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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 2022

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 2022 amounted to approximately HK\$57,714,000, representing an increase of approximately 1,161% as compared to corresponding period in 2021.
- Consolidated profit attributable to owners of the Company for the six months ended 30 September 2022 was approximately HK\$2,931,000 as compared to a loss of approximately HK\$4,491,000 in corresponding period in 2021.
- Profit per share from continuing operations for the six months ended 30 September 2022 was approximately HK\$0.11 cents.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2022.

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 2022, together with the unaudited comparative figures for the corresponding period in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2022

		Three months ended 30 September		Six months ended 30 September	
		2022	2021	2022	2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations					
Revenue	4	23,285	3,683	57,714	4,577
Cost of operations		(18,713)	(2,564)	(47,665)	(2,837)
Gross profit		4,572	1,119	10,049	1,740
Other gains and losses	4	298	4	298	4
Net reversal of allowance for expected credit losses on trade and other receivables		–	–	338	–
Administrative and operating expenses		(4,064)	(3,452)	(6,370)	(5,966)
Finance cost	6	(17)	(100)	(36)	(132)
Profit/(loss) before tax from continuing operations	7	789	(2,429)	4,279	(4,354)
Income tax	9	(239)	(85)	(1,348)	(137)
Profit/(loss) for the Period from continuing operations		550	(2,514)	2,931	(4,491)
Discontinued operation					
Profit/(loss) for the period from a discontinued operation		–	–	–	–
Profit/(loss) for the period		550	(2,514)	2,931	(4,491)

	Three months ended		Six months ended	
	30 September	2021	30 September	2021
	2022	(Unaudited)	2022	(Unaudited)
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other comprehensive loss, net of income tax				
Item that may be reclassified subsequently to profit or loss:				
Other comprehensive loss for the period, net of income tax	-	-	-	-
Total comprehensive profit/(loss) for the period	550	(2,514)	2,931	(4,491)
Profit/(loss) attributable to owners of the Company for the period				
Profit/(loss) from continuing operations	550	(2,514)	2,931	(4,491)
Profit/(loss) from discontinued operation	-	-	-	-
	550	(2,514)	2,931	(4,491)
Total comprehensive profit/(loss) attributable to owners of the Company for the period	550	(2,514)	2,931	(4,491)
Profit/(loss) per share attributable to owners of the Company				
Basic and diluted (HK cents)				
- from continuing operations	0.02	(0.10)	0.11	(0.18)
- from discontinued operation	-	-	-	-

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	11	83	174
Right-of-use assets		362	543
Financial assets at fair value through other comprehensive income	12	275	275
Deposits for property, plant and equipment	14	718	718
Deferred tax assets		145	145
		<hr/> 1,583	1,855
Current assets			
Inventories		281	281
Trade receivables	13	9,841	14,161
Prepayments, deposits and other receivables	14	5,296	6,841
Cash and cash equivalents		28,332	28,431
		<hr/> 43,750	49,714

		As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
	<i>Notes</i>		
Less: Current liabilities			
Other payables and accruals	15	2,905	2,663
Trade payables		1,540	11,065
Contract liabilities		3,781	3,781
Loan from shareholders		1,020	1,939
Lease liabilities		1,409	1,345
Tax payable		11,168	9,819
		21,823	30,612
Net current assets		21,927	19,102
Less: Non-current liabilities			
Lease liabilities		–	378
		21,927	18,724
Net assets		23,510	20,579
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	26,130	26,130
Reserves	17	(2,620)	(5,551)
Total equity		23,510	20,579

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company					Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Financial assets at fair value through other comprehensive income reserve HK\$'000	Share option payment reserve HK\$'000	Accumulated losses HK\$'000	
At 1 April 2022 (audited)	26,130	297,517	(598)	1,954	(304,424)	20,579
Profit for the period	-	-	-	-	2,931	2,931
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	-	2,931	-
At 30 September 2022 (unaudited)	26,130	297,517	(598)	1,954	(301,493)	23,510
At 1 April 2021 (audited)	24,730	288,837	33	1,954	(29,452)	16,102
Loss for the period	-	-	-	-	(4,491)	(4,491)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(4,491)	(4,491)
At 30 September 2021 (unaudited)	24,730	288,837	33	1,954	(303,943)	11,611

