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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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017**

#### **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 six months ended 30 September 2017 amounted to approximately HK\$55,190,000, representing a decrease of approximately 65.27% % as compared to corresponding period in 2016.
- Consolidated loss attributable to owners of the Company for the six months ended 30 September 2017 was approximately HK\$3,309,000 as compared to a loss of approximately HK\$6,785,000 in corresponding period in 2016. The decrease in loss was mainly attributable to (i) release from recognition of amortisation of intangible assets and loss of the Company's approximate 25% owned associated group; (ii) decrease in revenue by approximately 65.27% from approximately HK\$158,897,000 for the six months ended 30 September 2016 to approximately HK\$55,190,000 for the six months ended 30 September 2017, which partially net off the effect; and (iii) increase in administrative and operating expenses by approximately 71.65% from approximately HK\$6,709,000 for the six months ended 30 September 2016 to approximately HK\$11,516,000 for the six months ended 30 September 2017 which partially net off the effect.
- Loss per share for the six months ended 30 September 2017 was approximately HK\$0.14 cents.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2017.

## 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 six months ended 30 September 2017, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the three months and six months ended 30 September 2017*

		Three months ended 30 September		Six months ended 30 September	
		2017	2016	2017	2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>	4	<b>42,117</b>	118,974	<b>55,190</b>	158,897
Cost of operations		<b>(38,410)</b>	(112,718)	<b>(48,906)</b>	(144,977)
Gross profit		<b>3,707</b>	6,256	<b>6,284</b>	13,920
Other gains and losses	4	<b>(191)</b>	265	<b>4,914</b>	569
Administrative and operating expenses		<b>(5,846)</b>	(2,314)	<b>(11,516)</b>	(6,709)
Finance cost	6	<b>(2,048)</b>	(2,048)	<b>(3,220)</b>	(3,220)
Share of result of an associate		–	(5,195)	–	(10,369)

		Three months ended 30 September		Six months ended 30 September	
		2017	2016	2017	2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Loss before tax</b>	7	<b>(4,378)</b>	(3,036)	<b>(3,538)</b>	(5,809)
Income tax	9	<b>762</b>	(181)	<b>229</b>	(976)
<b>Loss for the period</b>		<b>(3,616)</b>	(3,217)	<b>(3,309)</b>	(6,785)
<b>Other comprehensive loss, net of income tax</b>					
Item that may be reclassified subsequently to profit or loss:					
Share of changes in other comprehensive income in an associate		–	(3)	–	(10)
Other comprehensive loss for the period, net of income tax		–	(3)	–	(10)
<b>Total comprehensive loss for the period</b>		<b>(3,616)</b>	(3,220)	<b>(3,309)</b>	(6,795)
<b>Loss attributable to owners of the Company for the period</b>		<b>(3,616)</b>	(3,220)	<b>(3,309)</b>	(6,795)

	Three months ended 30 September		Six months ended 30 September	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Total comprehensive loss attributable to owners of the Company for the period</b>	<b>(3,616)</b>	(3,217)	<b>(3,309)</b>	(6,785)
<b>Loss per share attributable to owners of the Company</b>				
		<i>10</i>		
Basic and diluted (HK cents)	<b>(0.15)</b>	(0.14)	<b>(0.14)</b>	(0.30)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

		As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	11	1,357	1,250
Goodwill		98,000	98,000
		<hr/>	
		99,357	99,250
		<hr/>	
<b>Current assets</b>			
Trade receivables	12	1,120	1,671
Financial assets at fair value through profit or loss	13	4,016	7,470
Prepayments, deposits and other receivables	14	36,057	18,129
Promissory note receivable		–	1,666
Amounts due from a related company		60	60
Cash and cash equivalents		9,032	19,138
		<hr/>	
		50,285	48,134
		<hr/>	
<b>Less: Current liabilities</b>			
Other payables and accruals	15	4,463	2,146
Convertible bond		86,419	83,199
Tax payable		6,051	6,489
		<hr/>	
		96,933	91,834
		<hr/>	

