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UNITAS HOLDINGS LIMITED

宏海控股集團有限公司

(Formerly known as Chanceton Financial Group Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8020)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("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.

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This announcement, for which the directors (the "Directors") of Unitas Holdings 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or in this announcement misleading.

HIGHLIGHTS

- Unaudited revenue of the Group for the nine months ended 31 December 2016 amounted to HK\$191,460,000, representing an increase of approximately 2.60 times over the corresponding period in 2015.
- Consolidated loss attributable to owners of the Company for the nine months ended 31 December 2016 was approximately HK\$8,616,000 as compared to a loss of approximately HK\$9,918,000 in corresponding period in 2015. The loss was mainly due to (i) share of amortisation of intangible assets and loss of the Company's approximate 25% owned associated group amounting to approximately HK\$15,741,000; and (ii) imputed interest incurred in respect of the convertible bonds in relation to the acquisition of 20% equity interest in Revenue Synthesis Limited dated 24 August 2012 amounting to approximately HK\$3,911,000.
- **The Board wishes to draw the attention of the shareholders of the Company and potential investors to the fact that the abovementioned items are noncash in nature and will not have any impact on the cash flow of the Group. The Group remains in a healthy and solid financial condition.**
- **Loss per share of the Company for the nine months ended 31 December 2016 was approximately HK\$0.38 cents.**
- **The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2016.**

FINANCIAL RESULTS (UNAUDITED)

The board of Directors (the "Board") of Unitas Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 31 December 2016, together with the unaudited comparative figures for the corresponding period in 2015, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2016

		Three months ended 31 December		Nine months ended 31 December	
		2016 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i> (restated)	2016 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i> (restated)
	<i>Notes</i>				
Revenue	3	32,563	68,870	191,460	73,554
Cost of sales		(29,655)	(53,385)	(174,632)	(53,385)
Gross profit		2,908	15,485	16,828	20,169
Other gains and losses	3	4,972	285	5,541	300
Administrative and operating expenses		(2,672)	(4,228)	(9,381)	(8,637)
Finance costs	5	(691)	(1,106)	(3,911)	(3,837)
Share of results of an associate		(5,372)	(5,519)	(15,741)	(16,218)
Profit/(loss) before tax	6	(855)	4,917	(6,664)	(8,223)
Income tax	7	(976)	(1,917)	(1,952)	(1,695)

	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
Profit/(loss) for the period	(1,831)	3,000	(8,616)	(9,918)
Other comprehensive income, net of tax				
Items that may be subsequently reclassified to profit or loss:				
Share of changes in other comprehensive income in an associate	(3)	(3)	(13)	(10)
Other comprehensive income for the period, net of tax	(3)	(3)	(13)	(10)
Total comprehensive income/(loss) for the period	(1,834)	2,997	(8,629)	(9,928)
Profit/(loss) attributable to owners of the Company for the period	(1,831)	3,000	(8,616)	(9,918)
Total comprehensive income/(loss) attributable to owners of the Company for the period	(1,834)	2,997	(8,629)	(9,928)
Earnings/(loss) per share attributable to owners of the Company				
Basic and diluted (HK cents)	(0.08)	0.13	(0.38)	(0.44)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2016

	Attributable to owners of the Company							
	Share capital	Share premium	Other reserve	Exchange translation reserve	Convertible bond reserve	Share base payment reserve	Retained profits/ (accumulated losses)	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2016 (audited)	22,600	144,131	529	64	22,856	1,954	(14,699)	177,435
Loss for the period	-	-	-	-	-	-	(8,616)	(8,616)
Other comprehensive loss for the period	-	-	-	(13)	-	-	-	(13)
Total comprehensive loss for the period	-	-	-	(13)	-	-	(8,616)	(8,629)
At 31 December 2016 (unaudited)	22,600	144,131	529	51	22,856	1,954	(23,315)	168,806
At 1 April 2015 (audited)	22,200	124,131	529	(15)	22,856	1,954	(33,190)	138,465
Loss for the period	-	-	-	-	-	-	(9,918)	(9,918)
Other comprehensive loss for the period	-	-	-	(10)	-	-	-	(10)
Total comprehensive loss for the period	-	-	-	(10)	-	-	(9,918)	(9,928)
Issue of new shares	400	20,000	-	-	-	-	-	20,400
At 31 December 2015 (unaudited)	22,600	144,131	529	(25)	22,856	1,954	(43,108)	148,937

