

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 howsoever 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)

**(I) ANNOUNCEMENT OF THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 31 JANUARY 2021 AND
(II) RESUMPTION OF TRADING**

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

GEM has been positioned as a market designed to accommodate 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 “**Directors**”) 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 GEM of the Stock Exchange (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.*

The board (the “**Board**”) of directors (the “**Directors**”) of Zhejiang United Investment Holdings Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the nine months ended 31 January 2021. This announcement, containing the full text of the Third Quarterly Report 2020 of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcements of third quarterly results.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted from 9:00 a.m. on Thursday, 18 March 2021 pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on Monday, 3 May 2021.

By order of the Board
Zhejiang United Investment Holdings Group Limited
Zhou Ying
Chairman

Hong Kong, 30 April 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Zhou Ying and Ms. Meng Ying, and the independent non-executive Directors of the Company are Ms. Lai Pik Chi Peggy and Dr. Wong Foelan.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com 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>.

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 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, 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 report.

*This report, 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 report 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 report misleading.*

CONTENTS

	Pages
Financial Highlights	03
Management Discussion and Analysis	04
Disclosure of Interests	09
Other Information	11
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)	15
Condensed Consolidated Statement of Changes in Equity (Unaudited)	17
Notes to the Condensed Consolidated Financial Statements	19

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK\$85.3 million for the nine months ended 31 January 2021 (the “**Reporting Period**”) (2020: approximately HK\$95.6 million), representing a decrease of approximately 10.7% as compared with the corresponding period of last year.
- Profit attributable to owners of the Company for nine months ended 31 January 2021 amounted to approximately HK\$0.9 million (2020: loss attributable to owners of the Company amounted to approximately HK\$19.8 million).
- Basic earning per share amounted to approximately HK0.06 cents for the nine months ended 31 January 2021 (2020: Basic loss per share approximately HK1.26 cents).
- The Board does not recommend the payment of dividend for the nine months ended 31 January 2021 (2020: Nil).

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.

Hong Kong construction companies are 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 political and social chaos in Hong Kong. The Group has also been facing challenging operating environment resulting from increasing costs of operation including, in particular, higher subcontracting rate. As such, the Directors consider that competition in the market has become more intense recently.

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 continued implementation of the “Ten Major Infrastructure Projects” and the fact that slope works are directly related to public safety. The government still maintain 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 enable 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.

On 31 August 2020, the Company has entered into corporation agreements with several parties including Beijing Hangdi Media Company Limited* (北京航迪傳媒有限公司) as one of the major parties for the purpose of engage in domestic advertising design, production and agency, production, reproduction and distribution of featured films, columns, variety shows, animation, radio plays and TV series, as well as provision of conference services, exhibition event services, corporate planning, internet technology development, technology consultation and technical services.

More information is set out in the Company's announcement dated 31 August 2020 for further details.

Outdoor media advertising industry development prospects

Most traditional media categories (print, radio) saw declines in consumption and advertising income, with the notable exception of outdoor media, which continues to be driven by investment, innovation and organic growth. Outdoor media advertisement sales will grow in 2019 and 2020, but total linear media advertisement income (linear TV, radio, print and outdoor media) declined by 2.4% in 2019 and will further decline by 3.0% in 2020.

According to the report "China Outdoor Advertising Market Analysis in year 2019" by iResearch, a famous Internet data research company, the Internet demographic dividend is receding, the cost of obtaining traffic through Internet advertising is climbing, and the difficulty of converting advertising has increased. Outdoor advertising, which gradually integrates data and technology capabilities and connects with consumers' everyday life, has gained the attention and favor of advertisers as its value is becoming more obvious in the second half of the Internet development in which online traffic growth is sluggish. Over the past four years, the market scale of outdoor advertising has grown at a compound annual growth rate of 18.2%, reaching RMB45.61 billion, effectively driving the growth of the scale of offline advertising.

Outdoor advertising originated in daily life scenarios and its development trajectory changes with the extension, innovation and alternation of the scenarios. The supply of premises in different scenarios, the development potential of advertising spaces and advertising formats, and the usage and frequency of audiences are the driving forces behind the emergence of office buildings, transportation (airports/train stations/subways/buses, etc.) and cinemas in commercial districts as the three scenarios with the highest marketing value at this stage, with market shares reaching 35.6%, 47.7% and 11.6% respectively in 2018.