		<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
<b>Net current liabilities</b>		<b>46,648</b>	(43,700)
<b>Total assets less current liabilities</b>		<b>52,709</b>	55,550
<b>Less: Non-current liabilities</b>			
Deferred tax liabilities		<b>178</b>	710
Loan from a substantial shareholder		<b>1,000</b>	–
Contingent consideration payable		<b>39,895</b>	39,895
		<b>41,073</b>	40,605
<b>Net assets</b>		<b>11,636</b>	14,945
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	17	<b>23,330</b>	23,330
Reserves	18	<b>(11,694)</b>	(8,385)
<b>Total equity</b>		<b>11,636</b>	14,945

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	Attributable to owners of the Company							Total equity
	Share capital	Share premium	Other reserve	Exchange translation reserve	Convertible bond reserve	Share base payment reserve	Retained profits/ losses (accumulated)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2017 (audited)	23,330	179,881	19	157	22,856	1,954	(213,252)	14,945
Loss for the period	-	-	-	-	-	-	(3,309)	(3,309)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	-	<b>(3,309)</b>	<b>(3,309)</b>
<b>At 30 September 2017 (unaudited)</b>	<b>23,330</b>	<b>179,881</b>	<b>19</b>	<b>157</b>	<b>22,856</b>	<b>1,954</b>	<b>(216,561)</b>	<b>11,636</b>
At 1 April 2016 (audited)	22,600	144,131	529	64	22,856	1,954	(14,699)	177,435
Loss for the period	-	-	-	-	-	-	(6,785)	(6,785)
Other comprehensive loss for the period	-	-	-	(10)	-	-	-	(10)
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(10)</b>	-	-	<b>(6,785)</b>	<b>(6,795)</b>
Issue of new shares	400	20,000	-	-	-	-	-	20,400
<b>At 30 September 2016 (unaudited)</b>	<b>22,600</b>	<b>144,131</b>	<b>529</b>	<b>54</b>	<b>22,856</b>	<b>1,954</b>	<b>(21,484)</b>	<b>170,640</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Net cash outflow from operating activities	(23,005)	(4,199)
Net cash inflow from investing activities	11,899	1,200
Net cash inflow from financing activities	1,000	–
<b>Net decrease in cash and cash equivalents</b>	<b>(10,106)</b>	<b>(2,999)</b>
Cash and cash equivalents at beginning of period	19,138	15,531
<b>Cash and cash equivalents at end of period</b>	<b>9,032</b>	<b>12,532</b>

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS**

*For the six months ended 30 September 2017*

### **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, West Wing, 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 and provision of dry bulk shipping services.

### **2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES**

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2017 (the "Interim Accounts") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the 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 Interim Accounts are consistent with those used in the annual financial statements for the year ended 31 March 2017. The Interim 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 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

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

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

#### ***Fair value measurements recognised in the condensed consolidated statement of financial position***

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

#### Fair value estimation (Continued)

*Fair value measurements recognised in the condensed consolidated statement of financial position (Continued)*

30 September 2017

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Financial asset</b>				
Financial assets at fair value through profit or loss	1,825	–	2,191	4,016
	<b>1,825</b>	<b>–</b>	<b>2,191</b>	<b>4,016</b>
<b>Financial liability</b>				
Contingent consideration payables	–	–	39,895	39,895

31 March 2017

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Financial asset</b>				
Financial assets at fair value through profit or loss	5,279	–	2,191	7,470
	<b>5,279</b>	<b>–</b>	<b>2,191</b>	<b>7,470</b>
<b>Financial liability</b>				
Contingent consideration payables	–	–	39,895	39,895

#### 4. REVENUE AND OTHER GAINS AND LOSSES

Revenue, which is also the Group's turnover, represents fees income received from corporate finance advisory services rendered and income from dry bulk shipping during the period.