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

For the nine months ended 31 December 2016

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 20 April 2011 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is located at Room 801B, 8/F, Tsim Sha Tsui Centre, No. 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares were listed on the GEM of the Stock Exchange on 12 October 2011.

The Company is an investment holding company. The principal activities of its subsidiaries are the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC as well as shipping and logistics services.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated third quarterly financial statements for the nine months ended 31 December 2016 (the "Third Quarterly Accounts") have been prepared in accordance with Hong Kong Accounting Standard and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimate uncertainty used in the preparation of the Third Quarterly Accounts are consistent with those used in the annual financial statements for the year ended 31 March 2016. The Third Quarterly Accounts do not include all of the information required for annual financial statements and thereby they should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The Third Quarterly Accounts have been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair values. The Third Quarterly Accounts are presented in Hong Kong dollars ("HK\$") except when otherwise indicated.

3. REVENUE AND OTHER REVENUE

Revenue represents fees income received from corporate finance advisory services rendered during the periods.

	Three months ended 31 December		Nine months ended 31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
Corporate finance advisory income	2,559	2,654	5,267	7,338
Dry bulk shipping services	30,004	66,216	186,193	66,216
	32,563	68,870	191,460	73,554
Other gains and losses				
Management fee income	–	15	–	30
Sundry income	–	–	36	–
Interest income from a promissory note	355	270	778	270
Bank interest income	–	–	–	–
Realised gain/(loss) on financial assets at FVTPL	2,682	–	2,682	–
Unrealised (loss)/gain on financial assets at FVTPL	1,935	–	2,045	–
	4,972	285	5,541	300

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable segments:

	Corporate finance advisory service		Dry bulk shipping		Consolidated	
	Nine months ended		Nine months ended		Nine months ended	
	31 December		31 December		31 December	
	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	5,267	7,338	186,193	66,216	191,460	73,554
Segment results	6,427	2,618	9,241	11,199	15,668	13,817
Unallocated corporate expenses					(2,680)	(1,985)
Share of result of an associate					(15,741)	(16,218)
Finance cost					(3,911)	(3,837)
Loss before tax					(6,664)	(8,223)
Income tax					(1,952)	(1,695)
Loss for the period					(8,616)	(9,918)

5. FINANCE COSTS

	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Imputed interest on convertible bond	737	1,106	3,911	3,837

6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	Three months ended 31 December		Nine months ended 31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	2	8	12	26
Minimum lease payment under operating lease:				
– Property rental	245	38	734	285
– Wages, salaries, allowances and bonus	2,534	2,370	7,370	4,756
– Pension scheme contributions	65	61	185	148
	2,599	2,431	7,555	4,904

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) for the three months and nine months ended 31 December 2016 and 2015.

	Three months ended 31 December		Nine months ended 31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax	1,085	2,100	2,585	2,328
Deferred tax	(109)	(183)	(633)	(633)
	976	1,917	1,952	1,695

There was no significant unprovided deferred tax for the relevant periods and at the end of each reporting period.

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2016.

9. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share for each of the three months and nine months ended 31 December 2016 and 2015 are calculated by dividing the (loss)/profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the periods.

