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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 2023

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 2023 amounted to approximately HK\$40,006,000, representing an decrease of approximately 30.68% as compared to corresponding period in 2022.
- Consolidated loss attributable to owners of the Company for the six months ended 30 September 2023 was approximately HK\$1,763,000 as compared to a profit of approximately HK\$2,931,000 in corresponding period in 2022.
- Loss per share from continuing operations for the six months ended 30 September 2023 was approximately HK\$0.07 cents.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023.

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 2023, together with the unaudited comparative figures for the corresponding period in 2022, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2023

		Three months ended 30 September		Six months ended 30 September	
		2023	2022	2023	2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations					
Revenue	4	18,781	23,285	40,006	57,714
Cost of operations		(16,305)	(18,713)	(33,906)	(47,665)
Gross profit		2,476	4,572	6,100	10,049
Other gains and losses	4	100	298	4	298
Net reversal of allowance for expected credit losses on trade and other receivables		–	–	–	338
Administrative and operating expenses		(4,545)	(4,064)	(7,517)	(6,370)
Finance cost	6	(17)	(17)	(39)	(36)
Profit/(loss) before tax from continuing operations	7	(1,986)	789	(1,452)	4,279
Income tax	9	(153)	(239)	(311)	(1,348)
Profit/(loss) for the period from continuing operations		(2,139)	550	(1,763)	2,931
Discontinued operation					
Profit/(loss) for the period from a discontinued operation		–	–	–	–
Profit/(loss) for the period		(2,139)	550	(1,763)	2,931

	Three months ended		Six months ended	
	30 September	2022	30 September	2022
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Notes</i>	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	(2,139)	550	(1,763)	2,931
Profit/(loss) attributable to owners of the Company for the period				
Profit/(loss) from continuing operations	(2,139)	550	(1,763)	2,931
Profit/(loss) from discontinued operation	-	-	-	-
Total comprehensive profit/(loss) attributable to owners of the Company for the period	(2,139)	550	(1,763)	2,931
Profit/(loss) per share attributable to owners of the Company				
Basic and diluted (HK cents)				
- from continuing operations	(0.08)	0.02	(0.07)	0.11
- from discontinued operation	-	-	-	-

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	11	688	82
Right-of-use assets		530	815
Financial assets at fair value through other comprehensive income	12	–	–
Deferred tax assets		40	40
		<hr/> 1,258	<hr/> 937
Current assets			
Inventories		238	164
Trade receivables	13	5,042	3,896
Prepayments, deposits and other receivables	14	5,845	6,948
Cash and cash equivalents		27,656	29,030
		<hr/> 38,781	<hr/> 40,038

		As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
	<i>Notes</i>		
Less: Current liabilities			
Other payables and accruals	15	2,223	2,876
Trade payables		465	977
Contract liabilities		7,334	5,190
Loan from shareholders		1,004	1,004
Lease liabilities		380	751
Tax payable		10,747	10,526
		22,153	21,324
Net current assets		16,628	18,714
Less: Non-current liabilities			
Lease liabilities		371	373
Net assets		17,515	19,278
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	26,130	26,130
Reserves	17	(8,615)	(6,852)
Total equity		17,515	19,278

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	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 2023 (audited)	26,130	297,517	-	1,954	(306,323)	19,278
Loss for the period	-	-	-	-	(1,763)	(1,763)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(1,763)	(1,763)
At 30 September 2023 (unaudited)	26,130	297,517	-	1,954	(308,086)	17,515
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	2,931
At 30 September 2022 (unaudited)	26,130	297,517	(598)	1,954	(301,493)	23,510

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash inflow/(outflow) from operating activities	(361)	1,134
Net cash outflow from investing activities	(606)	–
Net cash outflow from financing activities	(407)	(1,233)
Net decrease in cash and cash equivalents	(1,374)	(99)
Cash and cash equivalents at beginning of period	29,030	28,431
Cash and cash equivalents at end of period	27,656	28,332

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

For the six months ended 30 September 2023

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 2011. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, 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, Hong Kong. The Company's shares were listed on the GEM of the Stock Exchange on 12 October 2011.

