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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 2020

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 2020 amounted to approximately HK\$3,748,000, representing a decrease of approximately 87% as compared to corresponding period in 2019.
- Consolidated loss attributable to owners of the Company for the six months ended 30 September 2020 was approximately HK\$5,199,000 as compared to a loss of approximately HK\$4,650,000 in corresponding period in 2019.
- Loss per share from continuing operations for the six months ended 30 September 2020 was approximately HK\$0.17 cents.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2020.

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 2020, together with the unaudited comparative figures for the corresponding period in 2019, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2020

		Three months ended 30 September		Six months ended 30 September	
		2020	2019	2020	2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations					
Revenue	4	2,282	12,978	3,748	29,097
Cost of operations		(1,099)	(12,816)	(1,890)	(28,058)
Gross profit		1,183	162	1,858	1,039
Other gains and losses	4	–	77	–	152
Administrative and operating expenses		(3,470)	(2,817)	(6,059)	(4,394)
Gain of deemed disposal of subsidiaries	6	275	–	275	–
Finance cost	7	(72)	(70)	(159)	(91)
Loss before tax from continuing operations	8	(2,084)	(2,648)	(4,085)	(3,294)
Income tax	9	–	(52)	–	(107)
Loss for the Period from continuing operations		(2,084)	(2,700)	(4,085)	(3,401)
Discounted operation					
Loss for the period from a discontinued operation		(1,071)	(1,178)	(1,114)	(1,249)
Loss for the period		(3,155)	(3,878)	(5,199)	(4,650)

	Three months ended 30 September 2020 (Unaudited) <i>Notes</i> HK\$'000		Six months ended 30 September 2020 (Unaudited) HK\$'000	
	2019 (Unaudited) <i>HK\$'000</i>		2019 (Unaudited) <i>HK\$'000</i>	
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 loss for the period	(3,155)	(3,878)	(5,199)	(4,650)
Loss attributable to owners of the Company for the period				
Loss from continuing operations	(2,084)	(2,700)	(4,085)	(3,401)
Loss from discontinued operation	(1,071)	(1,178)	(1,114)	(1,249)
	(3,155)	(3,878)	(5,199)	(4,650)
Total comprehensive loss attributable to owners of the Company for the period	(3,155)	(3,878)	(5,199)	(4,650)
Loss per share attributable to owners of the Company				
Basic and diluted (HK cents)				
- from continuing operations	(0.08)	(0.11)	(0.17)	(0.14)
- from discontinued operation	(0.04)	(0.05)	(0.05)	(0.05)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000 (Restated)
	Notes		
ASSETS			
Non-current assets			
Plant and equipment	11	1,273	1,473
Right-of-use assets		3,131	4,436
Goodwill		–	–
Financial asset at fair value through other comprehensive income		363	–
		4,767	5,909
Current assets			
Inventories		360	338
Trade receivables	12	632	–
Financial assets at fair value through profit or loss	13	–	–
Prepayments, deposits and other receivables	14	9,799	44,333
Amounts due from a related company		–	–
Cash and cash equivalents		18,952	505
		29,743	45,176
Non-current assets classified as held for sale			
		–	2,555

		As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000 (Restated)
	Notes		
Less: Current liabilities			
Other payables and accruals	15	2,762	1,527
Trade payables		9	157
Contract liabilities		–	137
Loan from shareholders		582	12,604
Lease liabilities		2,017	2,580
Tax payable		8,665	8,665
		14,035	25,670
Liabilities directly associated with non-current assets held for sale		–	1,353
Net current assets		15,708	19,506
Less: Non-current liabilities			
Lease liabilities		1,453	2,396
		1,453	2,396
Net assets		19,022	24,221
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	24,730	24,730
Reserves	17	(5,708)	(509)
Total equity		19,022	24,221

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	Attributable to owners of the Company							
	Share capital	Share premium	Other reserve	Exchange translation reserve	Convertible bond reserve	Share base payment reserve	Retained profits/ (accumulated losses)	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020 (audited)	24,730	288,837	19	–	–	1,954	(291,319)	24,221
Loss for the period	–	–	–	–	–	–	(5,199)	(5,199)
Other comprehensive income for the period	–	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	–	(5,199)	(5,199)
At 30 September 2020 (unaudited)	24,730	288,837	19	–	–	1,954	(296,518)	19,022
At 1 April 2019 (audited)	24,730	288,837	19	–	–	1,954	(251,807)	63,733
Loss for the period	–	–	–	–	–	–	(4,650)	(4,650)
Other comprehensive income for the period	–	–	–	–	–	–	–	–
Total comprehensive loss for the period	–	–	–	–	–	–	(4,650)	(4,650)
At 30 September 2019 (unaudited)	24,750	288,837	19	–	–	1,954	(256,457)	59,083

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2020*

	Six months ended	
	30 September	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
Net cash inflow/(outflow) from operating activities	30,916	(2,929)
Net cash (outflow)/inflow from investing activities	(469)	–
Net cash (outflow)/inflow from financing activities	(12,000)	–
Net increase/(decrease) in cash and cash equivalents	18,447	(2,929)
Cash and cash equivalents at beginning of period	505	4,150
Cash and cash equivalents at end of period	18,952	1,221

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

For the six months ended 30 September 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 20 April 2011 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is located at Room 801B, 8/F., Tsim Sha Tsui Centre, West Wing, No. 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares were listed on the GEM of the Stock Exchange on 12 October 2011.