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash inflow/(outflow) from operating activities	1,134	(7,799)
Net cash inflow/(outflow) from investing activities	–	–
Net cash outflow from financing activities	(1,233)	–
Net decrease in cash and cash equivalents	(99)	(7,799)
Cash and cash equivalents at beginning of period	28,431	26,539
Cash and cash equivalents at end of period	28,332	18,740

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

For the six months ended 30 September 2022

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 Flat C, 16/F., MG Tower, 133 Hoi Bun Road, Kwun Tong. 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 dry bulk shipping and logistic services and IP automation and entertainment business.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2022 (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 2022. 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 2022, 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 2022

	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial asset				
Financial assets at fair value through other comprehensive income	–	–	275	275

31 March 2022

	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial asset				
Financial assets at fair value through other comprehensive income	–	–	275	275

4. REVENUE AND OTHER GAINS AND LOSSES

An analysis of revenue and other gains and losses from continuing operations are as follows:

	Three months ended 30 September 2022 (Unaudited) HK\$'000		Six months ended 30 September 2022 (Unaudited) HK\$'000	
	2021 (Unaudited) HK\$'000		2021 (Unaudited) HK\$'000	
Revenue				
IP automation and entertainment	3,683	7,970	4,577	11,300
Dry bulk shipping and logistic agency services	–	15,315	–	46,414
	3,683	23,285	4,577	57,714

	Three months ended 30 September 2022 (Unaudited) HK\$'000		Six months ended 30 September 2022 (Unaudited) HK\$'000	
	2021 (Unaudited) HK\$'000		2021 (Unaudited) HK\$'000	
Other gains and losses				
Sundry income	3	150	3	150
Bank interest income	1	1	1	1
Government grants	–	151	–	151
Exchange loss	–	(4)	–	(4)
	4	298	4	298

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:

- dry bulk shipping and logistic services
- IP automation and entertainment business

Segment revenue and results

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

September 2022:

	Dry bulk shipping and logistic services (Unaudited) <i>HK\$'000</i>	IP automation and entertainment business (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
Revenue	46,414	11,300	57,714
Segment results	<u>3,507</u>	<u>3,105</u>	6,612
Unallocated corporate expenses			(2,299)
Unallocated corporate income			2
Finance cost			(36)
Profit before tax			4,279
Income tax			<u>(1,348)</u>
Profit for the period			<u>2,931</u>

For the six months ended 30 September 2021:

	Dry bulk shipping and logistic services (Unaudited) <i>HK\$'000</i>	IP automation and entertainment business (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
Revenue	–	4,577	4,577
Segment results	<u>(17)</u>	<u>(1,946)</u>	(1,963)
Unallocated corporate expenses			(2,259)
Finance cost			(132)
Loss before tax			(4,354)
Income tax			<u>(137)</u>
Loss for the period			<u>(4,491)</u>

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

As at 30 September 2022:

	Dry bulk shipping and logistic services (Unaudited) <i>HK\$'000</i>	IP automation and entertainment business (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
Segment assets	4,255	27,732	31,987
Unallocated assets			13,346
Consolidated total assets			45,333
Segment liabilities	14,093	5,773	19,866
Unallocated liabilities			1,957
Consolidated liabilities			21,823

As at 30 September 2021:

	Dry bulk shipping and logistic services (Unaudited) <i>HK\$'000</i>	IP automation and entertainment business (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
Segment assets	295	15,288	15,583
Unallocated assets			11,638
Consolidated total assets			27,221
Segment liabilities	9,555	3,789	13,344
Unallocated liabilities			2,266
Consolidated liabilities			15,610

6. FINANCE COST

	Three months ended 30 September		Six months ended 30 September	
	2022 (Unaudited) <i>HK\$'000</i>	2021 (Unaudited) <i>HK\$'000</i>	2022 (Unaudited) <i>HK\$'000</i>	2021 (Unaudited) <i>HK\$'000</i>
Interest on lease liabilities	16	100	36	132

7. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging:

	Three months ended 30 September		Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Depreciation	207	1,413	272	1,569
Minimum lease payment under operating lease:				
– Property rental	198	(3)	573	808
Employee benefit expenses (including directors' remuneration)				
– Wages, salaries, allowances and bonus	1,432	1,168	2,822	2,195
– Pension scheme contributions	103	25	149	58
	1,535	1,193	2,971	2,253

8. DIVIDENDS

The Board does not recommend the payment of dividend for the six months ended 30 September 2022 (2021: Nil).

9. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) for the three months and six months ended 30 September 2022 and 2021.

	Three months ended 30 September		Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Current tax	239	85	1,348	137

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

10. PROFIT/LOSS PER SHARE

Basic profit/(loss) per share for each of the three months and six months ended 30 September 2022 and 2021 are calculated by dividing the profit/(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 2022	For the six months ended 30 September 2022	For the three months ended 30 September 2021	For the six months ended 30 September 2021
Profit/(loss) attributable to the owners of the Company				
– from continuing operations	(HK\$550,000)	(HK\$2,931,000)	(HK\$2,514,000)	(HK\$4,491,000)
– from discontinued operation	–	–	–	–
Weighted average number of ordinary share in issue	2,612,959,333	2,612,959,333	2,472,959,333	2,472,959,333

For the three months and six months ended 30 September 2022, the computation of diluted profit 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 September 2022.

Diluted loss per share for the three months and six months ended 30 September 2021 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

The Group did not acquire other plant and equipment (2021: nil). There was no disposal of plant and equipment during the three months and six months ended 30 September 2022.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Unlisted securities – Investment in unlisted equity	275	275

13. TRADE RECEIVABLES

The Group's trade receivables arose from the IP automation and entertainment business.

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 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Current to 30 days	9,841	12,893
31 to 60 days	–	3
61 to 90 days	–	12
Over 90 days	–	2,169
	<hr/>	<hr/>
	9,841	15,077
Less: Loss allowance	–	(916)
	<hr/>	<hr/>
	9,841	14,161
	<hr/>	<hr/>

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.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Deposits for property, plant and equipment	718	718
Prepayments and deposits	5,180	6,727
Other receivables	116	458
Less: Allowance for impairment losses in other receivables	–	(344)
	6,014	7,559

15. OTHER PAYABLES AND ACCRUALS

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Other payables and accruals	2,905	2,663

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

16. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each '000	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 April 2022 and 30 September 2022	20,000,000,000	200,000,000
Issued and fully paid:		
At 1 April 2022	2,612,959	26,130
At 30 September 2022 (unaudited)	2,612,959	26,130

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 2022, neither the Group nor the Company had any significant commitments and contingent liabilities (31 March 2022: Nil).

19. 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		Six months ended	
	30 September	2021	30 September	2021
	2022	(Unaudited)	2022	(Unaudited)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Short term employees benefits	365	365	729	729
Post-employment benefits	9	9	18	18
Total compensation paid to key management personnel	374	374	747	747

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Accounts were approved and authorised for issue by the Board on 14 November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in provision of dry bulk shipping and logistic services and IP automation and entertainment business.

Dry bulk shipping and logistic services

Given the Group had restored of the logistics services business since the fourth quarter of 2021, during the period under review, dry bulk shipping and shipping agency business resulted in HK\$46.41 million revenues (2021: nil). Net profit of the Group's dry bulk shipping and logistics services business for the six months ended 30 September 2022 was approximately HK\$2.93 million.

IP automation and entertainment business

The Group's IP automation and entertainment business includes (1) operation of shops in Hong Kong under the brand name "Ganawawa"., which are the IP thematic experience centres providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet; (2) the provision of IP-related brand management and marketing consulting services and (3) the operation of the integrated edutainment and experience playground. For the period under review, the IP automation and entertainment business generated revenue of approximately HK\$11.30 million (2021: approximately HK\$4.58 million), representing an increase of approximately 147%. Such increase was mainly caused by providing IP-related brand management and marketing consulting services for entertainment venue in cultural industrial parks and shopping malls in PRC, Hong Kong and Macau with the Group's experience and expertise in operating entertainment stores, fun parks and IP products.

