

UNITAS HOLDINGS LIMITED

宏海控股集團有限公司

(Formerly known as Chanceton Financial Group Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8020)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
2018/2019

TABLE OF CONTENTS

1	COMPANY REVIEW	2
2	ABOUT THIS REPORT	2
2.1	REPORTING STANDARD, PERIOD AND SCOPE	2
3	COMMENTS AND SUGGESTIONS.....	2
4	PROVIDING QUALITY SERVICES TO THE CUSTOMERS.....	3
4.1	SUPPLY CHAIN MANAGEMENT	3
4.2	QUALITY ASSURANCE	3
4.3	CONSUMER DATA PROTECTION	3
4.4	CUSTOMER FEEDBACK.....	3
5	ENVIRONMENTAL PROTECTION	4
5.1	ENVIRONMENTAL POLICY	4
5.2	ENERGY MANAGEMENT	4
5.3	NON-HAZARDOUS WASTE MANAGEMENT	5
6	CREATING VALUES TO OUR EMPLOYEES	5
6.1	EMPLOYMENT POLICY.....	5
6.2	HEALTH AND SAFETY.....	6
6.3	TRAINING AND DEVELOPMENT	6
6.4	ETHICAL OPERATION	7
7	MOVING FORWARD TOGETHER WITH THE COMMUNITY.....	7
8	LOOKING FORWARD	9
9	ESG CONTENT INDEX.....	10

1 COMPANY REVIEW

Unitas Holdings Limited (Stock code: 8020) (“Unitas” and together with its subsidiaries, the “Group”) is principally engaged in the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the People’s Republic of China (the “PRC”), including: (i) advising on The Rules Governing the Listing of Securities on the Stock Exchange (“the Listing Rule”), the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rule”) and The Codes on Takeovers and Mergers and Share Repurchases (the “Takeovers Code”); (ii) acting as independent financial adviser to transactions of listed issuers falling under the Listing Rules, the GEM Listing Rules and the Takeovers Code; (iii) advising on mergers(s) and acquisition(s) activities and other corporate activities such as fund raising exercises; and (iv) advising on corporate resumption. In addition to financial services, the Group also provides dry bulk shipping services to international customers.

2 ABOUT THIS REPORT

2.1 REPORTING STANDARD, PERIOD AND SCOPE

This Environmental, Social and Governance Report (the “Report”) was prepared in accordance with the Appendix 20 Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) issued by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. Information regarding the Group’s Corporate Governance is addressed more in depth in the Annual Report in pursuance of Appendix 15 of the GEM Listing Rules. The Group adhered to the principles of materiality, quantitative, balance and consistency to report on the measures and performances in the Year.

The scope of this Report included major business operating areas: Hong Kong Headquarters. It covered the Group’s progress on ESG aspects for the reporting year from 1 April 2018 to 31 March 2019 (the “Reporting Year”).

3 COMMENTS AND SUGGESTIONS

For more information about our businesses, please refer to the Company's website (www.unitas.com.hk). If you have any comments or questions regarding the Report, please feel free to contact us:

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4 PROVIDING QUALITY SERVICES TO THE CUSTOMERS

4.1 SUPPLY CHAIN MANAGEMENT

The Group put high regards on its supply chain management to alleviate the operational risk incurred with the supply chain. During the procurement process, the Group not only considered price, quality and capability of the suppliers or service provider but also their environmental and social performances. In order to maintain the quality of the suppliers, the Group has established Compliance Manual and required suppliers to abide by the relevant policies and guidelines. The Group also conducted regular assessments and reviews on their performance. If the suppliers failed to meet the Group's requirement, the Group shall provide corresponding improvement plan to them and carry out re-assessment. However, the Group shall reserve right to terminate the contract if there is no further enhancement.