* English translated names are for identification purposes only

Among all types of advertising industry in the PRC, outdoor advertising has the longest history, having undergone dynastic changes and era shifts since ancient times, but it has remained everlasting. This is attributable to the fact that outdoor advertising has always been able to appropriately showcase and extend into every aspect of life, regardless of the changes in daily life scenarios, consumer needs and media habits. In addition to the inherent characteristics of outdoor advertising, the development of outdoor advertising is also continuously affected and driven by demand side, supply side and macro factors such as urbanization and increased consumer spending. In the future, the market growth rate of outdoor advertising will continue to rise and is expected to reach RMB71.15 billion in 2021 in scale, making it an increasingly important advertising market in offline advertising.

Digitalization/scenario oriented/interaction/online integration/innovation and creativity will become the inevitable trend of future outdoor advertising development.

Some news about new trends of outdoor innovation and development in 2019:

- DiDi tapped into outdoor advertising business in Shanghai, replicating Touchmedia
- JD.com made investment of tens of millions in Unimedia, signifying its further layout in outdoor advertising on transport
- NetEase Cloud Music's wallpapers extended Xiamen, marking another robust subway marketing campaign
- DiDi Designated Driving × Koubai, launching "Jubao Market" in Datang Everbright City
- KFC brought the kimchi beef chicken thigh burger to bus shelters
- Overnight, the dancers on the giant portrait are wearing AirPods Pro
- Alipay's space advertising sends blessings
- Kuaigou Dache implanted life-scene in experiential and creative elevator advertising
- Leveraging scene + technology, Amap brings new ideas for outdoor advertising

In the summary of the above expectation on the advertising industry, we continuously increase our marketing efforts in expanding customer base to improve the profitability of our media services operations.

Looking forward, the Group anticipates that the Hong Kong construction market will remain challenging with rising trend in subcontracting costs and intensive competition, which is expected to continue to place repeated pressure on our profit margin. To cope with the impact of this tough conditions, the Group has initiated to expand its construction business in the People's Republic of China (the "PRC"). In order to enhance and diversify the Group's business prospect, the Group has taken opportunities (including acquisitions or cooperation opportunities) in the telecommunication industry especially in developing 5G Network Technology and related services. In the long run, the Group aims at extending its construction, building telecommunication especially in 5G Network Technology and related business in the PRC as well as the media services in the PRC to enhance values to our shareholders. The Board considers that these strategic initiatives will enable the Group to broaden its income streams and asset base, thus contributing to future development and growth of the Group.

FINANCIAL REVIEW

Revenue

The Group's overall revenue decreased by approximately HK\$10.2 million or approximately 10.7% from approximately HK\$95.6 million for the nine months ended 31 January 2020 to approximately HK\$85.3 million for the nine months ended 31 January 2021. The decrease in revenue was mainly due to the decrease in revenue derived from undertaking slope works and foundation works, as further discussed below.

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 decreased from approximately HK\$86.8 million for the nine months ended 31 January 2020 to approximately HK\$68.1 million for the nine months ended 31 January 2021, representing an decrease of approximately 21.5%. The decrease in revenue was primarily due to the down size of slope works projects.

Foundation works: Undertaking works in relation to the construction of foundations for general building construction. Revenue from undertaking foundation works decreased from HK\$8.7 million for the nine months ended 31 January 2020 to approximately HK\$0.4 million for the nine months ended 31 January 2021, as a result of the decrease in the number of foundation projects undertaken and the down size of foundation projects by the Group during the nine months ended 31 January 2021.

As a result of entered into corporation agreements with several parties. The Group engaged into a new business operation – media services. During the nine months ended 31 January 2021, revenue generated from advertising income amounted to approximately HK\$16.8 million.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately HK\$13.3 million or approximately 18.9 times from approximately HK\$0.7 million for the nine months ended 31 January 2020 to approximately HK\$14.1 million for the nine months ended 31 January 2021 and the Group's gross profit margin increased from approximately 0.8% for the nine months ended 31 January 2020 to approximately 16.5% for the nine months ended 31 January 2021. The increase in gross profit margin was mainly due to the advertising income generated from media services operations.

The Group's direct costs decreased by approximately HK\$23.6 million or approximately 24.9% from approximately HK\$94.8 million for the nine months ended 31 January 2020 to approximately HK\$71.2 million for the nine months ended 31 January 2021. Such decrease was mainly attributable to the decrease in amount of works performed resulting in the decrease in our subcontracting charges.