The Company acts as 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 2023 (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 2023. 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 2023, 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 2023

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

31 March 2023

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

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 2023 (Unaudited) HK\$'000		Six months ended 30 September 2023 (Unaudited) HK\$'000	
	2022 (Unaudited) HK\$'000		2022 (Unaudited) HK\$'000	
Revenue				
IP automation and entertainment	7,970	2,730	11,300	7,164
Dry bulk shipping and logistic agency services	15,315	16,051	46,414	32,842
	23,285	18,781	57,714	40,006

	Three months ended 30 September 2023 (Unaudited) HK\$'000		Six months ended 30 September 2023 (Unaudited) HK\$'000	
	2022 (Unaudited) HK\$'000		2022 (Unaudited) HK\$'000	
Other gains and losses				
Sundry income	150	9	150	9
Bank interest income	1	43	1	88
Government grants	151	–	151	–
Exchange gain/(loss)	(4)	48	(4)	(93)
	298	100	298	4

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 2023:

	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	32,842	7,164	40,006
Segment results	1,898	250	2,148
Unallocated corporate expenses			(3,674)
Unallocated corporate income			113
Finance cost			(39)
Loss before tax			(1,452)
Income tax			(311)
Loss for the period			(1,763)

For the six months ended 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>
Revenue	46,414	11,300	57,714
Segment results	3,507	3,105	6,612
Unallocated corporate expenses			(2,299)
Unallocated corporate income			2
Finance cost			(36)
Profit before tax			4,279
Income tax			(1,348)
Profit for the period			2,931

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

As at 30 September 2023:

	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	7,880	23,346	31,226
Unallocated assets			8,813
Consolidated total assets			40,039
Segment liabilities	14,670	6,316	20,986
Unallocated liabilities			1,538
Consolidated liabilities			22,524

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

6. FINANCE COST

	Three months ended 30 September		Six months ended 30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on lease liabilities	17	16	39	36

7. PROFIT/(LOSS) BEFORE TAX

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

	Three months ended 30 September 2023 (Unaudited) HK\$'000		Six months ended 30 September 2023 (Unaudited) HK\$'000	
	2022 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Depreciation	141	207	281	272
Minimum lease payment under operating lease:				
– Property rental	38	198	118	573
Employee benefit expenses (including directors' remuneration)				
– Wages, salaries, allowances and bonus	2,101	1,432	4,177	2,822
– Pension scheme contributions	201	103	319	149
	2,302	1,535	4,496	2,971

8. DIVIDENDS

The Board does not recommend the payment of dividend for the six months ended 30 September 2023 (2022: Nil).

9. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) for the three months and six months ended 30 September 2023 and 2022.

	Three months ended 30 September 2023 (Unaudited) HK\$'000		Six months ended 30 September 2023 (Unaudited) HK\$'000	
	2022 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Current tax	153	239	311	1,348

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 2023 and 2022 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 2023	For the six months ended 30 September 2023	For the three months ended 30 September 2022	For the six months ended 30 September 2022
Profit/(loss) attributable to the owners of the Company				
– from continuing operations	(2,139,000)	(1,763,000)	HK\$550,000	HK\$2,931,000
– from discontinued operation	–	–	–	–
Weighted average number of ordinary share in issue	2,612,959,333	2,612,959,333	2,612,959,333	2,612,959,333

For the three months and six months ended 30 September 2023, 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 2023.

Diluted loss per share for the three months and six months ended 30 September 2022 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 (2022: nil). There was no disposal of plant and equipment during the three months and six months ended 30 September 2023.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Unlisted securities – Investment in unlisted equity	–	–

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 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Current to 30 days	5,042	3,830
31 to 60 days	–	91
61 to 90 days	–	–
Over 90 days	–	219
	5,042	4,140
Less: Loss allowance	–	(244)
	5,042	3,896

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 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Prepayments and deposits	5,651	6,878
Other receivables	194	91
Less: Allowance for impairment losses in other receivables	–	(21)
	5,845	6,948

15. OTHER PAYABLES AND ACCRUALS

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Other payables and accruals	2,223	2,876

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 2023 and 30 September 2023	20,000,000,000	200,000,000
Issued and fully paid:		
At 1 April 2023	2,612,959	26,130
At 30 September 2023 (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 2023, neither the Group nor the Company had any significant commitments and contingent liabilities (31 March 2023: 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	2022	30 September	2022
	2023	2022	2023	2022
	(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 2023.