An analysis of revenue and other income and gains are as follows:

	Three months ended 30 September 2017 (Unaudited) HK\$'000		Six months ended 30 September 2017 (Unaudited) HK\$'000	
	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Revenue</b>				
Corporate finance advisory income	1,210	1,745	3,195	2,708
Dry bulk shipping services	40,907	117,229	51,995	156,189
	<b>42,117</b>	<b>118,974</b>	<b>55,190</b>	<b>158,897</b>

	Three months ended 30 September 2017 (Unaudited) HK\$'000		Six months ended 30 September 2017 (Unaudited) HK\$'000	
	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Other gains and losses</b>				
Interest income from a promissory note	–	155	198	423
Bank interest income	–	–	1	–
Sundry income	1	–	1	36
Unrealised gain on financial assets at FVTPL	(192)	110	(2,912)	110
Realised gain on financial assets at FVTPL	–	–	7,626	–
	<b>(191)</b>	<b>265</b>	<b>4,914</b>	<b>569</b>

#### 5. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performances focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segment identified by the CODM has been aggregated in arriving at the reportable segments of the Group.

## 5. SEGMENT INFORMATION (CONTINUED)

The Group's reportable and operating segments are as follows:

- corporate finance advisory service
- dry bulk shipping

### Segment revenue and results

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

**For the six months ended 30 September 2017:**

	<b>Corporate finance advisory service (Unaudited) HK\$'000</b>	<b>Dry bulk shipping (Unaudited) HK\$'000</b>	<b>Consolidated (Unaudited) HK\$'000</b>
Revenue	3,195	51,995	55,190
Segment results	4,521	1,826	6,347
Unallocated corporate expenses			(6,666)
Share of results of an associate			–
Finance cost			(3,220)
Loss before tax			(3,538)
Income tax			229
Loss for the period			(3,309)

For the six months ended 30 September 2016:

	<b>Corporate finance advisory service (Unaudited) HK\$'000</b>	<b>Dry bulk shipping (Unaudited) HK\$'000</b>	<b>Consolidated (Unaudited) HK\$'000</b>
Revenue	2,708	156,189	158,897
Segment results	1,830	8,760	10,590
Unallocated corporate expenses			(2,810)
Share of results of an associate			(10,369)
Finance cost			(3,220)
Loss before tax			(5,809)
Income tax			(976)
Loss for the period			(6,785)

## 5. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

As at 30 September 2017:

	<b>Corporate finance advisory service (Unaudited) HK\$'000</b>	<b>Dry bulk shipping (Unaudited) HK\$'000</b>	<b>Consolidated (Unaudited) HK\$'000</b>
Segment assets	12,292	132,905	145,198
Unallocated assets			4,444
Consolidated total assets			149,642
Segment liabilities	1,563	8,096	9,659
Unallocated liabilities			128,347
Consolidated liabilities			138,006

As at 30 September 2016:

	<b>Corporate finance advisory service (Unaudited) HK\$'000</b>	<b>Dry bulk shipping (Unaudited) HK\$'000</b>	<b>Consolidated (Unaudited) HK\$'000</b>
Segment assets	10,246	300,221	310,467
Unallocated assets			156,022
Consolidated total assets			466,489
Segment liabilities	1,492	33,501	34,993
Unallocated liabilities			260,856
Consolidated liabilities			295,849

## 5. SEGMENT INFORMATION (CONTINUED)

### Information about major clients

Revenue from major clients, each of them amounted to 10% or more of the Group's revenue, are set out below:

	Three months ended		Six months ended	
	30 September		30 September	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	10,755	7,792	15,278	35,026
Customer B	9,670	5,844	11,597	–
Customer C	5,719	5,454	6,859	–
Customer D	–	5,065	–	–

## 6. FINANCE COST

	Three months ended 30		Six months ended 30	
	September		September	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Imputed interest on convertible bond	2,048	2,002	3,220	3,174

## 7. LOSS BEFORE TAX

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

	Three months ended		Six months ended	
	30 September		30 September	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	120	4	243	10
Minimum lease payment under operating lease:				
– Property rental	245	245	489	489
Employee benefit expenses (including directors' remuneration)				
– Wages, salaries, allowances and bonus	4,804	1,933	9,096	4,836
– Pension scheme contributions	51	53	120	120
	<b>4,855</b>	1,986	<b>9,216</b>	4,956

## 8. DIVIDENDS

The Board does not recommend the payment of dividend for the six months ended 30 September 2017 (2016: Nil).