Other Income

The Group's other income increased from approximately HK\$1.0 million for the nine months ended 31 January 2020 to approximately HK\$5.0 million for the nine months ended 31 January 2021. The increase in the Group's other income mainly due to the government grant for Employment Support Scheme and increase in net foreign exchange gain.

Administrative Expenses

The Group's administrative expenses significantly decreased by approximately HK\$11.3 million or approximately 52.5% from approximately HK\$21.5 million for the nine months ended 31 January 2020 to approximately HK\$10.2 million for the nine months ended 31 January 2021. The decrease in the Group's administrative expenses was primarily due to share-based payment expenses of approximately HK\$8.0 million in relation due to absent of share options granted in last period and depreciation of right of use assets.

Net Loss

As a result of the foregoing combined effects of the above, the profit attributable to owners of the Company for the nine months ended 31 January 2021 was approximately HK\$0.9 million as compared to approximately HK\$19.8 million for the nine months ended 31 January 2020.

DISCLOSURE OF INTERESTS**DIRECTORS' AND CHIEF EXECUTIVE' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 January 2021, the interests and short positions of the Directors or chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register of members of the Company, or which were required, pursuant to standard of dealings by Directors as to the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long position in the Company's shares

Name of Director	Capacity/Nature	Number of shares held/ interested	Approximate Percentage of shareholding
Mr. Zhou Ying	Interest of a controlled corporation (Note 1)	950,000,000	60.23%

Note:

Mr. Zhou Ying beneficially owns the entire issued share capital of Century Investment Holdings Limited, which wholly owns the shares in United Financial Holdings Group Limited. Therefore, Mr. Zhou Ying is deemed or taken to be interested in all the shares of the Company held by United Financial Holdings Group Limited for the purpose of the SFO.

(ii) Long position in the shares of associated corporations

Name of Director	Name of associated Corporation	Capacity/Nature	Number of shares Held/ interested	Percentage of shareholding
Mr. Zhou Ying	United Financial Holdings Group Limited	Beneficial owner	1,000,000	100%
	Century Investment Holdings Limited	Interest of a controlled corporation	1	100%

Note:

Mr. Zhou Ying beneficially owns the entire issued share capital of Century Investment Holdings Limited, which wholly owns the shares in United Financial Holdings Group Limited. Therefore, Mr. Zhou Ying is deemed or taken to be interested in all the shares of the Company held by United Financial Holdings Group Limited for the purpose of the SFO.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 January 2021, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Name	Capacity/nature	Number of shares held/interested	Approximate Percentage of shareholding
United Financial Holdings Group Limited	Beneficial owner	950,000,000	60.23%
Century Investment Holdings Limited	Interest of a controlled corporation	950,000,000	60.23%

OTHER INFORMATION

COMPETING INTERESTS

None of the Directors, the controlling shareholders and substantial shareholders, neither themselves nor their respective associates (as defined in the GEM Listing Rules) had held any position or had interest in any businesses or companies that were or might be materially competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the nine months ended 31 January 2021.

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

During the nine months ended 31 January 2021 and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

DISCLOSURE OF CHANGES IN INFORMATION OF DIRECTOR

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, change in Directors' information since the date of the Interim Report 2020 is set out below:

Mr. Wong Man Hin, Raymond has tendered his resignation as independent non-executive director, chairman of audit committee ("**Audit Committee**") and member of each of remuneration committee ("**Remuneration Committee**"), nomination committee and legal compliance committee of the Company with effect from 9 March 2021.

Mr. Tsui Chung Ho has tendered his resignation as independent non-executive director, member of Audit Committee and chairman of each of Remuneration Committee and legal compliance committee of the Company with effect from 12 March 2021.

Dr. Wong Foelan has been appointed as an independent non-executive director, chairman of Remuneration Committee, member of each of Audit Committee, nomination committee and legal compliance committee of the Company with effect from 26 April 2021.

Ms. Lai Pik Chi Peggy has been appointed as the chairman of Audit Committee of the Company with effect from 26 April 2021.

