

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **ZHEJIANG UNITED INVESTMENT HOLDINGS GROUP LIMITED**

**浙江聯合投資控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8366)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2024**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Director(s)**”) of Zhejiang United Investment Holdings Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## FINANCIAL HIGHLIGHTS

- The Group’s revenue amounted to approximately HK\$302.10 million for the year ended 30 April 2024, representing an increase of approximately HK\$102.93 million or 51.68% as compared to approximately HK\$199.17 million for the year ended 30 April 2023.
- Loss for the year ended 30 April 2024 amounted to approximately HK\$0.35 million, as compared to the loss for the year ended 30 April 2023 of approximately HK\$3.08 million.
- The Group recorded basic loss per share for the year ended 30 April 2024 of approximately HK cents 0.02 as compared with basic loss per share of approximately HK cents 0.20 for the year ended 30 April 2023.
- The Board does not recommend the payment of a final dividend for the year ended 30 April 2024 (2023: Nil).

The board (the “**Board**”) of Directors of the Company is pleased to present the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 30 April 2024 together with the audited comparative figures for the corresponding period in 2023 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2024

	<i>Note</i>	<b>2024</b> <i>HK\$’000</i>	2023 <i>HK\$’000</i>
<b>Revenue</b>	4	<b>302,095</b>	199,173
Direct costs		<u>(296,336)</u>	<u>(195,260)</u>
<b>Gross profit</b>		<b>5,759</b>	3,913
Other income and other gain	5	<b>1,847</b>	2,173
Administrative expenses		<b>(7,234)</b>	(8,105)
Reversal of/(impairment losses net of reversal) under expected credit loss model	7(b)	<b>361</b>	(334)
Finance costs	6	<u><b>(1,082)</b></u>	<u>(723)</u>
<b>Loss before tax</b>	7	<b>(349)</b>	(3,076)
Income tax expense	8	<u>—</u>	<u>—</u>
<b>Loss and total comprehensive expense for the year</b>		<u><b>(349)</b></u>	<u>(3,076)</u>
<b>Loss per share for loss attributable to owners of the Company</b>		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
Basic and diluted	10	<u><b>(0.02)</b></u>	<u>(0.20)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 APRIL 2024*

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		<u>558</u>	<u>29</u>
		<b>558</b>	<b>29</b>
<b>Current assets</b>			
Trade and other receivables	<i>11</i>	<b>26,261</b>	47,044
Contract assets		<b>4,219</b>	4,292
Cash and cash equivalents		<u>33,834</u>	<u>1,146</u>
		<b>64,314</b>	<b>52,482</b>
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>73,507</b>	58,124
Contract liabilities		<b>1,211</b>	8,110
Borrowings		<b>12,568</b>	8,342
Tax payable		<u>229</u>	<u>229</u>
		<b>87,515</b>	<b>74,805</b>
<b>Net current liabilities</b>		<u><b>(23,201)</b></u>	<u>(22,323)</u>
<b>Net liabilities</b>		<u><b>(22,643)</b></u>	<u>(22,294)</u>
<b>Capital and reserves</b>			
Share capital		<b>15,772</b>	15,772
Reserves		<u><b>(38,415)</b></u>	<u>(38,066)</u>
<b>Total deficit</b>		<u><b>(22,643)</b></u>	<u>(22,294)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Zhejiang United Investment Holdings Group Limited (the “Company”) was incorporated in the Cayman Islands on 20 May 2015 as an exempted company with limited liability and its shares have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 2 November 2015. The directors of the Company consider that the immediate holding company of the Company during the year ended 30 April 2024 is Emperor Securities Limited, a company incorporated in Hong Kong and indirectly wholly-owned subsidiary of Emperor Capital Group Limited. The intermediate holding company of the Company, Emperor Capital Group Limited, is incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange with stock code 717 while the Company’s ultimate holding company is, in the opinion of the directors of the Company, Albert Yeung Capital Holdings Limited, a limited liability company incorporated in the British Virgin Islands (“BVI”). The entire issued share capital of Albert Yeung Capital Holdings Limited is in turn held by CDM Trust & Board Services AG, being the trustee of Albert Yeung Capital Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert.

