UNITAS HOLDINGS LIMITED
宏海控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8020)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

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 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.

This announcement, for which the directors (the "Directors") of UNITAS HOLDINGS LIMITED (the "Company" and together with its subsidiaries, the "Group") 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

- The Group audited revenue of approximately HK$124.39 million for the year ended 31 March 2018 (2017: HK$198.34 million), representing an increase of approximately 37.28% when compared to the corresponding period in 2017.

- The Group recorded audited net loss attributable to owners of the Company for the year ended 31 March 2018 of approximately HK$18.69 million (2017: net loss of approximately HK$198.55 million).

- The decrease in loss recorded for the year ended 31 March 2018 when compared with corresponding period in 2017 was mainly due to (i) decrease in recognition of impairment loss on goodwill relating to the Group's dry bulk shipping business from approximately HK$139.95 million in 2017 to approximately HK$53 million in 2018; and (ii) no share of result of the Group's associate was recorded following the disposal of the entire business by the Group throughout the year ended 31 March 2018 while a share of loss of such associate accounted for HK$157.54 million for the year ended 31 March 2017.

- The Board does not recommend the payment of a dividend for the year ended 31 March 2018.

ANNUAL RESULTS (AUDITED)

The board of Directors (the "**Board**") of Unitas Holdings Limited (the "**Company**") is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2018 (the "**Financial Year**"), together with the audited comparative figures for the corresponding period in 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	5	**124,389**	198,336
Cost of operations		**(105,758)**	(180,411)
Gross profit		**18,631**	17,925
Other gains and losses	5	**2,822**	9,319
Administrative and operating expenses		**(25,032)**	(24,028)
Gain on disposal of a subsidiary		**3,054**	–
Impairment loss recognised in respect of trade receivables		**–**	(162)
Impairment loss on goodwill		**(53,000)**	(139,948)
Change in fair value of contingent consideration payables		**39,895**	102,234
Finance cost	6	**(4,301)**	(6,008)
Share of result of an associate		**–**	(157,541)
Loss before tax	7	**(17,931)**	(198,209)
Income tax	8	**(763)**	(344)
Loss for the year		**(18,694)**	(198,553)
Other comprehensive (loss)/income, net of income tax			
Item that may be reclassified subsequently to profit or loss:			
Share of changes in other comprehensive income in an associate		**–**	93
Reclassification of translation reserve upon disposal of foreign operations		**(157)**	–
Other comprehensive (loss)/income for the year		**(157)**	93
Total comprehensive loss for the year		**(18,851)**	(198,460)
Loss for the year attributable to:			
Owners of the Company		**(18,694)**	(198,553)
Total comprehensive loss for the year attributable to the owners of the Company		**(18,851)**	(198,460)
Loss per share			
Basic and diluted (HK cents)	10	**(0.79)**	(8.74)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**956**	1,250
Goodwill		**45,000**	98,000
Interest in an associate		**–**	–
		45,956	99,250
Current assets			
Trade receivables	*11*	**1,882**	1,671
Financial assets at fair value through profit or loss		**1,788**	7,470
Prepayments, deposits and other receivables		**35,344**	18,129
Promissory note receivable		**–**	1,666
Amount due from a related company		**60**	60
Cash and cash equivalents		**11,788**	19,138
		50,862	48,134
Less: Current liabilities			
Other payables and accruals		**2,505**	2,146
Convertible bond		**–**	83,199
Loan from substantial shareholders		**3,500**	–
Tax payable		**7,219**	6,489
		13,224	91,834
Net current assets/(liabilities)		**37,638**	(43,700)
Total assets less current liabilities		**83,594**	55,550
Less: Non-current liabilities			
Contingent consideration payables		**–**	39,895
Deferred tax liabilities		**–**	710
		–	40,605
Net assets		**83,594**	14,945
EQUITY			
Equity attributable to the owners of the Company			
Share capital	*12*	**24,730**	23,330
Reserves		**58,864**	(8,385)
Total equity		**83,594**	14,945