	For the three months ended 31 December 2016	For the nine months ended 31 December 2016	For the three months ended 31 December 2015	For the nine months ended 31 December 2015
Profit/(Loss) attributable to the owners of the Company	(HK\$1,831,000)	(HK\$8,616,000)	HK\$3,000,000	(HK\$9,918,000)
Weighted average number of ordinary share in issue	2,260,000,000	2,260,000,000	2,260,000,000	2,234,160,584
Earnings/(loss) per share (HK cents per share)	(0.08)	(0.38)	0.13	(0.44)

During the period ended 31 December 2016, the Company's outstanding convertible bond was not included in the calculation of diluted earnings/(loss) per share because the effect of the Company's outstanding convertible bond was anti-dilutive and therefore the diluted earnings/(loss) per share are the same as the basic earnings/(loss) per share.

All outstanding share options of the Company have not been included in the computation of diluted earnings per share as they did not have a dilutive effect to the Company's earnings/(loss) per share during the nine months ended 31 December 2016 because the exercise prices of these Company's share options were higher than the average market prices of the Company's shares during the period.

10. APPROVAL OF THIRD QUARTERLY FINANCIAL STATEMENTS

The Third Quarterly Accounts were approved and authorised for issue by the Board on 14 February 2017.

DIVIDEND

The Directors do not recommend the payment of an dividend for the nine months ended 31 December 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC as well as provision of shipping and logistics services.

Corporate finance advisory business

The Group continues seeking to position itself as one of the active local corporate finance advisory service providers in Hong Kong. The Group provides a broad range of corporate finance advisory services to its clients, including:

- (i) advising on the The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rule"), the GEM Listing Rules and The Codes on Takeovers and Mergers and Share Repurchases (the "Takeovers Code");
- (ii) acting as independent financial adviser to transactions of listed issuers falling under the Listing Rules, the GEM Listing Rules and the Takeovers Code;
- (iii) advising on merger(s) and acquisition(s) (the "M&A") activities and other corporate activities; and
- (iv) advising on corporate resumption.

During the period under review, the Group continued to focus on the provision of corporate finance advisory services to its clients. The Group also continued to maintain professional networks to facilitate new client referrals and client retention through business luncheons, dinners, cocktails and other social occasions, and involvement in various professional bodies and educational institutions. The Group recorded revenue of approximately HK\$5,267,000 for the nine months ended 31 December 2016, representing a decrease of approximately 28.22% when compared to the corresponding period in 2015.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Business Review (Continued)

Shipping and logistics business

The Group recorded a turnover and net profit of approximately HK\$186,193,000 and HK\$7,716,000 respectively from its shipping and logistics business segment.

The management is optimistic about the performance of the Group's shipping and logistics business and is confident that the Group's shipping and logistics business will continue to contribute income stream to the Group and maximize return to the shareholders of the Company.

Investment in an associate relating to Acquired Immunodeficiency Syndrome ("AIDS") medication business

Directors are of the view that the current progress of the AIDS medication business is satisfactory and are confident that the investment in AIDS medication business would create value to the shareholders of the Company in future.

The Company's Directors and management will continue to dedicate their best effort to lead the Group to strive for the best interests for its shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Review

Results

For the nine months ended 31 December 2016, the revenue of the Group increased by approximately 2.60 times to approximately HK\$191,460,000 compared to approximately HK\$73,554,000 in the corresponding period in 2015. The increase was mainly due to the longer period of operation of the Group's shipping and logistics business to reflect the performance of the Group's dry bulk shipping services for nine months as compared with a shorter period of operation for three months from October 2015 during the corresponding period in 2015.

The Group's administrative and operating expenses for the nine months ended 31 December 2016 was approximately HK\$9,381,000 as compare to approximately HK\$8,637,000 recorded in the corresponding period in 2015. Such increase was mainly due to increase in staff cost to cope with the new business operation of the Group.