The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the principal place of business of the Company is Unit A6-D, 12th floor, Block A, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong. The Company is an investment holding company and its subsidiaries (collectively, the “Group”) are principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### 2.1 New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are first effective for the current accounting period of the Group:

- HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17), *Insurance Contracts*
- Amendments to HKAS 1 and HKFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to HKAS 8, *Definition of Accounting Estimates*
- Amendments to HKAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to HKAS 12 *International Tax Reform-Pillar Two Model Rules*

Except as described below, the application of the new and amendments to the HKFRSs listed above in the current year had no material effect on the Group's financial performance and positions for the current and prior year and on the disclosures set out in the consolidated financial statements.

In accordance with the guidance set out in the amendments to HKAS 1, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

*Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong*

The Company and its subsidiary are operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "Abolition"). The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

Based on management's assessment, the change has had no material impact on the Group's financial positions and performance.

## 2.2 Amendments to HKFRSs in issue but not yet effective

The Group has not applied the following amendments to HKFRSs that have been issued but are not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these amendments to HKFRSs but is not yet in a position to state whether these amendments to HKFRSs would have a significant impact on its results of operations and financial position:

	<b>Effective for accounting periods beginning on or after</b>
• Amendments to HKFRS 10 and HKAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
• Amendments to HKFRS 16, <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
• Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)</i>	1 January 2024
• Amendments to HKAS 1, <i>Non-current Liabilities with Covenants</i>	1 January 2024
• Amendments to HKAS 7 and HKFRS 7, <i>Supplier Finance Arrangements</i>	1 January 2024
• Amendments to HKAS 21, <i>Lack of Exchangeability</i>	1 January 2025

### **3. BASIS OF PREPARATION**

#### **(a) STATEMENT OF COMPLIANCE**

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

#### **(b) BASIS OF PREPERATION**

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

#### **(c) GOING CONCERN BASIS**

The Group incurred a net loss of approximately HK\$349,000 (2023: HK\$3,076,000) for the year ended 30 April 2024 and, as of that date, the Group had net current liabilities and net liabilities of approximately HK\$23,201,000 (2023: HK\$22,323,000) and HK\$22,643,000 (2023: HK\$22,294,000) respectively. Those conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The validity of the use of going concern in the preparation of the consolidated financial statements is dependent upon the Group’s ability to generate adequate cash flows in order to meet its obligations as and when the obligations fall due.

The directors of the Company (“Directors”) adopted the going concern basis in the preparation of consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

##### **(1) Financial support from holding company**

The holding company of the Company, Emperor Securities Limited, has confirmed that it will provide financial support to the Group up to the amount of HK\$36,000,000 to enable the Group to meet its financial obligations as they fall due for the future period up to 31 October 2025.

##### **(2) Alternative source of funding**

The Group is actively considering to raise new capital by carrying out fund raising activities including but not limited to rights issue, open offer, placing of new shares and issuance of convertible note.

(3) Various cost control measures

The Directors plan to improve the Group's financial performance by taking steps to reduce discretionary expenses and administrative costs.

In the opinion of the Directors, in light of the various measures/arrangements implemented, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether the Group is able to continue as a going concern as the ability of the Group to achieve its plans and measures as described above cannot be determined with reasonable certainty and incorporates assumptions about future events and conditions that are subject to inherent uncertainty. Should the Group be unable to continue to operate as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

#### 4. REVENUE AND SEGMENT INFORMATION

The Group's revenue recognised during the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Types of service</b>		
Slope works (note a)	301,802	199,013
Foundation works (note b)	293	160
Revenue from contracts with customers	<u>302,095</u>	<u>199,173</u>

Note a: Slope works generally refer to landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls.

Note b: Foundation works are generally concerned with the construction of foundations.