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Attributable to the owners of the Company							
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Other reserve** *HK$'000* *(Note (i))*	**Exchange translation reserve** *HK$'000* *(Note (ii))*	**Convertible bond reserve** *HK$'000* *(Note (iii))*	**Share option reserve** *HK$'000* *(Note (iv))*	**Accumulated losses** *HK$'000*	**Total equity** *HK$'000*
At 1 April 2016	22,600	144,131	529	64	22,856	1,954	(14,699)	177,435
Loss for the year	–	–	–	–	–	–	(198,553)	(198,553)
Other comprehensive income for the year, net of income tax	–	–	–	93	–	–	–	93
Total comprehensive loss for the year	–	–	–	93	–	–	(198,553)	(198,460)
Release upon deregistration of subsidiaries	–	–	(510)	–	–	–	–	(510)
Issue of consideration shares	730	35,750	–	–	–	–	–	36,480
As at 31 March 2017 and 1 April 2017	23,330	179,881	19	157	22,856	1,954	(213,252)	14,945
Loss for the year	–	–	–	–	–	–	(18,694)	(18,694)
Other comprehensive loss for the year, net of income tax								
Reclassification of translation reserve upon disposal of a subsidiary	–	–	–	(157)	–	–	–	(157)
Total comprehensive loss for the year	–	–	–	(157)	–	–	(18,694)	(18,851)
Issuance of shares upon conversion of convertible bonds	1,400	108,956	–	–	(22,856)	–	–	87,500
At 31 March 2018	**24,730**	**288,837**	**19**	**–**	**–**	**1,954**	**(231,946)**	**83,594**

Notes:

(i) The amount represented the difference between the nominal amount of shares issued by the Company and the aggregate amount of the share capital of subsidiaries acquired under common control pursuant to the reorganisation during the year ended 31 March 2012.

(ii) The amount represented the share of changes in other comprehensive income in an associate which is the exchange differences relating to the translation of the net assets of the associate's foreign operations from their functional currencies to the associate's presentation currency.

(iii) The amount represented the equity component of the convertible bond issued during the year ended 31 March 2013.

(iv) The amount represented the equity-settled share-based payments recognised during the year ended 31 March 2015.

The accompany notes form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

Unitas Holdings Limited was incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 2011. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681 KY1-1111, Cayman Islands. The principal place of business is Room 801B, 8/F., Tsim Sha Tsui Centre West Wing, No.66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company had its primary listing on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 October 2011.

The Company acts as an investment holding company.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand (HK$'000), unless otherwise stated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied for the first time, the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2017. A summary of the new HKFRSs are set out as below:

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle

Except for described as below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 *Disclosure Initiative*

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[1]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
HKFRS 9	Financial Instruments[1]
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation[2]
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HKFRS 10 and HKAS 28 (Amendments)	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 19 (Amendments)	Plan Amendments Curtailment or settlement[2]
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures[2]
HKAS 28 (Amendments)	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle[1]
HKAS 40 (Amendments)	Transfer of Investment Property[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle[2]
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities ("Listing Rules") on the GEM of the Stock Exchange of Hong Kong Limited and by the disclosure requirement Hong Kong Companies Ordinance ("CO").

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. 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 segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable and operating segments under HKFRS 8 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:

	Corporate finance advisory service		Dry bulk shipping		Consolidated	
	2018	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	**5,865**	6,124	**118,524**	192,212	**124,389**	198,336
Segment results	**2,763**	4,678	**(44,239)**	(132,696)	**(41,476)**	(128,018)
Unallocated corporate expenses					**(15,192)**	(10,715)
Unallocated corporate income					**89**	1,839
Gain on disposal of a subsidiary					**3,054**	–
Change in fair value of contingent consideration payables					**39,895**	102,234
Share of result of an associate					**–**	(157,541)
Finance cost					**(4,301)**	(6,008)
Loss before tax					**(17,931)**	(198,209)
Income tax					**(763)**	(344)
Loss for the year					**(18,694)**	(198,553)

Revenue reported was generated from external customers. There were no inter-segment sales for the year (2017: Nil).