## 9. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) for the three months and six months ended 30 September 2017 and 2016.

	Three months ended		Six months ended	
	30 September		30 September	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax	<b>(424)</b>	512	<b>302</b>	1,500
Deferred tax	<b>(338)</b>	(331)	<b>(531)</b>	(524)
	<b>(762)</b>	181	<b>(229)</b>	976

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

## 10. LOSS PER SHARE

Basic loss per share for each of the three months and six months ended 30 September 2017 and 2016 are calculated by dividing the loss 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 30 September 2017	For the six months ended 30 September 2017	For the three months ended 30 September 2016 (restated)	For the six months ended 30 September 2016 (restated)
Loss attributable to the owners of the Company	<b>(HK\$3,616,000)</b>	<b>(HK\$3,309,000)</b>	(HK\$3,217,000)	(HK\$6,785,000)
Weighted average number of ordinary share in issue	<b>2,332,959,333</b>	<b>2,332,959,333</b>	2,260,000,000	2,260,000,000
Loss per share (HK cents per share)	<b>(0.15)</b>	<b>(0.14)</b>	(0.14)	(0.30)

## 10. LOSS PER SHARE (CONTINUED)

During the period ended 30 September 2017, the Company's outstanding convertible bond was not included in the calculation of diluted loss per share because the effect of the Company's outstanding convertible bond was anti-dilutive and therefore the diluted loss per share are the same as the basic loss per share.

Diluted loss per share for the 6 months and 3 months ended September 2017 has not been disclosed as the potential shares arising from the exercise of the Company's outstanding share options would decrease in loss per share of the Group for the periods and are regarded as anti-dilutive.

## 11. PLANT AND EQUIPMENT

During the three months and six months ended 30 September 2017, the Group acquired a motor vehicle in the amount of approximately HK\$250,000. Save as above-mentioned, the Group did not acquire other plant and equipment (2016: Nil). There was no disposal of plant and equipment during the three months and six months ended 30 September 2017 and 2016.

## 12. TRADE RECEIVABLES

The Group's trade receivables arose from the provision of corporate finance advisory services to its clients.

The Group's trading term with its clients is, in general, due upon the issuance of invoices. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables arising from the provision of corporate finance advisory services are non-interest bearing.

An aged analysis of the trade receivables at the end of each reporting period, based on the invoice date and net of provision, is as follows:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Current to 30 days	<b>410</b>	715
31 to 60 days	<b>50</b>	300
61 to 90 days	<b>10</b>	150
Over 90 days	<b>650</b>	506
	<hr/> <b>1,120</b>	<hr/> 1,671

## 12. TRADE RECEIVABLES (CONTINUED)

Trade receivables disclosed above are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Unlisted options at fair value	<b>2,191</b>	2,191
Listed equity securities, at fair value	<b>1,825</b>	5,279
	<b>4,016</b>	7,470

The above equity securities and share options were designated as financial asset at fair value through profit or loss on initial recognition by the directors of the Company. Changes in fair values of financial asset at fair value through profit or loss are recorded in profit or loss accounts of the Group.

## 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Prepayments	<b>2,090</b>	433
Deposits and other receivables	<b>33,967</b>	17,696
	<b>36,057</b>	18,129

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

## 15. OTHER PAYABLES AND ACCRUALS

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Other payables and accruals	<b>4,463</b>	2,146

Other payables are non-interest bearing and are repayable within one month.