Revenue from construction contracts for both slope works and foundation works are recognised over time based on the value of the services transferred to customer to date. Progress certificates are issued by the customers or their agents on a regular basis during the course of each construction project. Due to time intervals between the latest progress certificate issuance dates and the Group's financial reporting date of 30 April, there arose construction works performed as at 30 April 2024 which were not yet certified and billed, thus contract assets are recognised for such unbilled work as at 30 April 2024. Normally the services for slope works are for the contracts which are over one year and foundation works are for the contracts which are less than one year.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Timing of recognition of revenue</b>		
On over time basis	<u>302,095</u>	<u>199,173</u>



### Remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as at 30 April 2024 and 2023:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Remaining performance obligations expected to be satisfied		
within 1 year	<b>302,800</b>	321,321
more than 1 year but less than 2 years	<b>150,652</b>	274,260
more than 2 years but less than 3 years	<b>41,856</b>	134,057
more than 3 years but less than 4 years	<b>—</b>	41,734
	<b><u>495,308</u></b>	<u>771,372</u>

### Segment information

The Group has determined the operating segments based on the information reported to the CODM. During the year, the CODM regards the Group's business of performing slope works and foundation works in Hong Kong as a single operating unit and assesses the operating performance and allocates the resources of the Group as a whole. Accordingly, the Group has one operating segment only and hence no segment information is presented.

### Geographical information

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong, based on location of operations and assets.

### Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the Group's total revenue, is set out below:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Customer A	<b>44,460</b>	53,741
Customer B	<b>164,780</b>	102,037
Customer C	<b>73,861</b>	24,251

Except disclosed above, no other customers contributed 10% or more to the Group's revenue for both years.

## 5. OTHER INCOME AND OTHER GAIN

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Other income</b>		
Bank interest income	22	—
Government grants (note)	—	289
Reversal for provision of litigation claims	—	794
Gain from disposal of construction project equipment	—	530
Site supervision fee income	<u>1,093</u>	<u>560</u>
	<u>1,115</u>	<u>2,173</u>
<b>Other gain</b>		
Gain on disposal of motor vehicles	<u>732</u>	<u>—</u>
	<u>732</u>	<u>—</u>
	<u><u>1,847</u></u>	<u><u>2,173</u></u>

Note: During the year ended 30 April 2023, the Group recognised COVID19-related government grants of approximately HK\$289,000 related to Employment Support Scheme provided by the Hong Kong Special Administrative Region Government under the Anti-Epidemic Fund. There were no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on borrowings	<u>1,082</u>	<u>723</u>

## 7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>(a) Staff costs (including director's emoluments)</b>		
Salaries, wages and other benefits	3,959	4,611
Retirement benefit schemes contribution	132	143
	<u>4,091</u>	<u>4,754</u>
<b>(b) Other items</b>		
Auditor's remuneration	400	400
Depreciation of property, plant and equipment	85	273
Impairment loss on financial assets under expected credit loss model, net of reversal	(361)	334
– Trade and other receivables	(361)	388
– Contract assets	—	(54)
Legal and professional fees	1,092	436
Expenses relating to short-term leases	548	451
Subcontracting charges (included in direct costs)	<u>296,336</u>	<u>195,260</u>

## 8. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong profits tax:		
Current year	<u>—</u>	<u>—</u>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.
- (ii) Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of a qualifying group entity incorporated in Hong Kong are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%.

For the years ended 30 April 2024 and 2023, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime continue to be taxed at the flat rate of 16.5%. No provision for Hong Kong profit tax was made as the subsidiaries in Hong Kong incurred tax loss during the years ended 30 April 2024 and 2023.

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK\$11,413,000 (2023: HK\$13,971,000) available for offsetting against future profits of the companies in which the losses arose. The estimated unused tax losses may be carried forward indefinitely. No deferred tax asset has been recognised in respect of these estimated unused tax losses due to unpredictability of future profit streams.

As at 30 April 2024, no deferred taxation has been provided as there are no other significant unrecognised temporary differences (2023: Nil).

## 9. DIVIDENDS

No dividend was paid, declared or proposed during the years ended 30 April 2024 and 2023 nor has any dividend been proposed since the end of the reporting period.

## 10. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(349)</u>	<u>(3,076)</u>
	<b>2024</b> <i>'000</i>	2023 <i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>1,577,200</u>	<u>1,577,200</u>

No diluted loss per share is presented for both years as there were no potential ordinary shares in issue.

## 11. TRADE AND OTHER RECEIVABLES

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade receivables from contract with customers (net of allowance for credit losses) (note (a))	<b>24,021</b>	38,471
Deposits and other receivables	<b>1,041</b>	569
Prepayments (note (b))	<b>1,199</b>	8,004
	<b>26,261</b>	47,044

Notes:

### (a) Trade receivables

The Group usually provides customers with a credit term of 21- 60 days (2023: 21-60 days). For the settlement of trade receivables from provision of construction services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgement and experience of the management.