Segment results represent the (loss incurred)/profit earned by each segment without allocation of other gains and losses, gain on disposal of a subsidiary, change in fair value of contingent consideration payables, share of result of an associate, finance cost and income tax. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Corporate finance advisory service		**Dry bulk shipping**		**Consolidated**	
	2018	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**8,509**	13,259	**84,226**	128,905	**92,735**	142,164
Unallocated assets					**4,083**	5,220
Consolidated total assets					**96,818**	147,384
Segment liabilities	**1,513**	2,209	**6,811**	5,338	**8,324**	7,547
Unallocated liabilities					**4,900**	124,892
Consolidated total liabilities					**13,224**	132,439

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate financial assets, interest in an associate and promissory note receivable;

- all liabilities are allocated to reportable segments other than convertible bond, contingent consideration payables, loan from substantial shareholders and other corporate financial liabilities.

Other segment information

	Corporate finance advisory service		Dry bulk shipping		Unallocated		Consolidated	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information								
Depreciation of property, plant and equipment	**(486)**	(41)	**(75)**	(110)	**–**	–	**(561)**	(151)
Impairment loss recognised in respect of trade receivables	**–**	(162)	**–**	–	**–**	–	**–**	(162)
Change in fair value of contingent consideration payables	**–**	–	**–**	–	**39,895**	102,234	**39,895**	102,234
Net proceed from disposal of financial assets at FVTPL	**10,234**	9,620	**–**	–	**–**	–	**10,234**	9,620
Share of result of an associate	**–**	–	**–**	–	**–**	(157,541)	**–**	(157,541)
Impairment loss on goodwill	**–**	–	**(53,000)**	(139,948)	**–**	–	**(53,000)**	(139,948)
Gain on settlement of promissory note receivable and interest receivable	**–**	108	**–**	–	**–**	–	**–**	108
Impairment loss recognised in respect of other receivables	**–**	(148)	**–**	–	**–**	–	**–**	(148)
Gain on deregistration of subsidiaries	**–**	–	**–**	–	**–**	510	**–**	510
Gain on disposal of a subsidiary	**–**	–	**–**	–	**3,054**	–	**3,054**	–
Fair value change in financial assets at FVTPL	**4,235**	5,693	**–**	–	**(1,747)**	1,810	**2,488**	7,503
Additions to non-current assets*	**267**	1,180	**–**	–	**–**	–	**267**	1,180

* The amount represents additions to property, plant and equipment for the years ended 31 March 2018 and 2017.

Information about major customers

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

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Customer A *(Note)*	**N/A**	37,783
Customer B *(Note)*	**N/A**	40,753
Customer C *(Note)*	**N/A**	23,359
Customer D	**27,064**	21,762
Customer E	**25,383**	N/A
Customer F	**18,781**	N/A

Note: *The corresponding revenue did not contribute over 10% of the Group's total revenue.*

Geographical information

The Group's operations are located in Hong Kong and overseas.

For the years ended 31 March 2018 and 2017, all of the Group's revenue is derived from Hong Kong and overseas.

The revenues generated from corporate financial advisory service is mainly in Hong Kong and provision of dry bulk shipping business services are classified into international shipping. For the geographical information, freight revenues from dry bulk shipping are analysed based on the destination of the ports at different geographical territory.

	Revenue	
	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**5,865**	6,124
Overseas:		
– Africa	**12,012**	–
– Asia Pacific	**55,222**	53,896
– Australia	**3,053**	–
– Europe	**24,355**	132,684
– South America	**6,768**	–
– Southwest Asia	**17,114**	5,632
	124,389	198,336

During the years ended 31 March 2018 and 2017, all non-current assets of the Group are located in Hong Kong and no analysis of the Group's assets by geographical area is disclosed.

5. REVENUE AND OTHER GAINS AND LOSSES

Revenue represents income received from dry bulk shipping and related business and corporate finance advisory services rendered during the year.

