 June 2024

	Provision of RMAA works HK\$'000 (Unaudited)	Distribution of building materials HK\$'000 (Unaudited)	Unallocated expenses HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue	65,958	1,242	-	67,200
Cost of services	(79,874)	(1,015)	-	(80,889)
Gross profit/(loss)	(13,916)	227	-	(13,689)
Other income	1	-	-	1
Administrative expenses	(2,115)	(86)	(981)	(3,182)
Loss allowances on trade receivables and contract assets	(2,052)	-	-	(2,052)
Finance costs	(48)	(2)	-	(50)
Profit/(loss) before income tax	(18,130)	139	(981)	(18,972)
Income tax expense	(39)	(23)	-	(62)
Profit/(loss) for the period	(18,169)	116	(981)	(19,034)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

7. OTHER INCOMES

The Group's other incomes recognised are as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Tax indemnity (note 1)	–	2,520
Bank interest income	1	275
	1	2,795

Notes:

1. The amount represented the tax expenses indemnified by the controlling Shareholder of the Company in accordance with the Deed of Indemnity signed by the Company and the Controlling Shareholder.

8. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	45	–
Interest on lease liabilities	5	4
	50	4

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

9. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' remuneration):		
— Directors' fee	180	180
— Salaries, allowances and other benefits	2,757	4,318
— Contributions to retirement benefits schemes	106	138
Total employee benefit expenses	3,043	4,636
Depreciation of property, plant and equipment	144	349

The employee benefit expenses included in cost of services were approximately HK\$1,966,000 (six months ended 30 June 2023: approximately HK\$2,165,000) for the six months ended 30 June 2024.

10. INCOME TAX EXPENSE

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

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

11. DIVIDENDS

The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2024 and 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the equity holders of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to equity holders of the Company (HK\$'000)	19,034	6,460
Weighted average number of ordinary shares	1,029,180,000	1,000,000,000

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group incurred capital expenditure of approximately HK\$0.1 million (six months ended 30 June 2023: approximately HK\$0.3 million) to acquire office equipment and right-to-use asset.

14. GOODWILL

	30 June 2024
	HK\$'000
	(Unaudited)
Arising on acquisition of a subsidiary (Note 24)	19,470

During the six months ended 30 June 2024, the management of the Company determines that there is no impairment on goodwill with reference to the (i) the valuation prepared by an independent valuer which, according to such valuation report, as at 31 December 2023, the appraised value of 100% equity interest in the Wonder Group on the basis of the approach of Guideline Publicly-traded Comparable Method was approximately HK\$22,000,000; (ii) historical financial performance of the Wonder Group for the year ended 31 December 2023; and (iii) the prospect of the Wonder Group and the potential synergies between the Wonder Group and the Company as assessed by the Company.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

15. TRADE RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables, gross	123,427	110,582
Less: Loss allowances recognised	(18,052)	(16,015)
	105,375	94,567

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

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within one month	11,477	6,194
One to three months	8,347	15,842
More than three months but within one year	25,602	21,663
More than one year	59,949	50,868
	105,375	94,567

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. CONTRACT ASSETS

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Contract assets	23,816	25,749
Less: Loss allowances recognised	(1,914)	(1,899)
	21,902	23,850

As at 30 June 2024, the amounts of contract assets that are expected to be recovered after one year are approximately HK\$21,266,000 (31 December 2023: approximately HK\$17,906,000).

17. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Rental, utilities and sundry deposits	2,431	2,398
Prepayment of construction costs	20,377	41,984
Other prepayments	319	283
Other receivables	2,567	2,476
	25,694	47,141

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

18. CASH AND BANK BALANCES

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. TRADE PAYABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade payables	37,033	37,415

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within one month	1,843	5,967
One to three months	5,746	16,295
More than three months	29,444	15,153
	37,033	37,415

20. ACCRUED LIABILITIES AND OTHER PAYABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Retention payables	3,941	3,265
Other payables and accruals	2,921	2,254
Accrued contract costs	14,726	5,017
	21,588	10,536

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

As at 30 June 2024, the retention payables that are expected to be settled after one year are approximately HK\$1,836,000 (31 December 2023: approximately HK\$3,265,000).