Following the above mentioned resignation and appointment, (i) the Company has only two independent non-executive director, the number of which falls below the minimum number required under Rules 5.05 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**"). The Company will identify an appropriate person to fill the vacancy of the independent non-executive directors with a view to meet the above requirements under the GEM Listing Rules as soon as practicable and in any event within three months, (ii) the Company has only two Audit Committee member, the number of which falls below the minimum number required under Rules 5.28 of the GEM Listing Rules. The Company will identify an appropriate person to fill the vacancy of the member of the Audit Committee with a view to meet the above requirements under the GEM Listing Rules as soon as practicable and in any event within three months.

CORPORATE GOVERNANCE CODE

During the nine months ended 31 January 2021 and up to the date of this report, 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.

Since the Company has appointed Mr. Zhou as chairman and chief executive officer, the roles of the chairman and chief executive officer are not separated and performed by two different individuals.

The Board believes that the vesting of the roles of chairman and chief executive officer in Mr. Zhou is beneficial to the business operations and management of Group and will provide a strong and consistent leadership to the Group. In addition, 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. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by code provision A.2.1 of Appendix 15 to the GEM Listing Rules.

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 nine months ended 31 January 2021 and up to the date of this report.

DIVIDENDS

The Board did not recommend any payment of dividend for the nine months ended 31 January 2021 (2020: Nil).

SHARE OPTION SCHEME

The Company 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.

On 23 September 2019, the Company has granted share options under the Scheme to certain eligible grantees which, subject to acceptance by the grantees, will enable the grantees to subscribe for an aggregate of 60,000,000 ordinary shares of the Company of HK\$0.01 each in the share capital of the Company as stated in the announcement of the Company dated 23 September 2019. As at 31 January 2021, there were 60,000,000 options outstanding in relation to the grant of share options on 23 September 2019 under the Scheme.

AUDIT COMMITTEE

The Company established the Audit Committee on 14 October 2015 with written terms of reference, which was adopted on 15 October 2015 and amended with effect from 1 January 2019 in compliance with the GEM Listing Rules which are available on the websites of the Stock Exchange and the Company. The Audit Committee currently consists of two independent non-executive Directors, namely Ms. Lai Pik Chi Peggy and Dr. Wong Foelan.

The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the nine months ended 31 January 2021 with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Zhejiang United Investment Holdings Group Limited
Zhou Ying
Chairman

Hong Kong, 30 April 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 JANUARY 2021

	Notes	For the three months ended 31 January		For the nine months ended 31 January	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	3	40,984	29,526	85,310	95,557
Direct costs		(35,985)	(29,137)	(71,228)	(94,812)
Gross profit		4,999	389	14,082	745
Other income	3	1,852	52	5,016	953
Administrative expenses		(3,617)	(3,607)	(10,220)	(21,516)
Finance costs	4	—	(62)	(1)	(235)
Profit/(loss) before income tax	5	3,234	(3,228)	8,877	(20,053)
Income tax expense	6	(1,310)	—	(3,229)	—
Profit/(loss) for the period		1,924	(3,228)	5,648	(20,053)
Other comprehensive income/ (expense) for the period, net of tax					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
— Exchange differences on translation of financial statements of PRC subsidiary		1,219	177	2,552	(684)
Total comprehensive income/ (expense) for the period		3,143	(3,051)	8,200	(20,737)
Profit/(loss) for the period attributable to:					
Owners of the Company		(22)	(3,206)	911	(19,836)
Non-controlling interests		1,946	(22)	4,737	(217)
		1,924	(3,228)	5,648	(20,053)

	Notes	For the three months ended		For the nine months ended	
		31 January		31 January	
		2021	2020	2021	2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total comprehensive income/					
(expense) attributable to:					
Owners of the Company		861	(3,029)	3,352	(20,519)
Non-controlling interests		2,282	(22)	4,848	(218)
		3,143	(3,051)	8,200	(20,737)
Earnings/(loss) per share					
— Basic and diluted (HK cents)	8	(0.00)	(0.20)	0.06	(1.26)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS ENDED 31 JANUARY 2021