An analysis of the revenue of the Group by principal activities are as follows:

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Corporate finance advisory service income	**5,865**	6,124
Dry bulk shipping business income	**118,524**	192,212
	124,389	198,336

Other gains/(losses) received during the years are as follows:

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Interest income from a promissory note receivable	**198**	1,143
Sundry income	**106**	203
Impairment loss on other receivables	**–**	(148)
Gain on settlement of promissory note receivable and interest receivable	**–**	108
Gain on deregistration of subsidiaries	**–**	510
Exchange gain	**30**	–
Fair value change in financial assets at FVTPL:		
– Unrealised (loss)/gain on financial assets at FVTPL	**(2,467)**	5,872
– Realised gain on financial assets at FVTPL	**4,955**	1,631
	2,822	9,319

6. FINANCE COST

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Imputed interest on convertible bond	**4,301**	6,008

7. LOSS BEFORE TAX

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

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Employee benefit expenses (including directors' and chief executive officer's emoluments)		
– Wages, salaries, allowance and bonus	**17,963**	12,577
– Contribution to retirement benefits schemes	**266**	267
	18,229	12,844
Depreciation of property, plant and equipment	**561**	151
Auditors' remuneration		
– audit services	**500**	600
– non-audit services	**–**	100
	500	700
Minimum lease payments under operation leases		
– Property rental	**1,450**	1,212

8. INCOME TAX

Hong Kong profits tax is calculated at the rate of 16.5% (2017: 16.5%) of the estimated assessable profit arising in Hong Kong during the year.

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Current tax – Hong Kong	**1,473**	1,335
Deferred tax	**(710)**	(991)
	763	344

9. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend in respect of the year ended 31 March 2018 (2017: Nil).

10. LOSS PER SHARE

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

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	**(18,694)**	(198,553)

	Year ended 31 March	
	2018	2017
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,373,617**	2,272,593

During the year ended 31 March 2018, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effect of the Company's outstanding share options were anti-dilutive and therefore the diluted loss per share are the same as the basic loss per share.

During the year ended 31 March 2017, the Company's outstanding convertible bond and share options were not included in the calculation of diluted loss per share because the effect of the Company's outstanding convertible bond and share options were anti-dilutive and therefore the diluted loss per share are the same as the basic loss per share.

11. TRADE RECEIVABLES

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 advisory are non-interest-bearing.

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**1,882**	1,671

An aging analysis of trade receivables as at the end of the reporting period, based on the invoice date, net of impairment loss, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Current to 30 days	**1,012**	715
31 – 60 days	**110**	300
61 – 90 days	**50**	150
Over 91 days	**710**	506
	1,882	1,671

The following is an aging analysis of the trade receivables which are past due but not impaired:

	2018	2017
	HK$'000	*HK$'000*
Current to 30 days	**1,012**	715
31 – 60 days	**110**	300
61 – 90 days	**50**	150
Over 91 days	**710**	506
	1,882	1,671

For the past due but not impaired trade receivables, although no collateral is held, the Group has assessed the credit worthiness, past payment history and substantial settlement after the reporting date, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. The Group seeks to maintain strict control over its outstanding trade receivables. Overdue balances are reviewed regularly by the management.

Movements of impairment loss on trade receivables:

	2018	2017
	HK$'000	*HK$'000*
As at 1 April	**–**	–
Impairment loss recognised on trade receivables	**–**	162
Written off during the year	**–**	(162)
As at 31 March	**–**	–

During the year ended 31 March 2017, impairment loss recognised in respect of trade receivables are individually impaired trade receivables with balance of approximately HK$162,000. The individual impaired receivables related to customers that were in financial difficulties and directors assessed that the receivables were not expected to be recovered. The impaired trade receivables are overdue more than 91 days.

12. SHARE CAPITAL

	Number of shares		Share Capital	
	2018	2017	**2018**	2017
	'000	*'000*	***'000***	*HK'000*
Ordinary shares of HK$0.01 each				
Authorised:				
Balance at the beginning and at the end of the year *(Note (a))*	**20,000,000,000**	20,000,000,000	**200,000,000**	200,000,000
Issued and fully paid:				
Balance at the beginning of the year	**2,332,959**	2,260,000	**23,330**	22,600
Issue of consideration shares *(Note (b))*	**–**	72,959	**–**	730
Issuance of shares upon conversion of convertible bonds *(Note (c))*	**140,000**	–	**1,400**	–
Balance at the end of the year	**2,472,959**	2,332,959	**24,730**	23,330

Notes:

(a) Upon incorporation of the Company on 20 April 2011, the authorised share capital was HK$200,000,000,000 divided into 20,000,000,000,000 ordinary shares of HK$0.01 each, of which one fully-paid share of HK$0.01 was allotted and issued to the subscriber to the memorandum of association the Company, and was transferred to Kate Glory on the same date at par value.