## 16. CONVERTIBLE BOND

On 5 December 2012, the Company issued first convertible bond (the "First Convertible Bonds") due on 4 December 2017 with a principal amount of HK\$87,500,000 at zero coupons in relation to the acquisition of 20% equity interest in Revenue Synthesis Limited. The First Convertible Bond entitles the holder to convert to ordinary shares with par value of HK\$0.01 each of the Company at conversion price of HK\$2.50, subject to adjustment provisions. On 8 May 2013, the Company issued 1,665,000,000 bonus shares and the conversion price was adjusted to HK\$0.625 according to the terms of First Convertible Bond.

The First Convertible Bond contains two components: liability and equity components. The equity component is presented in equity heading "convertible bond reserve". The effective interest rate of the liability component is 7.80% and 7.80% per annum on 30 September 2017 and 31 March 2017 respectively.

The First Convertible Bond has been split as to the liability and equity components as follows:

	<i>HK\$'000</i>
Fair value of the First Convertible Bond	87,486
Liability component	(60,111)
Equity component	<u>27,375</u>

## 16. CONVERTIBLE BOND (CONTINUED)

The movement of the liability component of the First Convertible Bond since the date of the acquisition of the associate (i.e. 5 December 2012) was as follows:

	<i>HK\$'000</i>
At date of acquisition of the associate	60,111
Imputed interests charged for the year ended 31 March 2013	1,494
Imputed interests charged for the year ended 31 March 2014	4,813
Imputed interests charged for the year ended 31 March 2015	5,179
Imputed interests charged for the year ended 31 March 2016	5,594
Imputed interests charged for the year ended 31 March 2017	6,008
Imputed interests charged for the six months ended 30 September 2017	3,220
	<hr/>
<b>As at 30 September 2017</b>	<b>86,419</b>

## 17. SHARE CAPITAL

	<i>Note</i>	<b>Number of ordinary shares of HK\$0.01 each '000</b>	<b>Nominal value of ordinary shares HK\$'000</b>
<b>Authorised:</b>			
At 1 April 2015, 31 March 2016, 1 April 2017 and 30 September 2017		20,000,000,000	200,000,000
		<hr/>	<hr/>
<b>Issued and fully paid:</b>			
At 1 April 2017		2,332,959	23,330
		<hr/>	<hr/>
<b>At 30 September 2017 (unaudited)</b>		<b>2,332,959</b>	<b>23,330</b>

## 18. RESERVES

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the condensed consolidated statement of changes in equity.

## 19. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2017, neither the Group nor the Company had any significant commitments and contingent liabilities (31 March 2017: Nil).

## 20. OPERATING LEASE ARRANGEMENTS

As at 30 September 2017 and 31 March 2017, the total future minimum lease payments of the Group under non-cancelable operating leases in respect of rented premises payable to independent third parties are as follows:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Within one year	<b>1,013</b>	845
In the second to fifth years, inclusive	<b>170</b>	153
	<b>1,183</b>	998

## 21. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in this announcement, the Group had the following material transactions with related parties during the period:

Compensation of key management personnel of the Group

	<b>Three months ended 30 September 2017 (Unaudited) HK\$'000</b>		<b>Six months ended 30 September 2017 (Unaudited) HK\$'000</b>	
	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Short term employees benefits	<b>3,280</b>	1,230	<b>5,460</b>	2,310
Post-employment benefits	<b>28</b>	28	<b>56</b>	56
Total compensation paid to key management personnel	<b>3,308</b>	1,258	<b>5,516</b>	2,366

## 22. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Accounts were approved and authorised for issue by the Board on 14 November 2017.

## **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 and provision of dry bulk shipping services.

#### ***Corporate finance advisory services***

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 Listing Rules, the GEM Listing Rules and 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 M&A activities and other corporate activities; and
- (iv) advising on corporate resumption.

During the period under review, the Group recorded revenue from corporate finance advisory segment of approximately HK\$3,195,000 for the six months ended 30 September 2017 (2016: HK\$2,708,000), representing an increase of approximately 18.0% when compared to the corresponding period in 2016. During the period under review, the momentum of our existing clients partially recovered. In addition, we have obtained several new transactions during the period under review.