Based on the invoice dates, the ageing analysis of the trade receivables, net of allowance for credit loss, is as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0-30 days	<b>24,021</b>	35,037
31-60 days	—	961
61-90 days	—	—
Over 90 days	—	2,473
	<b>24,021</b>	38,471

### (b) Prepayments

During the year ended 30 April 2024, the Group had made prepayments in respect of on-going projects of approximately HK\$1,199,000 (2023: HK\$8,004,000) to its subcontractors.

## 12. TRADE AND OTHER PAYABLES

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables (note (a))	<b>27,800</b>	36,474
Retention payables (note (b))	<b>3,645</b>	3,234
Accruals and other payables (notes (c) and (d))	<b>42,062</b>	18,416
	<b>73,507</b>	58,124

Notes:

(a) Payment terms granted by suppliers are 42-60 days (2023: 42-60 days) from the invoice dates.

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0–30 days	<b>27,674</b>	30,125
31–60 days	—	893
61–90 days	—	—
Over 90 days	<b>126</b>	5,456
	<b>27,800</b>	36,474

(b) Retention payables are interest-free and settled in accordance with the terms of the respective contracts.

(c) Accruals and other payables included an amount due to a director of a subsidiary of HK\$33,100,000 (2023: HK\$8,700,000). The balance is non-trade nature, unsecured, non-interest bearing and repayable on demand.

(d) Amounts due to former directors, Mr. Zhou Ying of HK\$3,365,000 (2023: HK\$3,365,000) and Ms. Meng Ying of HK\$927,000 (2023: HK\$927,000), were arisen from salaries due to them by the Company and advances from them to pay the operating expenses of the Company during the years ended 30 April 2022, 2021 and 2020. The balances are unsecured, non-interest bearing and repayable on demand. Up to the date of approval of the consolidated financial statements, the Company has not received any query or claim for the amounts due to them.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

The Group is a contractor principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong. Slope works generally refer to landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Foundation works are generally concerned with the construction of foundations. General building works mainly include the general construction of buildings. Fraser Construction Company Limited, our principal operating subsidiary, is an approved specialist contractor included in the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau of the Government of the Hong Kong Special Administrative Region (the “Hong Kong Government”) under the categories of “Landslip Preventive/Remedial Works to Slopes/Retaining Walls” with a confirmed status and “Land Piling (Group II)”. Being on such list is a prerequisite for tendering for public sector projects in the relevant works categories. In addition, Fraser Construction Company Limited is registered under the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) as a (i) Registered Specialist Contractor under the sub-register of “Site Formation Works” and “Foundation Works” categories; and (ii) Registered General Building Contractor.

The Group experienced an increase in revenue and decrease in gross profit margin, recorded a decrease in net loss for the year ended 30 April 2024 compared to the net loss for the year ended 30 April 2023. Hong Kong construction companies are still facing tougher competitive condition, as well as the slower progress of scrutinising the funding proposals for public works projects by the Finance Committee and the Public Works Subcommittee due to slow down economy in Hong Kong. The Group has also been facing challenging operating environment resulting from increasing costs of operation including, in particular, higher subcontracting rate and higher general operation costs. As such, the Directors consider that competition in the market has remained intense.

The Directors are also cautiously monitoring the overall construction costs with respect to the works undertaken by the Group which are affected by factors including the overall market conditions and costs in the construction industry as well as overall economy in Hong Kong.

Going forward, in developing the Group’s business, the Directors will continue to carefully evaluate the potential costs and to control the Group’s overall costs to an acceptable and satisfactory level.

Nevertheless, we believe that the Hong Kong Government's continuing increase in major construction and infrastructure projects in Hong Kong will increase the demand for slope works because of the public safety. The Hong Kong Government still maintains its stand to launch a rolling Landslip Prevention and Mitigation Programme to systematically deal with the landslide risk associated with both man-made slopes and natural hillsides. The stand enables steady flow of slopes construction works load to the construction industry. All in all, the Directors remain cautiously optimistic about the slope works industry in Hong Kong.