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

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\$32.84 million revenues (2022: HK\$46.41 million), representing an decrease of approximately 29.24%. Such decrease was mainly caused by the decrease in revenue generated by the dry bulk shipping/ocean freight forwarding related services business due to the downturn of the international logistics industry and global economy. Profit of the Group's dry bulk shipping and logistics services business for the six months ended 30 September 2023 was approximately HK\$1.90 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 playgrounds in Hong Kong and the PRC. For the period under review, the IP automation and entertainment business generated revenue of approximately HK\$7.16 million (2022: approximately HK\$11.30 million), representing an decrease of approximately 36.60%. Such decrease was mainly caused by the decrease in the revenue generated by the IP-related brand management and marketing consulting services for entertainment venue in cultural industrial parks and shopping malls in PRC and Hong Kong.

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 2023, revenue of the Group decreased by approximately 30.68% to approximately HK\$40,006,000 from approximately HK\$57,714,000 in the corresponding period in 2022.

The Group's administrative and operating expenses for the six months ended 30 September 2023 increased by approximately 18.01% to approximately HK\$7,517,000 compared to approximately HK\$6,370,000 for the corresponding period in 2022.

The Group's loss attributable to owners of the Company for the six months ended 30 September 2023 was approximately HK\$1,763,000 compared to a profit of approximately HK\$2,931,000 for the corresponding period last year. Such loss was mainly caused by the decrease in revenue of the respective business segments of the Group given the reasons as mentioned above and the professional fees incurred for the resumption of trading in Shares on the Stock Exchange of the Company.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2023, the Group mainly finances its operations with its own working capital and advances from Company's shareholders. As at 30 September 2023, the Group had total assets and net assets of approximately HK\$40,039,000 (31 March 2023: approximately HK\$40,975,000) and approximately HK\$17,515,000 (31 March 2023: approximately HK\$19,278,000) respectively, including cash and bank balances of approximately HK\$27,656,000 (31 March 2023: approximately HK\$29,030,000). As at 30 September 2023, the Company had net current assets of approximately HK\$16,628,000 (31 March 2023: approximately HK\$18,714,000).

The Group's gearing ratios as at 30 September 2023 was 10.02% (31 March 2023: 11.0%). 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 2023.

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 2023.

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 2023, the Group did not pledge any of its assets (30 September 2022: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group had 36 full-time employees and 23 part-time staff (30 September 2022: 19 full-time employees and 4 part-time staff), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$4,496,000 for the six months ended 30 September 2023 as compared to approximately HK\$2,971,000 for the six months ended 30 September 2022. 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.

Reference is made to the announcements of the Company dated 29 September 2023 and 2 October 2023, the Company is pleased to announce that it has fulfilled the Resumption Guidance. 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").

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.

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.

EMPLOYEES AND REMUNERATION POLICIES (CONTINUED)

Listing Status (CONTINUED)

Meanwhile, 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. As stated in the LRC Decision Letter, the Listing Review Committee also found the Company had complied with RG2.

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.

The Board acknowledges and greatly appreciates the favorable decision rendered by the Listing Review Committee. The LRC Decision not only carries considerable significance for the Company but also enables the resumption of trading its Shares on the Stock Exchange. The Board would like to take this opportunity to express its deepest gratitude to the management, sales and operating team of the Company, whose unwavering dedication and tireless efforts have played a pivotal role in navigating through these challenging periods.

Furthermore, the Board extends its sincere appreciation to the professional parties and advisors who have provided invaluable guidance and support throughout this process. Their expertise and commitment have undoubtedly contributed to the positive outcome reflected in the LRC Decision. This decision serves as a testament to the collective efforts and unwavering commitment of all parties involved.

Last but not least, the Company is gratified by the Shareholder's affirmation of the positive growth and enhanced profitability achieved in its financial and operational performance and the Company's efforts in the resumption process.