The Group's loss attributable to owners of the Company for the nine months ended 31 December 2016 was approximately HK\$8,616,000 compared to a loss of approximately HK\$9,918,000 in the corresponding period last year. The loss was mainly due to (i) share of amortisation of intangible assets and loss of the Company's approximate 25% owned associated group amounting to approximately HK\$15,741,000; and (ii) imputed interest incurred in respect of the convertible bonds in relation to the acquisition of 20% equity interest in Revenue Synthesis Limited dated 24 August 2012 amounting to approximately HK\$3,911,000. **The Board wishes to draw the attention of the shareholders of the Company and potential investors to the fact that the abovementioned items are noncash in nature and will not have any impact on the cash flow of the Group. The Group remains in a healthy and solid financial condition.**

FOREIGN EXCHANGE EXPOSURE

The Group continues to adopt a conservative treasury policy with all bank deposits being kept in Hong Kong dollars, keeping a minimum exposure to foreign exchange risks.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

PLEDGE OF ASSETS

As at 31 December 2016, the Group did not pledge any of its assets (31 December 2015: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group had 31 full-time employees (31 December 2015: 28), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$7,555,000 for the nine months ended 31 December 2016 as compared to approximately HK\$4,904,000 for the nine months ended 31 December 2015. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Discretionary bonuses will be paid to employees with reference to the financial performance of the Group in the preceding financial year as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical benefit to its employees in Hong Kong.

OUTLOOK

In spite of the slow recovery pace in the global economy and the competitive business environment, we are optimistic and see potential opportunities in the corporate finance advisory services industry and shipping and logistics industry. We will continue to pursue our core business and to strengthen it by enhancing technical competence, expanding the alliance network and improving public awareness.

The Group will also closely monitor the progress of the AIDS medication business and will pay close attention to any changing in the business and investment atmosphere of the medication industry in the PRC. The Group will assess and formulate appropriate investment strategy to maximize our shareholders' value.

The Company's Directors and management will continue to dedicate their best effort to lead the Group to strive for the best interests for its shareholders.

SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme (the “Scheme”) on 21 September 2011 under which certain selected classes of participants (including, among others, full-time employees) may be granted options to subscribe for the Company’s shares. The principal terms of the Scheme are summarised in the paragraph headed “Share Option Scheme” in Appendix V to the prospectus of the Company.

Details of options granted are as follows:

Options type	Date of grant	Exercisable period	Exercise price per share HK\$	Fair value at grant date per share HK\$	Remaining contractual life of options
2014	17/9/2014	17/9/2014 – 16/9/2024	0.68	0.13027	8 years

The following table discloses movements of the Company’s share options held by employees and directors during the period ended 31 December 2016:

Participant	Date of grant	Exercise price per share HK\$	Exercise period	At 1 April 2016 '000	Number of options				At 31 December 2016
					Granted during the period '000	Exercised during the period '000	Cancelled during the period	Lapsed during the period	
Employees other than directors	17/9/2014	0.68	17/9/2014 – 16/9/2024	12,500	–	–	–	–	12,500
Consultants	17/9/2014	0.68	17/9/2014 – 16/9/2024	2,500	–	–	–	–	2,500
				15,000	–	–	–	–	15,000

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2016, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Company

Name of Director and chief executive	Type of interests	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Ms. Ho Chiu Ha Maisy (Note 1)	Beneficial owner	406,000,000	–	17.96%
	Interest of a controlled corporation	87,062,500	140,000,000	10.05%
Mr. Wong Kam Wah (Note 2)	Interest of a controlled corporation	70,000,000	–	3.10%
Ms. Man Wing Yee Ginny	Beneficial owner	440,040,000	–	19.47%
Mr. Wang Qiang	Beneficial owner	100,000,000	–	4.42%
Mr. Lau Ling Tak	Beneficial owner	43,937,500	–	1.94%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

Note(s):

