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UNITAS HOLDINGS LIMITED

宏海控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8020)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

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 2018 amounted to approximately HK\$53,357,000, representing a decrease of approximately 3.32% as compared to corresponding period in 2017.
- Consolidated profit attributable to owners of the Company for the six months ended 30 September 2018 was approximately HK\$1,516,000 as compared to a loss of approximately HK\$3,309,000 in corresponding period in 2017.
- Earnings per share for the six months ended 30 September 2018 was approximately HK\$0.06 cents.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2018.

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 2018, together with the unaudited comparative figures for the corresponding period in 2017, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2018

		Three months ended 30 September 2018		Six months ended 30 September 2018	
		(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
	Notes				
Revenue	4	32,477	42,117	53,357	55,190
Cost of operations		(26,234)	(38,410)	(43,088)	(48,906)
Gross profit		6,243	3,707	10,269	6,284
Other gains and losses	4	–	(191)	1,816	4,914
Administrative and operating expenses		(4,909)	(5,846)	(9,315)	(11,516)
Finance cost	6	–	(2,048)	–	(3,220)
Share of result of an associate		–	–	–	–

	Notes	Three months ended 30 September		Six months ended 30 September	
		2018	2017	2018	2017
		(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Gain/(loss) before tax	7	1,334	(4,378)	2,770	(3,538)
Income tax	9	(807)	762	(1,254)	229
Gain/(loss) for the period		527	(3,616)	1,516	(3,309)
Other comprehensive loss, net of income tax					
Item that may be reclassified subsequently to profit or loss:					
Share of changes in other comprehensive income in an associate		—	—	—	—
Other comprehensive loss for the period, net of income tax		—	—	—	—
Total comprehensive gain/(loss) for the period		527	(3,616)	1,516	(3,309)
Gain/(loss) attributable to owners of the Company for the period		527	(3,616)	1,516	(3,309)

	Three months ended		Six months ended	
	30 September		30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total comprehensive gain/(loss) attributable to owners of the Company for the period	527	(3,616)	1,516	(3,309)
Earnings/(loss) per share attributable to owners of the Company				
Basic and diluted (HK cents)	0.02	(0.15)	0.06	(0.14)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

		As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
	Notes		
ASSETS			
Non-current assets			
Plant and equipment	11	740	956
Goodwill		45,000	45,000
		45,740	45,956
Current assets			
Trade receivables	12	590	1,882
Financial assets at fair value through profit or loss	13	4,692	1,788
Prepayments, deposits and other receivables	14	51,875	35,344
Amounts due from a related company		60	60
Cash and cash equivalents		943	11,788
		58,160	50,862
Less: Current liabilities			
Other payables and accruals	15	6,025	2,505
Loan from substantial shareholders		4,700	3,500
Tax payable		8,065	7,219
		18,790	13,224

		As at 30 September 2018 (Unaudited) <i>HK\$'000</i>	As at 31 March 2018 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Net current assets		39,370	37,638
Total assets less current liabilities		85,110	83,594
Less: Non-current liabilities		–	–
Net assets		85,110	83,594
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	24,730	24,730
Reserves	18	60,380	58,864
Total equity		85,110	83,594

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Attributable to owners of the Company							
	Share capital	Share premium	Other reserve	Exchange translation reserve	Convertible bond reserve	Share base payment reserve	Retained profits/ (accumulated losses)	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2018 (audited)	24,730	288,837	19	–	–	1,954	(231,946)	83,594
Loss for the period	–	–	–	–	–	–	1,516	1,516
Other comprehensive income for the period	–	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	–	1,516	1,516
At 30 September 2018 (unaudited)	24,730	288,837	19	–	–	1,954	(230,430)	85,110
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	–	–	–	–	–	–	–	–
Total comprehensive loss for the period	–	–	–	–	–	–	(3,309)	(3,309)
At 30 September 2017 (unaudited)	23,330	179,881	19	157	22,856	1,954	(216,561)	11,636

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	Six months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash outflow from operating activities	(8,597)	(23,005)
Net cash (outflow)/inflow from investing activities	(3,448)	11,899
Net cash inflow from financing activities	1,200	1,000
Net decrease in cash and cash equivalents	(10,845)	(10,106)
Cash and cash equivalents at beginning of period	11,788	19,138
Cash and cash equivalents at end of period	943	9,032

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

For the six months ended 30 September 2018

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 2018 (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 2018. 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 2018, 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).