Up to the date of this report, the Group has obtained public projects from each of Civil Engineering and Development Department ("CEDD") and Lands Department of the Hong Kong Government respectively, which are expected to be completed in the coming years.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's overall revenue increased by approximately HK\$102.93 million or 51.68% from approximately HK\$199.17 million for the year ended 30 April 2023 to approximately HK\$302.10 million for the year ended 30 April 2024. The increase in revenue is mainly due to the increase in revenue derived from undertaking slope works as further discussed below.

The Board regards the Group's business of construction as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented. No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is in Hong Kong. The Group's principal operating activities for the year ended 30 April 2024 are as follows:

**Slope works:** Undertaking landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Revenue from undertaking slope works increased from approximately HK\$199.01 million for the year ended 30 April 2023 to approximately HK\$301.80 million for the year ended 30 April 2024, representing an increase of approximately 51.65%. The increase in revenue was primarily attributable due to the increase of slope work projects.

**Foundation works:** Undertaking works in relation to the construction of foundations for general building construction. Revenue from undertaking foundation works increased from approximately HK\$0.16 million for the year ended 30 April 2023 to approximately HK\$0.29 million for the year ended 30 April 2024, representing an increase of approximately 81.25%, as a result of the increase in the number of foundation work projects undertaken by our Group during the year ended 30 April 2024.



The Group's direct costs increased by approximately HK\$101.08 million or 51.77% from approximately HK\$195.26 million for the year ended 30 April 2023 to approximately HK\$296.34 million for the year ended 30 April 2024. Such increment was mainly attributable to the increase in amount of works performed resulting in the increase in our subcontracting charges.

The Group's gross profit increased by approximately HK\$1.85 million or 47.31% from approximately HK\$3.91 million for the year ended 30 April 2023 to approximately HK\$5.76 million for the year ended 30 April 2024 and the Group's gross profit margin slightly decreased from approximately 1.96% for the year ended 30 April 2023 to approximately 1.91% for the year ended 30 April 2024. The decrease in gross profit margin were mainly due to slightly increased in subcontracting rate and overall construction costs for existing projects under the tougher competitive condition and challenging operating environment in Hong Kong construction market.

### **Other Income and Other Gain**

The Group's other income and other gain amounted to approximately HK\$1.85 million and HK\$2.17 million for the years ended 30 April 2024 and 2023 respectively. The decrease was mainly due to the decrease of reversal for provision of litigation claims of approximately HK\$0.79 million for the year ended 30 April 2024.

### **Administrative Expenses**

The Group's administrative expenses decreased by approximately HK\$0.88 million or approximately 10.85% from approximately HK\$8.11 million for the year ended 30 April 2023 to approximately HK\$7.23 million for the year ended 30 April 2024. The decrease in the Group's administrative expenses was mainly due to the decrease in total staff costs.

### **Impairment loss on financial assets under expected credit loss model, net of reversal**

Impairment loss on financial assets under expected credit loss model, net of reversal amounted to approximately HK\$0.36 million reversal and HK\$0.33 million loss for the years ended 30 April 2024 and 2023 respectively, details of which are as follows:

- (i) During the year ended 30 April 2024, the Group has incurred reversal of an impairment loss of approximately HK\$0.36 million. More information is set out in notes 7(b) to this announcement.
- (ii) During the year ended 30 April 2023, the Group has incurred an impairment loss of approximately HK\$0.33 million. More information is set out in note 7(b) to this announcement.

## **Finance Costs**

During the year ended 30 April 2024, the Group has incurred financial costs of approximately HK\$1.08 million (2023: HK\$0.72 million) due to interest on borrowings.

## **Net Loss**

Loss attributable to owners of the Company for the year ended 30 April 2024 was approximately HK\$0.35 million as compared to loss attributable to owners of the Company of approximately HK\$3.08 million for the year ended 30 April 2023. The decrease in net loss for the year was mainly due to increase in gross profit and decrease in administrative expenses for the year ended 30 April 2024 as discussed above.

## **Final Dividend**

The Board did not recommend a payment of a final dividend for the year ended 30 April 2024 (2023: Nil).