1. Ms. Ho Chiu Ha Maisy has a total interest in 633,062,000 shares/underlying shares (representing an aggregate of approximately 24.91% shareholding in the Company), of which (i) 87,062,500 shares were held by Refulgent Sunrise Limited, a company owned as to 36% by Ms. Ho Chiu Ha Maisy and it is an approximately 75% shareholder of Revenue Synthesis Limited, an associated corporation of the Company. As a result, Ms. Ho Chiu Ha Maisy is deemed to be interested in the approximately 75% shareholding in Revenue Synthesis Limited and the 87,062,500 shares of the Company through Refulgent Sunrise Limited by virtue of the SFO; (ii) Ms. Ho Chiu Ha Maisy personal held 406,000,000 shares; and (iii) 140,000,000 shares relate to her derivative interests in convertible bonds through her shareholding in Refulgent Sunrise Limited.
2. The 70,000,000 shares are registered in the name of Kate Glory Limited. Mr. Wong Kam Wah is the beneficial owner of 100% of the issued share capital of Kate Glory Limited. By virtue of the SFO, Mr. Wong Kam Wah is deemed to be interested in 70,000,000 shares held by Kate Glory Limited.

Convertible bonds

Name of bondholder	Date of issue	Conversion period	Conversion price per share <i>HK\$</i>	Outstanding	Number of underlying shares	Approximate percentage of the issued share capital of the Company
				as at 30 September 2015		
Refulgent Sunrise Limited	5 December 2012	5 December 2012 – 4 December 2017	0.625	140,000,000	140,000,000	6.19%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2016, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group were as follows:

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

Long positions in the Company

Name of shareholders	Capacity	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Ms. Man Wing Yee Ginny	Beneficial owner	440,040,000	–	19.47%
Ms. Ho Chiu Ha Maisy (Note)	Interest of controlled corporation/ Beneficial owner	493,062,500	140,000,000	28.01%
Refulgent Sunrise Limited (Note)	Beneficial owner	87,062,500	140,000,000	10.05%
Ms. Li Zhaoxia	Beneficial owner	109,600,000	404,000,000	22.73%
Mr. Zhao Genlong	Beneficial owner	200,000,000	–	8.85%

Note:

Refulgent Sunrise Limited is a company incorporated in BVI with limited liabilities and is owned as to 36% by Ms. Ho Chiu Ha Maisy. As a result, Ms. Ho Chiu Ha Maisy is deemed to be interested in this shareholding through Refulgent Sunrise Limited by virtue of the SFO. Ms. Ho Chiu Ha Maisy personally held 406,000,000 shares.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

Long positions in the Company (Continued)

Save as disclosed above, as at 31 December 2016, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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

Neither the Company, nor any of its subsidiaries, has purchased, redeemed or sold any of the Company's listed shares during the nine months ended 31 December 2016.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the nine months ended 31 December 2016, none of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by directors during the nine months ended 31 December 2016.

CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the nine months ended 31 December 2016, the Company had complied with all the code provisions set out in the Appendix 15 Corporate Governance Code and Corporate Governance Report (the “CG Code”) of the GEM Listing Rules with the exception of the following deviation:

CODE PROVISION E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

DEVIATION

The chairlady of the Board, Ms. Ho Chiu Ha Maisy, was unable to attend the annual general meeting of the Company held on 30 September 2016 (the “AGM 2016”) as she had other important business engagement. However, Mr. Wong Kam Wah, an executive Director, had chaired the AGM 2016 in accordance with the articles of association of the Company.

AUDIT COMMITTEE

The Company set up an audit committee (the “Committee”) on 21 September 2011, with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive Directors, namely Mr. Chiu Chi Kong, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond (as the Committee chairman) and an executive Director, Mr. Lau Ling Tak. The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2016 have not been audited by the Company’s auditors, but have been reviewed by the Committee, who is of the opinion that the financial statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board
Unitas Holdings Limited
Ho Chiu Ha Maisy
Chairlady

Hong Kong, 14 February 2017

As at the date of this announcement, the Company's executive Directors are Ms. Ho Chiu Ha Maisy (Chairlady), Mr. Wong Kam Wah, Mr. Lau Ling Tak, Ms. Man Wing Yee Ginny, Mr. Leung Man Kit and Mr. Wang Qiang, and the independent non-executive Directors are Mr. Chiu Chi Kong, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond.

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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website (www.hkgem.com) and on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website (www.unitas.com.hk).