(b) On 27 January 2017, 72,959,333 consideration shares were issued at issue price of HK$0.50 per share in relation to part of the contingent consideration settlement for the acquisition of subsidiaries.

(c) On 15 December 2017, 140,000,000 new shares were issued at HK$0.625 per share upon the full conversion of convertible bond with a principal amount of HK$87,500,000.

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 Financial Year, the corporate finance industry remained challenging due to the unstable market sentiment and the slow recovery pace of the global economy.

The Group recorded revenue (excluding inter-company transactions) from corporate finance advisory services of approximately HK$5.87 million for the year ended 31 March 2018 (2017: HK$6.12 million), representing a decrease of approximately 4.08% when compared to the corresponding period in 2017. Our corporate finance advisory services recorded net profit (excluding inter-company transactions) of approximately HK$2.75 million for the year ended 31 March 2018 as compared to a net profit (excluding inter-company transactions) of approximately HK$4.59 million for the year ended 31 March 2017, representing a decrease of approximately 40.09% when compared with last year. Such decrease was mainly due to increase in staff salaries and benefit in kind from approximately HK$4.06 million for the year ended 31 March 2017 to approximately HK$5.67 million for the year ended 31 March 2018, representing an increase of approximately 39.66%.

Dry bulk shipping services

Our dry bulk shipping business remained challenging throughout the Financial Year. Revenue contributed from the Group's dry bulk shipping business amounted to approximately HK$118.53 million for the year ended 31 March 2018. (2017: HK$192.21 million), representing a decrease of approximately 38.33% when compared to corresponding period in 2017. Net profit attributable from the Group's dry bulk shipping business amounted to approximately HK$7.05 million for the year ended 31 March 2018. (2017 HK$6.67 million). The increase in net profit was mainly attributable to the reduction in operating expenses including reduction in staff head counts and marketing expense. The Group will closely review and if necessary, modify operation procedures of the Group's shipping business in future. An impairment of approximately HK$53 million on goodwill arising from the acquisition of the Group's dry bulk shipping business was provided as the management of the Company assessed that net profit attributable to the Group's shipping business for the year ended 31 March 2018 could not fulfil relevant required profit guarantee was mainly due to (i) the severe market conditions; and (ii) competitive pricing strategies implemented by the Group to secure shipping orders. The Company considered whether the Group's shipping business can generate sufficient profit in near future to match with the related goodwill is uncertain in this regards.

Profit guarantee in respect of the acquisition of 100% issued share capital of Ture Yield Limited

On 25 September 2015, the Group completed the acquisition of the entire issued share capital of Ture Yield Limited which is primarily engaged in the provision of shipping services. In accordance with the terms and conditions of the sale and purchase agreement dated 2 September 2015 (the "SPA"), the vendor has given to and for the benefit of the purchaser a profit guarantee of not less than HK$20 million, HK$40 million, HK$40 million and HK$20 million of net profit after taxation and before extraordinary items for the years ending 31 March 2016, 2017, 2018 and 2019 respectively. As confirmed by the Company's auditor, with guarantee certificate received, the recorded actual consolidated profit after taxation and before extraordinary items of the Ture Yield Limited for the year ended 31 March 2016 was approximately HK$19,898,000, and thus, was slightly less than the guaranteed amount of HK$20 million by approximately 0.51%. Hence the Company has made adjustment to the number of Consideration Shares in accordance with the adjustment formula in the SPA and thus 72,959,333 Consideration Shares had been allotted and issued to the nominee of the vendor on 27 January 2017.

Base on the audited consolidated net profit after taxation and extraordinary or exceptional items and including inter-company transactions of Ture Yield Limited for the year ended 31 March 2017 of approximately HK$5.43 million, the required guaranteed profit for the year ended 31 March 2017 of HK$40 million has only been fulfilled partly. In addition, base on the audited consolidated net profit after taxation and extraordinary or exceptional items and including inter-company transactions of Ture Yield Limited for the year ended 31 March 2018 of approximately HK$7.46 million, the required guaranteed profit for the year ended 31 March 2018 of HK$40 million has also only been fulfilled partly. In view of the non-fulfillment of guaranteed profit for two consecutive years, the Company and the vendor of Ture Yield Limited had on 29 March 2018 entered into a supplemental agreement ("Supplemental Agreement") pursuant to which both parties has mutually agreed to cancel the profit guarantee stipulated in the SPA to the effect that the Company will no longer issue any Consideration Shares and promissory note to the vendor for settlement of any of the remaining Consideration from the year ended 31 March 2017 and afterwards. We are of the view that the entering into of the Supplemental Agreement would not have material impact to the business and normal operations of the Company.