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 April 2024, current assets amounted to HK\$64.31 million (2023: HK\$52.48 million) of which HK\$33.83 million (2023: HK\$1.15 million) was cash and cash equivalents, HK\$26.26 million (2023: HK\$47.04 million) was trade and other receivables. The Group's current liabilities amounted to HK\$87.52 million (2023: HK\$74.81 million), including trade and other payables in the amount of HK\$73.51 million (2023: HK\$58.12 million). Calculated based on current assets of HK\$64.31 million (2023: HK\$52.48 million) divided by current liabilities of HK\$87.52 million (2023: HK\$74.81 million), current ratio was 0.73 (2023: 0.70).

## **CASH POSITION**

As at 30 April 2024, the cash at banks and other financial institution and cash in hand of the Group amounted to approximately HK\$33.83 million (2023: approximately HK\$1.15 million), representing an increase of approximately HK\$32.68 million as compared to 30 April 2023.

## **CHARGES OVER ASSETS OF THE GROUP**

There is no charge over assets of the Group as at 30 April 2024 (2023: Nil).

## **GEARING RATIO**

As at 30 April 2024, the gearing ratio of the Group was approximately negative 220.67% (2023: approximately negative 95.69%).

The gearing ratio is calculated as total debts HK\$49.96 million (2023: HK\$21.33 million) divided by equity attributable to owners of the Company HK\$22.64 million deficit (2023: HK\$22.29 million deficit) as the respective reporting date. For this purpose total debts is defined as amounts due to former directors, amount due to a director of a subsidiary, and borrowings as shown in the consolidated statement of financial position. The Group's gearing ratio was negative as the Group's equity was deficit position as at 30 April 2024.

## **FOREIGN EXCHANGE EXPOSURE**

The majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollar. The Group has no material exposure to exchange rate risk for the year ended 30 April 2024.

## **CAPITAL COMMITMENTS**

The Group had no material capital commitment as at 30 April 2024 (2023: Nil).

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 April 2024, the Group had 73 (2023: 94) employees, including the Directors. Staff costs (including directors' emoluments) were approximately HK\$4.09 million for the year ended 30 April 2024 as compared to approximately HK\$4.75 million for the year ended 30 April 2023. The remuneration policy and package of the Group's employees were annually reviewed. The salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance.

The emoluments of the Directors were reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance, and approved by the Board.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group did not have other plans for material investments or capital assets as of 30 April 2024.

## **CONTINGENT LIABILITIES**

As at 30 April 2024, the Group had no material contingent liabilities (2023: Nil).

## **CAPITAL STRUCTURE**

There was no change in the capital structure of the Company for the year ended 30 April 2024 and 2023. The share capital of the Group only comprises of ordinary shares.

As at 30 April 2024 and 2023, the Company's issued capital was approximately HK\$15.77 million and the number of its issued ordinary shares was 1,577,200,000 of HK\$0.01 each.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group's key risk exposures are summarized as follows:

- i. A significant portion of the Group's past revenue was generated from contracts granted by the Hong Kong Government and statutory bodies, which are non-recurrent in nature, and if the level of Hong Kong Government's spending on construction projects particularly for slope works is reduced, the Group's financial performance may be materially affected;
- ii. The Group is dependent on its senior management and in-house engineers, inability to retain its staff may adversely affect the Group's business operations; and
- iii. Any delays in the Group's projects may affect the Group's cash flows and may have adverse impact on the Group's business and reputation.

For other risks and uncertainties facing the Group, please refer to the section headed "Risks Factors" in the Company's prospectus dated 23 October 2015.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong while the Company itself is listed on the Stock Exchange. Our establishment and operations shall therefore comply with the relevant laws and regulations in Hong Kong. External compliance and legal advisers are engaged to ensure transactions and businesses performed by the Group are within the applicable law framework. Updates on applicable laws, rules and regulations are brought to the attention of relevant employees and operation units from time to time. During the year ended 30 April 2024 and up to the date of this announcement, there is no material non-compliance with the relevant prevailing laws and regulations in Hong Kong by the Group.

## **RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES**

### **Customers**

The Group's customers mainly include (a) for public sector projects, Hong Kong Government departments such as CEDD, Lands Department and Architectural Services Department, as well as other statutory bodies including the Hong Kong Housing Authority; and (b) for private sector projects, private corporations and other entities in the private sector.

During the year ended 30 April 2024, the Group served customers from both of public and private sector in Hong Kong. The Group has business relationship with most of the top customers ranging from one year to over 10 years.