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Review

Results

For the six months ended 30 September 2022, revenue of the Group increased by approximately 1,161% to approximately HK\$57,714,000 from approximately HK\$4,577,000 in the corresponding period in 2021.

The Group's administrative and operating expenses for the six months ended 30 September 2022 increased by approximately 6.77% to approximately HK\$6,370,000 compared to approximately HK\$5,966,000 for the corresponding period in 2021.

The Group's profit attributable to owners of the Company for the six months ended 30 September 2022 was approximately HK\$2,931,000 compared to a loss of approximately HK\$4,491,000 for the corresponding period last year.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2022, the Group mainly finances its operations with its own working capital and advances from Company's shareholders. As at 30 September 2022, the Group had total assets and net assets of approximately HK\$45,333,000 (31 March 2022: approximately HK\$51,569,000) and approximately HK\$23,510,000 (31 March 2022: approximately HK\$20,579,000) respectively, including cash and bank balances of approximately HK\$28,332,000 (31 March 2022: approximately HK\$28,431,000). As at 30 September 2022, the Company had net current assets of approximately HK\$21,927,000 (31 March 2022: approximately HK\$19,102,000).

The Group's gearing ratios as at 30 September 2022 was 10.3% (31 March 2022: 17.8%). Gearing ratio is calculated by dividing total 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 2022.

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 2022.

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 2022, the Group did not pledge any of its assets (30 September 2021: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group had 19 full-time employees and 4 part-time staff (30 September 2021: 17 full-time employees and 4 part-time staff), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$2,971,000 for the six months ended 30 September 2022 as compared to approximately HK\$2,253,000 for the six months ended 30 September 2021. 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.

Listing Status

As disclosed in the announcement of the Company dated 17 May 2022, at the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 17 May 2022 and will remain suspended until further notice (the "Suspension").

EMPLOYEES AND REMUNERATION POLICIES (CONTINUED)

Listing Status (CONTINUED)

Reference are made to the announcement of the Company dated 8 June 2022, on 30 May 2022, the Board received a letter (the “Letter”) from the Stock Exchange setting out the following resumption guidance (the “**Resumption Guidance**”) for the Company:

- (a) demonstrate its compliance with GEM Rule 17.26; and
- (b) announce all material information for the Company’s shareholders and investors to appraise the Company’s position.

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 12 months. In the case of the Company, the 12-month period will expire on 16 May 2023. If the Company fails to remedy the issues causing its trading suspension, fully comply with the GEM Listing Rules to the Stock Exchange’s satisfaction and resume trading in the Shares by 16 May 2023, the Listing Division of the Stock Exchange will recommend the GEM Listing Committee of the Stock Exchange to proceed with the cancellation of the Company’s listing. Under GEM Rules 9.01, 9.14 and 9.15, the Exchange also has the right to cancel the Company’s listing or impose a shorter specific remedial period, where appropriate.

The Company is currently working with its advisers to take the necessary steps to resolve the issues causing the suspension in trading in the Shares, and to comply with the Resumption Guidance with the aim of resuming trading in the Shares as soon as practicable.

A quarterly updated on resumption progress announcement has been published by the Company on 16 August 2022.

OUTLOOK

The Group is currently assessing its resources and discussing/negotiating with business partners to resume the dry bulk shipping and logistic agency services. The Group is also exploring to diversify its entertainment business into providing brand management and marketing consulting services for entertainment venue in cultural industrial parks and shopping malls in PRC, Hong Kong and Macau with the Group’s experience and expertise in operating entertainment stores, fun parks and IP products.

OUTLOOK (CONTINUED)

Due to the continual impact from a series of devastating macroeconomic factors, among others, political instability in Hong Kong, the trade war between the US and the PRC and the outbreak of COVID-19 for the period from 2019 to 2021, the dry bulk shipping and logistic service business were heavily affected and it is not reasonable to continue the business segment with limited profitability from the perspective of protecting Shareholders' assets in the Group. As such, the dry bulk shipping and logistics service business was unintentionally suspended temporarily.