21. LEASE LIABILITIES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Lease liabilities payable		
Within one year	205	146
More than one year but less than two years	21	50
	226	196

The total cash outflows for leases including the payments of lease liabilities for the six months ended 30 June 2024 was HK\$96,000 (six months ended 30 June 2023: HK\$164,000).

22. DEFERRED TAX

The following are the deferred tax liabilities recognised and movement during the six months ended 30 June 2024:

	Accelerated tax depreciation HK\$'000
(Unaudited)	
At 1 January 2024	65
Debit to profit or loss	39
At 30 June 2024	104
(Unaudited)	
At 1 January 2023	55
Debit to profit or loss	6
At 30 June 2023	61

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

As at 30 June 2024, the Group had estimated unused tax losses of approximately HK\$22,468,000 (31 December 2023: HK\$22,468,000) available for offset against future profits. The estimated unused tax losses arising in Hong Kong available may be carried forward indefinitely for offsetting against future taxable profit of a Hong Kong subsidiary in which the losses arose. Deferred tax assets have not been recognised in respect of the tax losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

23. SHARE CAPITAL

On 30 April 2024, the Company issued 174,603,175 new ordinary shares as the consideration paid for the acquisition of the entire equity interests in Wonder Group. As at 30 June 2024, the Company had 1,174,603,175 ordinary shares in issue with total shareholders' fund of the Group amounting to approximately HK\$11,746,175.

24. ACQUISITION OF SUBSIDIARIES

On 30 April 2024, the Group acquired 100% equity interest in Wonder Group. Wonder Group is principally engaged in provision of contracting service for RMAA works in Hong Kong and in distributorship of building materials in Hong Kong. The acquisition has been accounted for as acquisition business using the acquisition method.

CONSIDERATION TRANSFERRED

	HK\$'000 (Unaudited)
Consideration shares issued (Note)	22,000

Note: For settlement of consideration of the Group's acquisition of Wonder Group, the Company issued 174,603,175 ordinary shares with the market price of HK\$0.126 per share on 30 April 2024.

Acquisition-related costs amounting to approximately HK\$0.3 million have been excluded from consideration transferred and have been recognised as an expense in the current period, within the "administrative expenses" line item in the unaudited consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

ASSETS ACQUIRED AND LIABILITIES RECOGNISED AT THE DATE OF ACQUISITION

	HK\$'000 (Unaudited)
Property, plant and equipment	27
Trade receivables	628
Deposits, prepayments and other receivables	2,716
Cash and bank balance	319
Accrued liabilities and other payables	(958)
Tax payables	(202)
<hr/>	
Net assets acquired	2,530
<hr/>	
Goodwill arising on acquisition:	
Consideration transferred	22,000
Less: recognised amounts of net assets acquired	(2,530)
<hr/>	
	19,470
<hr/>	

Goodwill arose on the acquisition because the acquisition included the assembled workforce and some potential contracts with customers as at the date of the acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisition is expected to be deductible for tax purposes.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

NET CASH INFLOW ON ACQUISITION

	HK\$'000 (Unaudited)
Cash and cash equivalents balances acquired	319

IMPACT OF ACQUISITION ON THE RESULTS OF THE GROUP

Included in the loss for the period is approximately HK\$0.1 million attributable to the additional business generated by Wonder Group. Revenue for the period includes approximately HK\$1.2 million generated from Wonder Group. Had the acquisition of Wonder Group been completed on 1 January 2024, revenue for the period of the Wonder Group would have been approximately HK\$2.7 million, and profit for the period of the Wonder Group would have been approximately HK\$0.4 million. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results. In determining the 'pro-forma' revenue and profit of the Group had Wonder Group been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

25. CONTINGENT LIABILITIES

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Performance bonds for guarantee of completion of projects issued by insurance companies	6,613	6,613

26. SUBSEQUENT EVENTS

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the six months ended 30 June 2024 and up to the date of this report.