OUTLOOK

Regarding dry bulk shipping and logistic services business, since the fourth quarter of 2021, with the effort of the management of the Group consistently negotiating and discussing with different customers, charterers, shipping agencies and freight forwarders and through its existing subsidiary, Evershining International Logistics Limited, successfully restored its logistics service business by first resuming the logistics agency/freight forwarding service business with ocean freight forwarding contracts by acting as intermediary who organizes shipments for individual or corporate customers to transport products or goods to a destination. The Group continuously adopts a prudent asset-light approach to stay focus on the dry bulk shipping/ocean freight forwarding related agency service business, truck/railway logistic services between Russia and the PRC and shipping logistic services between Taiwan and the Philippines and maintain a more viable and sustainable business relationship with the existing customer base 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.

As an extended business development on the cooperation model of Sooper Yoo, the management of the Group is continuously discussing and negotiating with mall operators and property management companies in the PRC for opportunities in designing, constructing and operating themed play zones for shopping malls, entertainment theme sites and/or cultural parks. As a result, with the effort of the management of Group, the Group further entered into two cooperation agreements, pursuant to which the Group act as designer, project manager and operator for two other edutainment and sports experience playgrounds located in Huizhou, the PRC and Baoan, the PRC respectively.

OUTLOOK (CONTINUED)

As stated in the announcement of the Company dated 7 September 2023, the Board is pleased to inform the Shareholders and potential investors that the abovementioned kids play zones in Huizhou (the “Huizhou Playground”) has commenced operation in May 2023. The Huizhou Playground is the first upscale children’s sports park established by the Group in Shenzhen. It is located within the Muyun Creek Valley in Huizhou, covering a vast area of 1500 square meters.

In addition, The Board is pleased to inform the Shareholders and potential investors that the abovementioned kids play zones in Baoan (the “Baoan Playground”), which are designed and contracted by the Group, has already commenced operation in August 2023, which is earlier than the expected time of commencement of September 2023 as the Board initially expected. It is expected that the aforesaid two kids play zone could be able to generate sustainable revenue to the Group continuously for a term of 10 years.

On the other hand, on 28 July, 2023, Shenzhen Yuzhijia Culture Medial Company Limited* (深圳市御之家文化傳媒有限責任公司) (“Shenzhen Yuzhijia”), a non-wholly owned subsidiary of the Company, entered into a legally-binding distribution agreement with Shanghai Fengka Game Co., Ltd.* (上海風卡遊戲有限公司), the largest “Pokemon Card Game” official dealer/wholesaler in the PRC, pursuant to which Shenzhen Yuzhijia shall act as an authorized distributor for distributing certified “Pokemon Card Game” products; and (ii) the host of official Pokemon TCG GYM for organizing “Pokemon Card Game” competitions for the period from 28 July 2023 to 27 September 2024 with terms for auto renewal for further two years should both parties have no disagreement 30 days before the expiry of the agreement. The Company is of the view that the aforesaid collaboration represents a significant milestone in the Pokemon Card Game industry and will streamline distribution channels, allowing fans to easily access genuine Pokemon Card products.

The Group has also diversified its entertainment business into 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 Group started providing consulting services on brand building, marketing and business development of the cultural and creative industrial parks since 2021 with a view to leverage the existing IP related entertainment brand building and marketing team of the Group to broaden income source of the Group and will continue to seek opportunities to provide consulting service on strategic planning, product development, brand building, marketing and business development of the theme parks in the PRC and Macau.

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 2023 and the options outstanding as at 30 September 2023 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 2023, 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:

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

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. Lau Ling Tak	Beneficial owner	43,937,500	–	1.78%

Save as disclosed above, as at 30 September 2023, 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 2023, 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
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 2023, 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 2023.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the six months ended 30 September 2023, 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 2023.

CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 September 2023, the Company had complied with all the code provisions set out in the Appendix 15 Corporate Governance Code and Corporate Governance Report (the "CG Code") of the GEM Listing Rules with the exception of the following deviation:

CODE PROVISION E.1.2

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

DEVIATION

The chairlady of the Board, Ms. Ho Chiu Ha Maisy, was unable to attend the annual general meeting of the Company held on 29 September 2023 (the "AGM 2023") as she had other important business engagement. However, Mr. Lau Ling Tak, an executive Director, had chaired the AGM 2023 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 2023 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 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 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).