	Equity attributable to owners of the Company					(Accumulated losses)/ retained earnings	Sub-total	Non-controlling interests	Total equity
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserve HK\$'000 (Note a)	Merger reserve HK\$'000 (Note b)	Exchange reserve HK\$'000 (Note c)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 May 2020 (audited)	15,772	72,131	7,962	18,001	(2,170)	(32,360)	79,336	(2,003)	77,333
Profit for the period	-	-	-	-	-	911	911	4,737	5,648
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	2,441	-	2,441	111	2,552
Total comprehensive income for the period	-	-	-	-	2,441	911	3,352	4,848	8,200
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	36	36
As at 31 January 2021 (unaudited)	15,772	72,131	7,962	18,001	271	(31,449)	82,688	2,881	85,569
As at 1 May 2019 (audited)	14,400	24,457	-	18,001	(1,027)	7,221	63,052	-	63,052
Loss for the period	-	-	-	-	-	(19,836)	(19,836)	(217)	(20,053)
Other comprehensive expenses for the period	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(683)	-	(683)	(1)	(684)
Total comprehensive expense for the period	-	-	-	-	(683)	(19,836)	(20,519)	(218)	(20,737)
Placing of new shares	1,372	48,706	-	-	-	-	50,078	-	50,078
Share issuing expenses	-	(1,032)	-	-	-	-	(1,032)	-	(1,032)
Recognition of equity-settled share-based payment	-	-	7,962	-	-	-	7,962	-	7,962
As at 31 January 2020 (unaudited)	15,772	72,131	7,962	18,001	(1,710)	(12,615)	99,541	(218)	99,323

Notes:

- (a) Share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each period is determined by spreading the fair value of the share options over the relevant vesting period (if any) and is recognised in administrative expenses with a corresponding increase in the share-based payment reserve.
- (b) Merger reserve represents the difference between the share capital issued by the Company for acquisition of the subsidiaries pursuant to a reorganisation for the listing and the aggregate capital of the subsidiaries being acquired at the time of the reorganisation.
- (c) Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar ("**HKS**")) and are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss on the disposal of the foreign operations.

NOTES TO THE CONDENSED 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 on 2 November 2015. Its immediate and ultimate holding companies are United Financial Holdings Group Limited (“**United Financial Holdings**”) and Century Investment Holdings Limited (“**Century Investment**”), respectively. United Financial Holdings was incorporated in Hong Kong and holds 60.23% of issued shares of the Company. United Financial Holdings is 100% owned by Century Investment, a company incorporated in the Cayman Islands and is wholly owned by Mr. Zhou Ying.

The addresses of the registered office and the principal place of business of the Company are Unit 511, 5/F., Concordia Plaza, No. 1 Science Museum Road, Tsim Sha Tsui East, Hong Kong. The Company is an investment holding company and its subsidiaries (collectively, the “**Group**”) are principally engaged in undertaking slope works, foundation works, other general building works, telecommunication business and media services.

2. BASIC OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 January 2021 have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”). The accounting policies adopted by the Group are consistent with financial statements for the year ended 30 April 2020.

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

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

	Three months ended		Nine months ended	
	31 January		31 January	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Slope works	33,068	27,692	68,133	86,817
Foundation works	–	1,834	374	8,740
Advertising income	7,916	–	16,803	–
	40,984	29,526	85,310	95,557
Timing of revenue recognition:				
Over time	40,984	29,526	85,310	95,557

An analysis of other income is as follows:

	Three months ended		Nine months ended	
	31 January		31 January	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net foreign exchange gain	1,851	–	4,371	–
Interest income	1	42	1	163
Government grants (note)	–	–	642	–
Sundry income	–	10	2	790
	1,852	52	5,016	953

Note: During the current period, the Group recognised government grant in respect of Covid-19-related subsidies which relates to Employment Support Scheme provided by the Hong Kong government.

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group during the three months and nine months ended 31 January 2021 and 2020 are as follows:

	Three months ended 31 January		Nine months ended 31 January	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Construction services operation:				
Customer A	22,114	19,311	46,012	56,863
Customer B	N/A¹	4,025	9,521	14,106
Customer C	4,152	3,541	N/A¹	13,130
Customer D	5,149	N/A ¹	N/A¹	N/A ¹
Media services operations:				
Customer E	6,462	–	12,044	–

¹ The revenue from this customer amounted to less than 10% of the total revenue of the Group.

The Group determines its operating segments based on the reports reviewed by the directors, being the chief operating decision maker (the “**CODM**”), for the purpose of monitoring segment performance and allocating resources between segments and that are used to make strategic decisions.

The Group has two reportable segments – construction services operations and media services operations. The segmentations are based on the information about the operations of the Group that management uses to make decisions.