Disposal of an associate relating to Acquired Immunodeficiency Syndrome ("AIDS") medication business

Subsequent to the non-legal binding memorandum of understanding entered into between the Company and a third party potential buyer (the "**Independent Buyer**") to dispose of the entire equity interest of Mysteriously Time Investments Limited held by the Company on 2 June 2017, the Company and the Independent Buyer entered into a sale and purchase agreement with the Independent Buyer on 27 March 2018 pursuant to which the Company has conditionally agreed to sell and the Independent Buyer has conditionally agreed to acquire the entire equity interest in Mysteriously Time Investments Limited held by the Company at a consideration of HK$3,000,000 in cash (the "**Disposal**"). The Disposal was completed on 29 March 2018. The Directors consider the Disposal represents a good opportunity for the Group to divest its AIDS medication business.

FINANCIAL REVIEW

Revenue

For the Financial Year, revenue of the Group decreased by approximately 37.28% to approximately HK$124.39 million from approximately HK$198.34 million last year.

Administrative and other operating expenses

The Group's administrative and operating expenses for the Financial Year increased by approximately 4.16% to approximately HK$25.03 million compared to approximately HK$24.03 million last year. The increase was mainly due to the increase in staff cost.

Loss for the Financial Year attributable to owners of the Company

The Group recorded audited net loss attributable to owners of the Company for the year ended 31 March 2018 of approximately HK$18.69 million (2017: net loss of approximately HK$198.55 million). The decrease in loss recorded for the year ended 31 March 2018 when compared with corresponding period in 2017 was mainly due to (i) decrease in recognition of impairment loss on goodwill relating to the Group's dry bulk shipping business from approximately HK$139.95 million in 2017 to approximately HK$53 million in 2018; and (ii) no share of result of the Group's associate was recorded following the disposal of the entire investment in AIDS medication business by the Group throughout the year ended 31 March 2018 while a share of loss of such associate accounted for HK$157.54 million during the year ended 31 March 2017.

Liquidity and financial resources

As at 31 March 2018, the Group had net current assets of approximately HK$37.64 million (2017: net current liabilities approximately HK$43.70 million). The Group had cash and bank balances of approximately HK$11.79 million (2017: approximately HK$19.14 million). Current ratio as at 31 March 2018 was approximately 3.85 (2017: 0.52). In December 2017, the holder of the Company's convertible bonds ("**Convertible Bonds**") has fully exercised the conversion rights attached to the Convertible Bonds. Upon full conversion of the Convertible Bonds, payment obligation of the Group to repay the principal amount of the Convertible Bonds has been fully settled via equity. Therefore, the net current liabilities position of the Group as at 31 March 2017 has been turned around to net assets position.

The Group's gearing ratios as at 31 March 2018 was 4.19% (2017: 823.65%). Gearing ratio is calculated by dividing total debt with the total equity.

Throughout the Financial Year, the Group had minimal exposure in foreign currency risk as most of the business transactions, assets and liabilities were denominated in Hong Kong dollars. The Group will continue to monitor its foreign currency exposure closely.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2018 (2017: Nil).

CAPITAL COMMITMENTS

As at 31 March 2018, the Group did not have any significant capital commitments (2017: Nil).

CAPITAL STRUCTURE

On 15 December 2017, the Company allotted and issued 140,000,000 new shares of the Company to holder of the Convertible Bonds upon maturity of the Convertible Bonds.

As at 31 March 2018, the issued share capital of the Company was HK$24,729,593.33 divided into 2,472,959,333 shares.

SIGNIFICANT INVESTMENTS HELD

During the Financial Year, the Group did not hold any significant investment in equity interest in any company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2018, the Group did not have any plan for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save for the disposal of the entire equity interest in Mysteriously Time Investments Limited, during the Financial Year, the Group had no other material acquisitions and disposal of subsidiaries and affiliated companies.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2018 (2017: Nil).