4.2 QUALITY ASSURANCE

Fulfilling clients' expectations and satisfaction was the mission of Unitas. The Group was dedicated to providing quality advisory services to our clients. In order to assure the quality and compliance of the services, the Board of Directors (the "Board") of the Group has established a *Corporate Finance Manual* for our staff. The manual recorded the policies and procedures of the corporate finance engagement. The employees were required to follow the guidelines and procedures in manual to accept any appointment of prospective client or transaction. After the appointment, a plan of transaction shall be drawn up to confirm the nature, timetable and regulatory requirements of the transaction. The Director shall be informed of the progress of the transaction to ensure the validity of the transaction.

4.3 CONSUMER DATA PROTECTION

As a responsible financial advisory corporate, Unitas was committed to protecting the sensitive information of our clients. *Employee Handbook* has stipulated the protective measures on the client's privacy and guidelines for the employees to handle the customers' data properly. For instance, employees were not allowed to disclose any files or information to other irrelevant staff. Also, the Group's data center and computer server were restricted to authorized staff only such as the senior management and information technology supporting staff. During the Reporting Year, the Group has complied with all privacy related laws and regulations such as Personal Data (Privacy) Ordinance.

4.4 CUSTOMER FEEDBACK

Client satisfaction is the measure and the key of the company's success. The Group valued every customer's opinion and encourages clients to provide feedbacks on our services. In case of comments received from the clients, trained employees shall review it and address clients' concern professionally. During the Reporting Year, the Group did not receive any complaint on our services.

5 ENVIRONMENTAL PROTECTION

5.1 ENVIRONMENTAL POLICY

In addition to the service quality, the Group endeavored to manage the operation in an environmentally friendly and resource-efficient manner. Therefore, the Group has established stringent environmental policies and measures to minimize the environmental impacts aroused from the business operations.

5.2 ENERGY MANAGEMENT

The Group's major operation environmental impact was greenhouse gas("GHG") emission which incurred by the energy consumption. As electricity usage was the main contribution to the energy consumption, the Group strived to improve the electricity efficiency to reduce the GHG emission as well as the operating costs. In this regard, the Group has replaced the old lighting system with automatic lighting control system and LED lighting. In order to raise the employees' awareness of environmental protection, energy saving icons were prominently displayed in the office. Also, employees were required to turn off all electrical appliances when they were not in use to reduce electricity wastage.

Overview of Energy Consumption	2019	2018
Electricity Consumption (kWh) ¹	22,086	23,173
Energy Intensity (kWh in'000/Gross Floor Area (m ²)) ²	107.96	113.28

Overview of Greenhouse Gas Emissions (GHG)	2019	2018
Total GHG Emission ³ (Tonnes of Carbon Dioxide Equivalent (tCO ₂ e))	11.26	12.51
GHG Intensity (tCO ₂ e/Gross Floor Area (m ²)) ²	0.055	0.058

¹ Data inclusive of the electricity consumption of one office in Hong Kong.

² Gross Floor Area of the office is 204.57 m² (2202 ft).

³ Data included only Scope 2 of GHG emissions which refer to indirect GHG emissions resulting from the generation of the electricity purchased. Data represents the GHG emission of one office in Hong Kong.

5.3 NON-HAZARDOUS WASTE MANAGEMENT

Non-hazardous waste was another source of the Group's environmental footprint. The main non-hazardous waste of the Group was general office refuse such as paper. In order to utilize resources and avoid wastage, the Group followed the 2Rs principles (Reduce and Recycle). Employees were encouraged to use duplex printing to reduce paper consumption. Also, paper recycling bins were placed next to printers to promote recycling of used paper.

Overview of non-hazardous waste	2019	2018
Non-hazardous waste (tonnes)	0.1159	N/A ⁴