The Group’s reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION (CONTINUED)

Segment information about these operations is presented as below:

An analysis of the Group's revenue and results by operating segments

	Segment revenue nine months ended 31 January		Segment results nine months ended 31 January	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Media services operations	16,803	–	12,917	–
Construction services operations	68,507	95,557	(2,656)	(633)
	<u>85,310</u>	<u>95,557</u>	<u>10,261</u>	<u>(633)</u>
Reconciliation from segment results to profit/(loss) before income tax				
Unallocated corporate income			4,698	515
Unallocated corporate expenses			<u>(6,082)</u>	<u>(19,935)</u>
Profit/(loss) before income tax			<u>8,877</u>	<u>(20,053)</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for both period.

Segment results represent the profit earned/(loss suffered) by each segment without allocation of central administrative expenses and partial finance costs under the heading of “unallocated corporate expenses” and partial other income under the heading of “unallocated corporate income”. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The following table sets out information about geographical location of revenue from external customers. The geographical location of customers is based on the location at which the services were provided. The geographical location of non-current assets is based on the physical location of the assets.

	Revenue from external customers nine months ended 31 January	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	68,507	95,557
People's Republic of China ("PRC")	16,803	–
	<u>85,310</u>	<u>95,557</u>

4. FINANCE COSTS

	Three months ended 31 January		Nine months ended 31 January	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on lease liabilities	<u>–</u>	<u>62</u>	<u>1</u>	<u>235</u>

5. PROFIT/(LOSS) BEFORE INCOME TAX

Three months ended 31 January		Nine months ended 31 January	
2021	2020	2021	2020
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Profit/(loss) before income tax for
the period has been arrived at
after charging:

Staff costs (including directors'
emoluments)

– salaries, allowances and benefits in kind	2,037	1,734	5,426	4,654
– retirement benefits schemes contributions	54	45	161	131
– equity-settled share-based payment expenses	–	–	–	7,962

Total staff costs	2,091	1,779	5,587	12,747
-------------------	--------------	-------	--------------	--------

Depreciation of property,
plant and equipment

Depreciation of right of use assets	–	1,155	6	3,414
-------------------------------------	----------	-------	----------	-------

	144	1,265	441	3,928
--	------------	-------	------------	-------

Expenses related to short-term
leases

	575	96	1,724	192
--	------------	----	--------------	-----

Subcontracting charges

(included in direct costs)	33,820	28,945	67,199	94,019
----------------------------	---------------	--------	---------------	--------

Net foreign exchange loss

	–	–	–	1,788
--	----------	---	----------	-------

6. INCOME TAX EXPENSE

Three months ended		Nine months ended	
31 January		31 January	
2021	2020	2021	2020
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Current tax:

– PRC Enterprise Income

Tax

1,310	–	3,229	–
1,310	–	3,229	–

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the Interim Financial Information. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

No provision for Hong Kong Profits Tax has been made for the nine months ended 31 January 2021 and 2020 as the Group has no assessable profits arising in Hong Kong or taxable profits were wholly absorbed by estimated tax losses brought forward.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both periods.

No provision for PRC Enterprise Income Tax has been made for the nine months ended 31 January 2020 as the Group has no assessable profits arising in PRC.

7. DIVIDEND

The Directors do not recommend a payment of dividend for the nine months ended 31 January 2021 (2020: Nil).

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following:

Three months ended		Nine months ended	
31 January		31 January	
2021	2020	2021	2020
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Earnings/(loss)

Profit/(loss) for the period
attributable to owners of
the Company for the
purpose of basic and diluted
earnings/(loss) per share

<u>(22)</u>	<u>(3,206)</u>	<u>911</u>	<u>(19,836)</u>
-------------	----------------	------------	-----------------

Three months ended		Nine months ended	
31 January		31 January	
2021	2020	2021	2020
'000	'000	'000	'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Number of shares

Weighted average number of
ordinary shares for the
purpose of basic and diluted
earnings/(loss) per share

<u>1,577,200</u>	<u>1,577,200</u>	<u>1,577,200</u>	<u>1,573,223</u>
------------------	------------------	------------------	------------------

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic earnings/(loss) per share calculation, the conversion of the above potential dilutive shares is not assumed in the calculation of diluted earnings/(loss) per share for both periods.

The basic and diluted earnings/(loss) per share are the same for both periods.