OUTLOOK

The Company will continue to pursue its 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.

The Company will also actively explore other business opportunities to maximise Shareholder's wealth and diversify business risk.

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.

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 March 2018, the Group did not pledge any of its assets (2017: Nil) as securities for the banking facilities granted to the Group.

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 March 2018, 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 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 Officer	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	–	16.42%
	Interest of a controlled corporation	227,062,500	–	9.18%
Mr. Wong Kam Wah *(Note2)*	Interest of a controlled corporation	70,000,000	–	2.83%
Ms. Man Wing Yee Ginny	Beneficial owner	440,040,000	–	17.79%
Mr. Wang Qiang	Beneficial owner	100,000,000	–	4.04%
Mr. Lau Ling Tak	Beneficial owner	43,937,500	–	1.78%

Note(s):

1. Ms. Ho Chiu Ha Maisy has a total interest in 633,062,500 shares/underlying shares (representing an aggregate of approximately 25.60% shareholding in the Company), of which (i) 227,062,500 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 227,062,500 shares of the Company through Refulgent Sunrise Limited by virtue of the SFO; and (ii) Ms. Ho Chiu Ha Maisy personal held 406,000,000 shares.

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.

Save as disclosed above, as at 31 March 2018, 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 March 2018, 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:

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	227,062,500	–	9.18%
Ms. Li Zhaoxia	Beneficial owner	46,423,333	330,700,000	15.25%
Mr. Zhao Genlong	Beneficial owner	200,000,000	–	8.09%

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.

Save as disclosed above, as at 31 March 2018, 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.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, based on the information that is publicly available to the Company and within the knowledge the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the GEM Listing Rules.

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

On 15 December 2017, there were increases in the issued share capital of the Company through the issuance of 140,000,000 new ordinary shares upon full conversion of the Convertible Bonds. The total number of issued share capital of the Company as at 31 March 2018 was 2,472,959,333 ordinary shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Financial Year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Pursuant to Appendix 20 Environmental, Social and Governance Reporting Guide (the "ESG Guide") of the GEM Listing Rules, the Group is required to prepare an ESG Report, which explains the management approaches, strategies, policies, measures taken and results of its activities on environmental and social areas and aspects, and evaluate their impact on the sustainable development of the environment and society. The Group has adopted and implemented the strategies, policies, rules and regulations in relation to the environmental and social areas and aspects of the ESG Guide with responsibility and a high Code of Standards, which can be summarised in the annual report of the Company for the year ended 31 March 2017 dated 30 June 2017.

A separate ESG report for further disclosure of Aspect A1 emissions matters as required under the ESG Guide will be published on the Stock Exchange's website and the Company's website no later than three months after the publication of this annual report.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the Financial Year, none of the Directors, the management shareholders of the Company and their respective close 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 Financial Year.

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that leads to the success of the Company and balances the interests of its shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

Throughout the Financial Year, 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 29 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.

AUDIT COMMITTEE

The Board established the Audit Committee in September 2011, with written terms of reference in compliance with the Code Provisions (which were further reviewed by the Board in March 2012 and June 2016). The revised written terms of reference of the Remuneration Committee are available on the GEM website *(www.hkgem.com)* and the Company's website *(www.unitas.com.hk)*.

The audit committee currently comprises three independent non-executive Directors, namely Mr. Yau Yan Ming Raymond, Mr. Siu Chi Yiu Kenny and Mr. Lee Chi Keung Jim has been established to make recommendation to the Board on the Company's policy. Mr. Yau Yan Ming Raymond is the chairman of the audit committee.

The annual results of the Group for the year ended 31 March 2018 have been reviewed by the audit committee. The audit committee considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange and disclosures have been fully made.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND CIRCULAR

This annual results announcement is published on the GEM websites (www.hkgem.com) and on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website (www.chanceton.com). The 2017/2018 annual report of the Company and a circular containing the notice of annual general meeting of the Company will be dispatched to shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 29 June 2018

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. Siu Chi Yiu Kenny, Mr. Lee Chi Keung Jim 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).