6 CREATING VALUES TO OUR EMPLOYEES

6.1 EMPLOYMENT POLICY

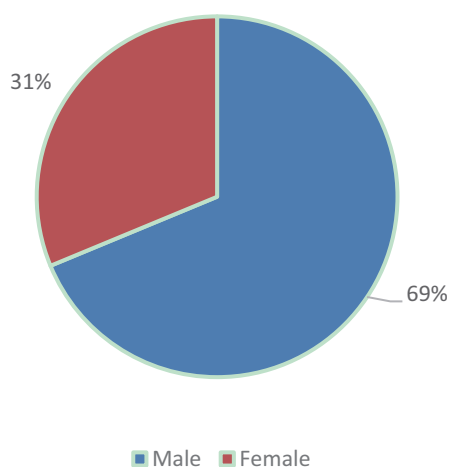
With the commitment to create a harmonious workplace, the Group adhered the principle of fairness. The Group provided equal opportunity to all employees and applicants and forbids discrimination on any basis including race, color, gender, age, religion or disability. In addition to discrimination, the Group would not tolerate any forms of harassment. Any employee who violated this policy shall be subject to immediate disciplinary action such as discharge after investigation from the management. During the Reporting Year, the Group did not aware of any violations against the relevant labor laws and regulations like Employment Ordinance of Hong Kong.

Unitas believed the quality services and environmental stewardship were built upon the dedicated employees. The Group was committed to build a supportive workforce and protect the well-being of them. In light of this, the Group has established various policies and measures to safeguard the benefits of our staff. Employees can enjoy a comprehensive and competitive remuneration package including but not limited to paid time off and health insurance.

As an ethical corporate, the Group strictly abided to the Employment Ordinance and other labor related laws and regulations. The Group prohibited any illegal employment of children or forced labor, discrimination and harassment. In order to prevent employment of child labor, the human resources department was responsible for verifying the identity documents of the candidates before employment. If the candidate fails to meet our legal employment requirements, the recruitment procedure will be terminated.

⁴ Due to the updated data collection system, the non-hazardous waste of 2018 was not comparable to 2019 and thus the disclosure is considered as not applicable

Number of employee by gender



6.2 HEALTH AND SAFETY

To build a safe working environment, the Group has placed endless effort on minimizing the occupational accident risk. The Group has established a series of guidelines and policies to prevent accidents at the workplace. The Group required the employees to report on any unsafe practices, injury, accident or safety hazard immediately to their supervisor(s). Besides, the Group provided good working posture trainings to raise the employees' awareness of occupational health and safety. During the Reporting Year, there was no any work-related injuries or casualties.

6.3 TRAINING AND DEVELOPMENT

Recognizing the importance of employee development to the business growth, the Group emphasized on the talent cultivation. The Group was dedicated to formulating comprehensive training programs and policies to encourage the employees to pursue continuous development of their capabilities and professional skills. In addition to the internal on-job trainings, the Group supported our employees to seek external education to facilitate their long-term career development.

6.4 ETHICAL OPERATION

Following the principle of integrity, the Group had zero-tolerance on corruption, money-laundering or any form of misbehaviors. As a preventive measure for the unethical activities, the Group has adopted Code of Ethics and Securities Transaction (“Code”) based on various legislations and regulations including Securities and Futures Ordinance (“SFO”), Companies Ordinance and the GEM Listing Rules. All employees were required to follow the Code to proceed all dealings in securities. On top of the Code, the Compliance Manual has also stipulated the guidelines for identifying and avoiding conflicts of interest with respect to the relevant clients. Employees were prohibited from soliciting and accepting any inducements in connecting with business.

To further reinforcing the prevention, the Group has established whistle-blowing mechanism. Employees were encouraged to report suspicious cases anonymously to Anti-corruption team. The team will investigate the case and take necessary disciplinary and legal action once the case is confirmed. During the Reporting Year, the Group has complied with all laws and regulations regarding corruption and money-laundering such as Prevention of Bribery Ordinance.

7 MOVING FORWARD TOGETHER WITH THE COMMUNITY

As a socially responsible enterprise, Unitas has extended our commitment to create values for the local community. The Group has participated and sponsored various charity activities to support different non-profit organizations’ work on helping underprivileges. During the Reporting Year, the Group has contributed HK\$738,250 to community activities as a form of social investment.