### **Suppliers and Subcontractors**

During the year ended 30 April 2024, the suppliers of goods and services which were specific to the business of the Group and were required on a regular basis to enable the Group to continue to carry on its business included (i) subcontractors engaged by the Group to perform the slope works; (ii) suppliers of construction materials and consumables as such high-tensile steel, structural steel, cement and aggregates.

The Group maintains an internal list of approved subcontractors. While engaging subcontractors, the Group generally selects the most suitable subcontractor from the approved list based on their relevant experience as well as their availability and fee quotations.

The Group did not experience any material difficulties in sourcing materials from suppliers or assigning subcontractors during the year ended 30 April 2024. Also, there is no significant dispute with our top five suppliers and subcontractors during the year ended 30 April 2024.

## **Employees**

The Group believes that employees are important assets and their contribution and support are valued at all times. The Group provides competitive remuneration packages to attract and retain employees with the aim to form a professional staff and management team that can bring the Group to new levels of success. The Group regularly reviews compensation according to industry benchmark, financial results as well as the individual performance of employees. Furthermore, the Group places great emphasis on the training and development of employees and regards excellent employees as a key factor in its competitiveness.

## **Project during the Year**

There was no new significant project for the year ended 30 April 2024 and 2023.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

The following is extract of the independent auditor's report on the Company's consolidated financial statements for the year ended 30 April 2024:

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to note 2 to the consolidated financial statements which indicates that the Group incurred a loss of approximately HK\$349,000 for the year ended 30 April 2024 and as at 30 April 2024, the Group had net current liabilities and net liabilities of approximately HK\$23,201,000 and HK\$22,643,000 respectively. As stated in note 2, these conditions, along with the matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 April 2024.

## **CORPORATE GOVERNANCE CODE**

During the year ended 30 April 2024, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 of the GEM Listing Rules save for the deviation from code provision A.2.1 explained below.

Code provision C2.7 - The chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. No chairman was appointed during the Year, no such meeting could be arranged during the Year.

Due to the presence of three independent non-executive Directors which represent half of the Board, the Board considers that there is a balance of power and authority such that no one individual has unfettered power of decision.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Group has adopted a code of provisions of conduct regarding securities transactions by the Directors the (“**Code of Conduct**”) on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct during the year ended 30 April 2024.

Relevant employees who are likely to be in possession of inside information of the Company are also subject to compliance with guidelines on no less exacting terms than the Code of Conduct for the Year.

## **SHARE OPTION SCHEME**

The Company has conditionally adopted a share option scheme on 15 October 2015 (the “**Scheme**”). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. There was no share option outstanding as at 30 April 2024.

## **EVENTS AFTER REPORTING PERIOD**

There was no significant events after the reporting period for the year ended 30 April 2024.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available and within the knowledge of the Directors, at least 25% of the Company's issued share capital were held by the public as at the date of this announcement.

## **MANAGEMENT CONTRACTS**

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the Year.

## **DIVIDEND**

The Directors do not recommend the payment of dividend for the year ended 30 April 2024 (2023: Nil).

## **REVIEW OF CONSOLIDATED ANNUAL RESULTS BY THE AUDIT COMMITTEE**

The audit committee of the Company ("Audit Committee") consists of three members, namely Mr. Fu Yan Ming (as the chairman), Mr. Leung Tsun Ip and Mr. Hui Man Ho Ivan, all being independent non-executive Directors.

The Audit Committee has reviewed the audited consolidated financial statements and the annual results of the Group for the year ended 30 April 2024.

## **SCOPE OF WORK OF THE INDEPENDENT AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 April 2024 as set out in this preliminary results announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor, Fan Chan & Co. Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on this preliminary results announcement.

By order of the Board  
**Zhejiang United Investment Holdings Group Limited**  
**Choi Pun Lap**  
*Director*

Hong Kong, 31 July 2024



*As at the date of this announcement, the executive Directors are Mr. Choi Pun Lap and Mr. Law, Michael Ka Ming, the independent non-executive Directors are Mr. Leung Tsun Ip, Mr. Hui Man Ho Ivan and Mr. Fu Yan Ming.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at <http://www.zjuv8366.com>.*