30 September 2018

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial asset				
Financial assets at fair value through profit or loss	4,248	–	444	4,692

31 March 2018

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial asset				
Financial assets at fair value through profit or loss	1,344	–	444	1,788

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 2018 (Unaudited) HK\$'000		Six months ended 30 September 2018 (Unaudited) HK\$'000	
		(Unaudited) 2017 HK\$'000		(Unaudited) 2017 HK\$'000
Revenue				
Corporate finance advisory income	450	1,210	1,151	3,195
Dry bulk shipping services	32,027	40,907	52,206	51,995
	32,477	42,117	53,357	55,190

	Three months ended 30 September 2018 (Unaudited) HK\$'000		Six months ended 30 September 2018 (Unaudited) HK\$'000	
		(Unaudited) 2017 HK\$'000		(Unaudited) 2017 HK\$'000
Other gains and losses				
Interest income from a promissory note	–	–	–	198
Interest income from a borrowing	23	–	50	–
Management fee income	75	–	150	–
Bank interest income	–	–	1	1
Sundry income	–	1	1,963	1
Unrealised gain/(loss) on financial assets at FVTPL	(98)	(192)	(348)	(2,912)
Realised gain on financial assets at FVTPL	–	–	–	7,626
	–	(191)	1,816	4,914

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 2018:

	Corporate finance advisory service (Unaudited) HK\$'000	Dry bulk shipping (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Revenue	1,151	52,206	53,357
Segment results	(1,043)	7,578	6,535
Unallocated corporate expenses			(3,765)
Profit before tax			2,770
Income tax			(1,254)
Profit for the period			1,516

For the six months ended 30 September 2017:

	Corporate finance advisory service (Unaudited) HK\$'000	Dry bulk shipping (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
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)

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 2018:

	Corporate finance advisory service (Unaudited) HK\$'000	Dry bulk shipping (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Segment assets	7,876	94,256	102,132
Unallocated assets			1,768
Consolidated total assets			103,900
Segment liabilities	3,073	10,514	13,587
Unallocated liabilities			5,203
Consolidated liabilities			18,790

As at 30 September 2017:

	Corporate finance advisory service (Unaudited) HK\$'000	Dry bulk shipping (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
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

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 30 September 2018 (Unaudited) HK\$'000		Six months ended 30 September 2018 (Unaudited) HK\$'000	
	2017 (Unaudited) HK\$'000		2017 (Unaudited) HK\$'000	
Customer A	11,105	10,755	14,268	15,278
Customer B	4,993	9,670	9,552	11,597
Customer C	7,534	5,719	8,852	6,859
Customer D	–	–	6,206	–

6. FINANCE COST

	Three months ended 30 September 2018 (Unaudited) HK\$'000		Six months ended 30 September 2018 (Unaudited) HK\$'000	
	2017 (Unaudited) HK\$'000		2017 (Unaudited) HK\$'000	
Imputed interest on convertible bond	–	2,048	–	3,220

7. LOSS BEFORE TAX

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

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	122	120	242	243
Minimum lease payment under operating lease:				
– Property rental	266	245	510	489
Employee benefit expenses (including directors' remuneration)				
– Wages, salaries, allowances and bonus	3,126	4,804	6,431	9,096
– Pension scheme contributions	65	51	138	120
	3,191	4,855	6,569	9,216

8. DIVIDENDS

The Board does not recommend the payment of dividend for the six months ended 30 September 2018 (2017: Nil).

9. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) for the three months and six months ended 30 September 2018 and 2017.

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax	807	(424)	1,254	302
Deferred tax	–	(338)	–	(531)
	807	(762)	1,254	(229)

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

10. EARNINGS PER SHARE

Basic earnings/(loss) per share for each of the three months and six months ended 30 September 2018 and 2017 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 2018	For the six months ended 30 September 2018	For the three months ended 30 September 2017 (restated)	For the six months ended 30 September 2017 (restated)
Gain/(loss) attributable to the owners of the Company	HK\$527,000	HK\$1,516,000	(HK\$3,616,000)	(HK\$3,309,000)
Weighted average number of ordinary share in issue	2,472,959,333	2,472,959,333	2,332,959,333	2,332,959,333
Earnings/(loss) per share (HK cents per share)	0.02	0.06	(0.15)	(0.14)

For the three months and six months ended 30 September 2018, the computation of diluted earnings per share does not assume the exercise of the share options as the exercise price of those share options is higher than the average market price of the Company's shares for the three months and six months ended 30 June 2018.

Diluted loss per share for the 3 months and six 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 2018, the Group acquired a motor vehicle in the amount of approximately HK\$247,880. Save as above-mentioned, the Group did not acquire other plant and equipment (2017: HK\$250,000). There was no disposal of plant and equipment during the three months and six months ended 30 September 2018 and 2017.

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:

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Current to 30 days	250	1,012
31 to 60 days	80	110
61 to 90 days	–	50
Over 90 days	520	710
	850	1,882
Less: Loss allowance	(260)	–
	590	1,882

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

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Unlisted options at fair value	444	444
Listed equity securities, at fair value	4,248	1,344
	4,692	1,788

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

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Prepayments	1,467	1,948
Deposits and other receivables	50,408	33,396
	51,875	35,344

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

15. OTHER PAYABLES AND ACCRUALS

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Other payables and accruals	6,025	2,505

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

16. SHARE CAPITAL

Note	Number of ordinary shares of HK\$0.01 each '000	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 April 2016, 31 March 2017, 1 April 2018 and 30 September 2018	20,000,000,000	200,000,000
Issued and fully paid:		
At 1 April 2018	2,332,959	23,330
At 30 September 2018 (unaudited)	2,472,959	24,730

17. 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.

18. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2018, neither the Group nor the Company had any significant commitments and contingent liabilities (31 March 2018: Nil).

19. OPERATING LEASE ARRANGEMENTS

As at 30 September 2018 and 31 March 2018, 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:

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Within one year	280	790
In the second to fifth years, inclusive	–	–
	280	790

20. 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

	Three months ended 30 September 2018 (Unaudited) HK\$'000		Six months ended 30 September 2018 (Unaudited) HK\$'000	
		2017 (Unaudited) HK\$'000		2017 (Unaudited) HK\$'000
Short term employees benefits	3,126	3,280	6,431	5,460
Post-employment benefits	65	28	138	56
Total compensation paid to key management personnel	3,191	3,308	6,569	5,516

21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Accounts were approved and authorised for issue by the Board on 14 November 2018.

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\$1,151,000 for the six months ended 30 September 2018 (2017: HK\$3,195,000), representing a decrease of approximately 63.97% when compared to the corresponding period in 2017. During the period under review, the momentum of our existing clients slowed down while we could hardly explore new clients due to worsening market condition and keen competition.

Dry bulk shipping services

During the period under review, revenue contributed from dry bulk shipping business was approximately HK\$52,206,000 (2017: HK\$51,995,000), representing an increase of approximately 0.41%.

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 2018, revenue of the Group decreased by approximately 3.32% to approximately HK\$53,357,000 from approximately HK\$55,190,000 in the corresponding period in 2017.

The Group's administrative and operating expenses for the six months ended 30 September 2018 decreased by approximately 9.11% to approximately HK\$9,315,000 compared to approximately HK\$11,516,000 for the corresponding period in 2017. The increase in administrative and operating expenses was mainly due to increase in salaries.

The Group's profit attributable to owners of the Company for the six months ended 30 September 2018 was approximately HK\$1,516,000 compared to a loss of approximately HK\$3,309,000 for the corresponding period last year. Such improvement mainly attributable to (i) release from recognition of imputed interest arising from outstanding convertible bonds last year; and (ii) decrease in overall operating expenses of the Group.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2018, the Group mainly finances its operations with its own working capital and advances from Company's substantial shareholders. As at 30 September 2018, the Group had total assets and net assets of approximately HK\$103,900,000 (31 March 2018: approximately HK\$96,818,000) and approximately HK\$85,110,000 (31 March 2018: approximately HK\$83,594,000) respectively, including cash and bank balances of approximately HK\$943,000 (31 March 2018: approximately HK\$11,788,000). As at 30 September 2018, the Company had net current assets of approximately HK\$39,370,000 (31 March 2018: approximately HK\$37,638,000).

The Group's gearing ratios as at 30 September 2018 was 5.52% (31 March 2018: 4.19%). Gearing ratio is calculated by dividing total net debt with the total equity.

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 2018.

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 2018.

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 2018, the Group did not pledge any of its assets (30 September 2017: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018, the Group had 25 full-time employees (30 September 2017: 24 full-time employees), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$6,569,000 for the six months ended 30 September 2018 as compared to approximately HK\$9,216,000 for the six months ended 30 September 2017. 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 2018 and the options outstanding as at 30 September 2018 were as follows:

Participant	Options type	Date of grant	Exercise		Exercise period	Number of options					As at 30 September 2018
			price per share HK\$	Fair value at grant date per share HK\$		As at 1 April 2018	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	
						'000	'000	'000	'000	'000	'000
Employees other than directors	2014	17/9/2014	0.68	0.13027	17/9/2014 – 16/9/2024	12,500	–	–	–	–	12,500
Consultant	2014	17/9/2014	0.68	0.13027	17/9/2014 – 16/9/2024	2,500	–	–	–	–	2,500
						15,000	–	–	–	–	15,000

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

As at 30 September 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 Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Company

Name of Director and chief executive	Type of interests	Number of ordinary shares held	Number of underlying shares pursuant to share option	Approximate percentage of shareholding in the Company
Ms. Ho Chiu Ha Maisy (<i>Note 1</i>)	Beneficial owner	406,000,000	–	16.42%
	Interest of a controlled corporation	229,062,500	–	9.26%
Mr. Wong Kam Wah (<i>Note 2</i>)	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%

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 635,062,500 shares/underlying shares (representing and aggregate of approximately 25.68% shareholding in the Company), of which (i) 229,062,500 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; and (ii) Ms. Ho Chiu Ha Maisy personal held 406,000,000 shares.
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.

Save as disclosed above, as at 30 September 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 30 September 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:

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	229,062,500	–	9.26%
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 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 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.

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 2018.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the six months ended 30 September 2018, 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 2018.

CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 September 2018, 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 28 September 2018 (the “AGM 2018”) as she had other important business engagement. However, Mr. Lau Ling Tak, an executive Director, had chaired the AGM 2018 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. Yau Yan Ming Raymond (as the Committee chairman), Mr. Siu Chi Yiu Kenny and Mr. Lee Chi Keung Jim. The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2018 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 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 Mr. Yau Yan Ming Raymond, Mr. Siu Chi Yiu Kenny and Mr. Lee Chi Keung Jim.

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).