Since the restoration of the logistics service business in the fourth quarter of 2021, such business segment has been developing rapidly and has demonstrated a strong growth in revenue and profitability with continuing negotiations with different customers, charterers, other shipping agencies and freight forwarders by the Group. In addition, the Group has started business relationship with a sizable freight forwarder Group in the PRC to purchase cargo space for airlines and shipping lines of Zhongshan ports which shall make contributions to the business segment of the Group.

Regarding the IP automation and entertainment business, the business of IP-related brand management and marketing consulting services for entertainment venue has been performing well and has become one of the main income source for the Group. Furthermore, the set-up and renovation of the mega integrated edutainment and experience playground at the Westwood, Sai Wan has been completed and started to contribute revenue to the Group in the third quarter of 2022. Moreover, the operation of "Ganawawa" shop continues to strive to recover from the loss-making situation and the Group is actively seeking for business partners for cooperation in setting up entertainment venues in Hong Kong and Macau during the period under review.

Under the relatively shorter operating history of these segments, the Group has established solid relationship with both suppliers and customers from the PRC and Hong Kong in the new segments and gradually diversified its business into a more comprehensive business model with less business risk. We expect that the edutainment and experience playground will continue to generate revenue in the forth quarter of 2022 and further assist the Company in demonstrating its compliance with GEM Rule 17.26.

With the solid foundation established by the management on the existing business segments and by leveraging the business network and expertise of the Group, it is believed that the Company is definitely having an exciting prospect and have also demonstrated the viability and sustainability of the Company's business.

OUTLOOK (CONTINUED)

In the meantime, the Company actively communicates with the professionals and the Stock Exchange regarding trading resumption application and continues to take appropriate steps to fulfill the resumption condition and the Group will continue to review its existing businesses and its financial position from time to time and is committed to improving the existing business operations to increase its income in order to maximise the return to the Shareholders. 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 2022 and the options outstanding as at 30 September 2022 were as follows:

Participant	Options type	Date of grant	Exercise price per share HK\$	Fair value at grant date per share HK\$	Exercise period	Number of options					As at 30 September 2022 '000
						As at 1 April 2022 '000	Granted during the period '000	Exercised during the period '000	Cancelled during the period '000	Lapsed during the period '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 2022, 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	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	Beneficial owner	407,890,000	–	15.61%
Ms. Man Wing Yee Ginny	Beneficial owner	441,900,000	–	16.91%
Mr. Wang Qiang (duties suspended) <i>(Note)</i>	Beneficial owner	100,000,000	–	3.83%
Mr. Lau Ling Tak	Beneficial owner	43,937,500	–	1.78%

Note:

Mr. Wang Qiang passed away on 28 July 2022 as referring to the Company's announcement dated 29 July 2022.

Save as disclosed above, as at 30 September 2022, 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 2022, 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
Mr. Chan Yu Fung	Beneficial owner	251,462,500	–	9.62%
Mr. Lam Kam Hung	Beneficial owner	163,900,000	–	6.27%

Save as disclosed above, as at 30 September 2022, 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, purchased, redeemed or sold any of the Company's listed Securities during the six months ended 30 September 2022.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the six months ended 30 September 2022, 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 2022.

CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 September 2022, the Company had complied with all the code provisions set out in the Appendix 15 Corporate Governance Code and Corporate Governance Report (the "CG Code") of the GEM Listing Rules with the exception of the following deviation:

CODE PROVISION E.1.2

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

DEVIATION

The chairlady of the Board, Ms. Ho Chiu Ha Maisy, was unable to attend the annual general meeting of the Company held on 30 September 2022 (the “AGM 2022”) as she had other important business engagement. However, Mr. Lau Ling Tak, an executive Director, had chaired the AGM 2022 in accordance with the articles of association of the Company and answered the questions from the Shareholders.

AUDIT COMMITTEE

The Board set up the 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 Dr. Chow Ho Wan, Owen (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 2022 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 2022

As at the date of this announcement, the Company’s executive Directors are Ms. Ho Chiu Ha Maisy (Chairlady), Mr. Lau Ling Tak and Ms. Man Wing Yee Ginny and the independent non-executive Directors are Mr. Siu Chi Yiu Kenny, Mr. Lee Chi Keung Jim and Dr. Chow Ho Wan, Owen.

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).