TWGHs Charity Dinner Show – Shun Shin Yuen Kung 35th Anniversary



TWGHs Charity Premiere of “Fortuitousness Xu Zhimo” Drama Show



TWGHs Halloween Charity Run



8 LOOKING FORWARD

In the ever changing capital market, the Group will continue to reinforce its market position in the corporate finance industry by enhancing the professional knowledge and maintaining the professionalism of our employees. Also, the Group will keep integrating sustainability elements into its decision making and resource allocation, and explore other sustainable business opportunities to diversity business risk and drive towards a sustainable future.

9 ESG CONTENT INDEX

Aspect/Description/KPI		Statement/Section	Page No.
A. Environment			
A1 Emission			
A1	General Disclosure	5 Protecting the environment	4-5
A1.1	Types of emissions and respective emissions data	5.2 Energy management	4
A1.2	Greenhouse gas emissions in total and intensity	5.2 Energy management	4
A1.3	Total hazardous waste produced and intensity	The Group's operations do not generate hazardous waste. Therefore, hazardous waste is not applicable.	/
A1.4	Total non-hazardous waste produced and intensity	5.3 Non-hazardous waste management	5
A1.5	Description of measures to mitigate emissions and results achieved	5.2 Energy management	4
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	5.3 Non-hazardous waste management	5
A2 Use of Resources			
A2	General Disclosure	5 Protecting the environment	4-5
A2.1	Direct and/or indirect energy consumption by type in total and intensity	5.2 Energy management	4
A2.2	Water consumption in total and intensity	Water consumption is not material to operations	/
A2.3	Description of energy use efficiency initiatives and results achieved	5.2 Energy management	4
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Water sourcing is not material to operations.	/
A2.5	Total packaging material used for finished products and with reference to per unit produced	Total packaging material is not material to operations.	/

Aspect/Description/KPI		Statement/Section	Page No.
A3 The Environment and Natural Resources			
A3	General Disclosure	5 Protecting the environment	4-5
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	5 Protecting the environment	4-5
B. Social			
B1 Employment			
B1	General Disclosure	6.1 Employment policy	5
B1.1	Total workforce by gender, employment type, age group and geographical region	6.1 Employment policy	5-6
B1.2	Employee turnover rate by gender, age group and geographical region	0% turnover rate	/
B2 Health and Safety			
B2	General Disclosure	6.2 Health and safety	6
B2.1	Number and rate of work-related fatalities	No reported cases of injuries or fatality were found in the reporting year.	/
B2.2	Lost days due to work injury	0	/
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	6.2 Health and safety	6
B3 Development and Training			
B3	General Disclosure	6.3 Training and development	6
B3.1	Percentage of employees trained by gender and employee category	Not disclosed	/
B3.2	Average training hours completed per employee by gender and employee category		/

Aspect/Description/KPI		Statement/Section	Page No.
B4 Labour Standard			
B4	General Disclosure	6.1 Employment policy	5
B4.1	Description of measures to review employment practices to avoid child and forced labour	6.1 Employment policy	5
B4.2	Description of steps taken to eliminate such practices when discovered	6.1 Employment policy	5
B5 Supply Chain Management			
B5	General Disclosure	4.1 Supply chain management	3
B5.1	Number of suppliers by geographical region	Not disclosed	/
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	4.1 Supply chain management	3
B6 Product Responsibility			
B6	General Disclosure	4.2 Quality Assurance	3
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable	/
B6.2	Number of products and service-related complaints received and how they are dealt with	The Group received no complaints during the Reporting Year.	/
B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual property right is not material issue to the operations	/
B6.4	Description of quality assurance process and recall procedures	4.2 Quality Assurance	3
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	4.3 Consumer data protection	3

Aspect/Description/KPI		Statement/Section	Page No.
B7 Anti-Corruption			
B7	General Disclosure	6.4 Ethical operation	7
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting year and the outcomes of the cases	6.4 Ethical operation	7
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	6.4 Ethical operation	7
B8 Community Investment			
B8	General Disclosure	7 Moving forward together with the community	7-8
B8.1	Focus areas of contribution	7 Moving forward together with the community	7-8
B8.2	Resources contributed to the focus area	7 Moving forward together with the community	7-8