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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)

(I) FULFILMENT OF RESUMPTION GUIDANCE; AND (II) RESUMPTION OF TRADING

Financial adviser to the Company



This announcement is made by Unitas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcements of the Company dated 21 January 2022, 28 January 2022, 22 February 2022, 4 May 2022, 17 May 2022, 8 June 2022, 16 August 2022, 22 November 2022, 22 February 2023, 28 June 2023, 10 July 2023, 15 August 2023, 7 September 2023 and 28 September 2023 (the “**Announcements**”); (ii) the annual report of the Company for the year ended 31 March 2023 (the “**Annual Report 2022/2023**”); and (iii) the first quarterly report of the Company for the three months ended 30 June 2023 (the “**2023 First Quarterly Report**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Annual Report 2022/2023 and the 2023 First Quarterly Report.

FULFILMENT OF RESUMPTION GUIDANCE

Reference is made to the announcement of the Company dated 8 June 2022 in relation to, among other things, the Resumption Guidance. The Company is pleased to announce that it has fulfilled the Resumption Guidance. Reference is also made to the announcement of the Company dated 29 September 2023 in relation to, among other things, on 15 September 2023, the Listing Review Committee (“**LRC**”) heard (“**LRC Review Hearing**”) an application by the Company for a review of the decision of the GEM Listing Committee (“**GLC**”), set out in a letter dated 16 June 2023, to cancel the listing of the Company’s shares on the GEM under GEM Rule 9.14A (the “**GLC Decision**”) and on 28 September 2023, the Company received a letter from the Stock Exchange (“**LRC Decision Letter**”) notifying the Company that having carefully considered all the facts and evidence, and all the submissions presented by the Company and the Listing Division, the LRC decided to overturn the GLC Decision (the “**LRC Decision**”).

Resumption guidance 1 – demonstrate the Company’s compliance with GEM Rule 17.26 of the GEM Listing Rules

Business Operation

The Company was incorporated in the Cayman Islands on 20 April 2011 and was listed on GEM on 12 October 2011. The Company is engaged in the following businesses through its operating subsidiaries:

- (a) A logistics business consisting of a dry bulk shipping business (commenced in 2015; suspended since 2021 and a logistics service business which leases and sub-leases cargo space and freight forwarding (operation suspended during 2021 but resumed later that year) (the “**Logistics Business**”); and
- (b) A business including operation of themed entertainment centers in Hong Kong and China and the operation of themed events in shopping malls and other entertainment venues (the “**Entertainment Business**”).

For FY2022/23 as disclosed in the audited financial statements of the Company for the year ended 31 March 2023, its revenue exceeded HK\$90 million and gross profit exceeded HK\$10 million. These operating results nearly doubled its results from FY2021/22 and exceeded its results prior to the trading suspension and were indicative of the Company operating a sizeable business, in particular for a Company listed on GEM. For the first five months of FY2023/24, the Company has achieved unaudited results exceeding HK\$40 million in revenue and HK\$7 million in gross profit.

The Logistics Business had initially consisted of both vessel chartering operation and logistics services. When the Company had suspended its business for some time during the pandemic, it subsequently did not re-commence the vessel chartering operation, but only restarted the logistics services business. Since then, the Logistics Business had solely focussed on the logistics services, but results had been positive as the Company submitted it had been able to achieve segment revenue of HK\$37.77 million in FY2021/22 and HK\$73.77 million in FY2022/23, the gross segment profit rose from HK\$3.2 million to HK\$5 million in the same period.

The Company has also made progress in its plans for diversifying the Logistics Business. According to the Company it had commenced: (i) land and railway transport business from Heihe to Russia in March 2023; and (ii) a route for the import and export from Taiwan to the Philippines in July 2023. These new services had already generated revenue of approximately HK\$5 million.

The Company also started to consider how to diversify its business in or around 2019. At the time, it identified entertainment as a possible direction through cooperation with large international brands for the purpose of running themed entertainment centers or providing themed event entertainment. In the following, the Company opened a themed entertainment center in Hong Kong. It also started to operate themed entertainment centers in Huizhou since May 2023 and Baoan since August 2023.

Based on its experience in cooperating with large international brands on entertainment events, the Company started to develop ad-hoc entertainment events which could be held at various venues, including not only shopping malls/stores, but also large entertainment venues in Macau. Citing the need for Macau's entertainment industry to diversify and attract more non-gaming entertainment and referring to the experience and connection of the Company's chairlady, Ms Maisy Ho, the Company had identified this direction as a unique opportunity for its Entertainment Business. Based on this successful cooperation, the Company was also planning to expand its themed entertainment centers, including to Macau.

Liquidity

As at 31 March 2023, its total assets were HK\$41 million, with net assets of HK\$23.5 million, and net current assets of HK\$18.71 million. At the LRC Review Hearing, the Company retained cash of approximately HK\$25 million. The Company considers that such amount is sufficient to support its operation continuously as its businesses, both the Logistics Business and the Entertainment Business, are conducted on an asset-light basis where the main costs are arising from staff salary.

Submissions by the Company to the LRC

After receiving the GLC Decision Letter on 16 June 2023, the Company has submitted an application requesting the GLC Decision be referred to the Listing Review Committee for review on 28 June 2023.

For the purposes of the LRC Review Hearing, the Company has made its submission and explanations to the LRC to demonstrate that it maintained sufficient level of operations and assets in compliance with Rule 17.26 of the GEM Listing Rules and was therefore suitable for a continued listing. The Company submitted further that the Listing Review Committee should overturn the decision of the GEM Listing Committee and allow it to resume trading.

As stated in the LRC Decision Letter, the Listing Review Committee found that based on the latest financial results, and the further submissions and explanations provided by the Company in its submissions to the Listing Review Committee and at the Hearing, the Company had demonstrated that its business was of substance and viable and sustainable pursuant to Rule 17.26. The Listing Review Committee further found that the concerns of the GEM Listing Committee had been sufficiently addressed. The Listing Review Committee therefore concluded that the Company had complied with RG1.

Conclusion

Based on the aforesaid, the Company considers that it carries out a business with a sufficient level of operations and assets of sufficient value to support its operations.

Resumption guidance 2 – announce all material information for the Company’s shareholders and investors to appraise the Company’s position.

The Company has continued to update the market on its development since the suspension of trading in its shares to keep the Company’s shareholders and other investors informed of the latest development in order to appraise the Company’s position, including but not limited to the quarterly update on resumption progress announcement, the financial statement of the Company and the voluntary announcements made by the Company in relation to its business update and in response to the letter from Shareholders. As stated in the LRC Decision Letter, the Listing Review Committee also found the Company had complied with RG2.

RESUMPTION OF TRADING

For the reasons set out above, the Company is of the view that it has fulfilled all the requirements set out in the Resumption Guidance and fully complied with the GEM Listing Rules to the Stock Exchange’s satisfaction.

Trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 17 May 2022. As all the Resumption Guidance have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. 3 October 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. When in doubt, shareholders and potential investors of the Company are advised to seek advice from professional or financial advisers.

By order of the Board
Unitas Holdings Limited
Maisy Ho
Chairlady

Hong Kong, 2 October 2023

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, 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 "Latest Company Announcements" page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of seven days from the date of its posting. This announcement will also be published on the Company's website (www.unitas.com.hk).