#### ***Dry bulk shipping services***

During the period under review, revenue contributed from dry bulk shipping business was approximately HK\$51,995,000 (2016: HK\$156,189,000), representing a decrease of approximately 66.71%. Such decrease was due to the continuing severe competition and reformation in the shipping industry which led to lose of customers.

## **MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

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.

### **Financial Review**

#### ***Results***

For the six months ended 30 September 2017, revenue of the Group decreased by approximately 65.27% to approximately HK\$55,190,000 from approximately HK\$158,897,000 in the corresponding period in 2016.

The Group's administrative and operating expenses for the six months ended 30 September 2017 increased by approximately 71.65% to approximately HK\$11,516,000 compared to approximately HK\$6,709,000 for the corresponding period in 2016. The increase in administrative and operating expenses was mainly due to increase in salaries.

The Group's loss attributable to owners of the Company for the six months ended 30 September 2017 was approximately HK\$3,309,000 compared to approximately HK\$6,785,000 for the corresponding period last year. The decrease in loss was mainly attributable to (i) release from recognition of amortization of intangible assets and loss of an associate of the Company; (ii) decrease in revenue from approximately HK\$158,897,000 for the six months ended 30 September 2016 to approximately HK\$55,190,000 for the six months ended 30 September 2017, which partially net off the effect; and (iii) increase in administrative and operating expenses by approximately 71.65% from approximately HK\$6,709,000 for the six months ended 30 September 2016 to approximately HK\$11,516,000 for the six months ended 30 September 2017 which partially net off the effect.

### ***Liquidity, financial resources and capital structure***

During the six months ended 30 September 2017, the Group mainly finances its operations with its own working capital. As at 30 September 2017, the Group had total assets and net assets of approximately HK\$149,642,000 (31 March 2017: approximately HK\$147,384,000) and approximately HK\$11,636,000 (31 March 2017: approximately HK\$14,945,000) respectively, including cash and bank balances of approximately HK\$9,032,000 (31 March 2017: approximately HK\$19,138,000). As at 30 September 2017, the Company had net current liabilities of approximately HK\$46,648,000 (31 March 2017: approximately HK\$43,700,000).

The Group's gearing ratios as at 30 September 2017 was 1085.55% (31 March 2017: 823.65%). Gearing ratio is calculated by dividing total net debt with the total equity. Total net debt of the Company comprises contingent consideration payable of approximately HK\$39,895,000 and convertible bonds of approximately HK\$86,419,000 held by a substantial shareholder of the Company – Refulgent Sunrise Limited and will be mature in December 2017. Upon negotiations between the Company and the substantial Shareholder, the substantial shareholder has indicated its agreement to convert the convertible bonds before maturity. The Directors are of the view that gearing ratio and net current liabilities position of the Company could be improved significant upon conversion of the convertible bonds.

## **FOREIGN EXCHANGE EXPOSURE**

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

## **SIGNIFICANT INVESTMENTS**

The Group had no significant investments held during the six months ended 30 September 2017.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2017.

## **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 30 September 2017, the Group did not pledge any of its assets (30 September 2016: nil) as securities for the banking facilities granted to the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2017, the Group had 24 full-time employees (30 September 2016: 28 full-time employees), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$9,216,000 for the six months ended 30 September 2017 as compared to approximately HK\$4,956,000 for the six months ended 30 September 2016. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees 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. In addition, the Group adopted a share option scheme for eligible employees (including Directors) to provide incentives to participants for their contribution and continuing efforts to promote the interests of the Group.

## OUTLOOK

We will continue to pursue our core business, the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC and the dry bulk shipping business. For our corporate finance advisory segment, we will continue to enhance our professional knowledge to cope with the rapid changing capital market and regulatory environment in Hong Kong in order to maintain our professionalism in the corporate finance industry. We will continue to increase our exposure and improve our public awareness in the capital market to enhance our client base. For our dry bulk shipping business, we will continue to manage our business under asset-light operation model and we will further broaden our customer base. We will also actively explore other business opportunities to maximize shareholder's wealth and diversify business risk in future. We will continue to dedicate the best effort to lead the Group to strive for the best interests for the Company's 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 dated 28 September 2011.

Details of the options granted under the Scheme, their movements during the six months ended 30 September 2017 and the options outstanding as at 30 September 2017 were as follows:

Participant	Options type	Date of grant	Exercise price per share HK\$	Fair value at grant date per share HK\$	Exercise period	Number of options					As at 30 September 2017 '000
						As at 1 April 2017 '000	Granted during the period '000	Exercised during the period '000	Cancelled during the period '000	Lapsed during the period '000	
					17/9/2014						
Employees other than directors	2014	17/9/2014	0.68	0.13027	16/9/2014	12,500	-	-	-	-	12,500
					17/9/2014						
					-						
Consultant	2014	17/9/2014	0.68	0.13027	16/9/2014	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 30 September 2017, 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**

<b>Name of Director and chief executive</b>	<b>Type of interests</b>	<b>Number of ordinary shares held</b>	<b>Number of underlying shares pursuant to share option</b>	<b>Approximate percentage of shareholding in the Company</b>
Ms. Ho Chiu Ha Maisy ( <i>Note 1</i> )	Beneficial owner	406,000,000	–	17.40%
	Interest of a controlled corporation	87,062,500	140,000,000	9.73%
Mr. Wong Kam Wah ( <i>Note 2</i> )	Interest of a controlled corporation	70,000,000	–	3.00%
Ms. Man Wing Yee Ginny	Beneficial owner	440,040,000	–	18.86%
Mr. Wang Qiang	Beneficial owner	100,000,000	–	4.28%
Mr. Lau Ling Tak	Beneficial owner	43,937,500	–	1.88%

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

**Long positions in the Company (Continued)**

1. Ms. Ho Chiu Ha Maisy has a total interest in 633,062,500 shares/underlying shares (representing and aggregate of approximately 27.13% shareholding in the Company), of which (i) 87,062,500 shares were allotted to 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 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. Details of which are disclosed in "Convertible Bonds" below.
2. These 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 interest in 70,000,000 shares held by Kate Glory Limited.

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

**Long positions in the Company (Continued)**

***Convertible bonds***

Name of bondholder	Date of issue	Conversion period	Conversion price per share	Outstanding as at the Latest Practicable Date	Number of underlying shares	Approximate percentage of the issued share capital of the Company
Refulgent Sunrise Limited	5 December 2012	5 December 2012 – 4 December 2017	0.625	140,000,000	140,000,000	6.00%

Save as disclosed above, as at 30 September 2017, 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 30 September 2017, 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
Refulgent Sunrise Limited (Note)	Beneficial owner	87,062,500	140,000,000	9.73%
Ms. Li Zhaoxia	Beneficial owner	46,423,333	330,700,000	16.17%
Mr. Zhao Genlong	Beneficial owner	200,000,000	–	8.57%

*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 and Mr. Tsang Yan are 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.

Save as disclosed above, as at 30 September 2017, 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 six months ended 30 September 2017.

## **DIRECTOR'S INTERESTS IN COMPETING INTERESTS**

During the six months ended 30 September 2017, 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 six months ended 30 September 2017.

## **CODE OF CORPORATE GOVERNANCE PRACTICES**

Throughout the six months ended 30 September 2017, 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 2017 (the “AGM 2017”) as she had other important business engagement. However, Mr. Wong Kam Wah, an executive Director, had chaired the AGM 2017 in accordance with the articles of association of the Company and answered the questions from the Shareholders.

### **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, risk management for the purpose of reviewing and providing supervision over the financial reporting process and internal control systems 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 interim financial statements of the Group for the six months ended 30 September 2017 have not been audited by the Company’s auditors, but have been reviewed by the Committee, who is of the opinion that the interim 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 November 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 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).*