The Company is an investment holding company. The principal activities of its subsidiaries are the provision of dry bulk shipping and shipping agent 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 2020 (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 2020. 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 2020, 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 2020

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Financial asset				
Financial assets at fair value through other comprehensive income	–	–	363	363

31 March 2020 (Restated)

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Financial asset	–	–	–	–

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 2020 (Unaudited) HK\$'000		Six months ended 30 September 2020 (Unaudited) HK\$'000	
		2019 (Unaudited) HK\$'000		2019 (Unaudited) HK\$'000
Revenue				
IP automation of entertainment	2,282	–	3,748	–
Dry bulk shipping services	–	12,978	–	29,097
	2282	12,978	3,748	29,097
	Three months ended 30 September 2020 (Unaudited) HK\$'000		Six months ended 30 September 2020 (Unaudited) HK\$'000	
		2019 (Unaudited) HK\$'000		2019 (Unaudited) HK\$'000
Other gains and losses				
Management fee income	–	75	–	150
Sundry income	–	–	–	2
Bank interest income	–	1	–	–
Sundry income	–	1	–	–

5. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performances focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group’s operating divisions. No operating segment identified by the CODM has been aggregated in arriving at the reportable segments of the Group.

5. SEGMENT INFORMATION (CONTINUED)

The Group's reportable and operating segments are as follows:

- Corporate finance advisory (discontinued)
- dry bulk shipping
- IP automation of entertainment business

Segment revenue and results

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

For the six months ended 30 September 2020:

	Discontinued operation Corporate finance advisory service (Unaudited) HK\$'000	Dry bulk shipping (Unaudited) HK\$'000	Continuing operations IP automation and entertainment (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Revenue	830	–	3,748	4,578
Segment results	(1,114)	(457)	(1,213)	(2,784)
Unallocated corporate expenses				(2,531)
Unallocated corporate income				–
Finance cost				(159)
Gain on deemed disposal of subsidiaries				275
Income tax				–
Loss for the period				(5,199)

September 2019:

	Corporate finance advisory service (Unaudited) HK\$'000	Dry bulk shipping (Unaudited) HK\$'000	IP automation and entertainment (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Revenue	1,856	29,097	–	30,953
Segment results	(1,248)	190	–	(1,058)
Unallocated corporate expenses				(3,485)
Loss before tax				(4,543)
Income tax				(107)
Loss for the period				(4,650)

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

As at 30 September 2020:

	Discontinued operation Corporate finance advisory service (Unaudited) HK\$'000	Continuing operations Dry bulk shipping (Unaudited) HK\$'000	IP automation and entertainment (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Segment assets	–	8,471	6,264	14,735
Unallocated assets				19,775
Consolidated total assets				34,510
Segment liabilities	–	(9,761)	(4,528)	(14,289)
Unallocated liabilities				(1,199)
Consolidated liabilities				(15,488)

As at 30 September 2019:

	Corporate finance advisory service (Unaudited) HK\$'000	Dry bulk shipping (Unaudited) HK\$'000	IP automation and entertainment (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Segment assets	3,878	72,067	–	75,945
Unallocated assets				8,360
Consolidated total assets				84,305
Segment liabilities	1,643	9,215	–	10,858
Unallocated liabilities				14,364
Consolidated liabilities				25,222

6. GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES

On 17 February 2020, the wholly-owned subsidiary of the Company, Chanceton Alliance Investments Holdings Limited (the "Issuer") entered into a subscription agreement (the "Subscription Agreement") with King Allied Holding Limited (the "Subscriber") pursuant to which the Subscriber conditionally agreed to subscribe and the Issuer conditionally agreed to issue 11,395 new ordinary shares of the Issuer with an initially total subscription amount of HK\$2,500,000 (subject to adjustment with reference to the unaudited consolidated net asset value of the Issuer at the date of completion) (the "Subscription"). The Issuer, via its wholly-owned subsidiary, Chanceton Capital Partners Limited ("Chanceton Capital") (a is licensed corporation in Hong Kong to conduct Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance) is principally engage in the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong.

The deal was closed on 17 September 2020 and the Company's interest in the Issuer was diluted to approximately 17.99% since then.

Net assets at the date of disposal were as follows:

	(Unaudited) HK\$'000
Property, plant and equipment	7
Right of use assets – lease	81
Listed equities	123
Trade receivables	798
Other receivables, prepayment and deposit	296
Cash	469
Other payables and accruals	(1,602)
Lease liabilities	(85)
Net assets disposed of	87

Gain of deemed disposal:

	(Unaudited) HK\$'000
Net assets disposed of	(87)
Fair value of the equity interest retained in the Company at the date of completion	363
	275

6. GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES (CONTINUED)

The results of the discontinued operations for the period from 1 April 2020 to the date of disposal are summarized as follows:

	(Unaudited) HK\$'000
Revenue	830
Other income	(34)
Administrative expenses	(1,904)
Finance costs	(6)
Loss before tax	(1,114)
Income tax expense	–
Loss for the period	(1,114)

7. FINANCE COST

	Three months ended 30 September		Six months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on lease liabilities	72	70	159	91

8. LOSS BEFORE TAX

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

	Three months ended 30 September		Six months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	817	732	1,633	732
Employee benefit expenses (including directors' remuneration)				
– Wages, salaries, allowances and bonus	1,467	1,221	2,985	2,337
– Pension scheme contributions	44	24	75	70
	1,511	1,245	3,060	2,407

9. DIVIDENDS

The Board does not recommend the payment of dividend for the six months ended 30 September 2020 (2019: Nil).

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) for the three months and six months ended 30 September 2020 and 2019.

	Three months ended 30 September 2020 (Unaudited) HK\$'000		Six months ended 30 September 2020 (Unaudited) HK\$'000	
		2019 (Unaudited) HK\$'000		2019 (Unaudited) HK\$'000
Current tax	–	52	–	107
	–	52	–	107

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

11. LOSS PER SHARE

Basic loss per share for each of the three months and six months ended 30 September 2020 and 2019 are calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the periods.

	For the three months ended 30 September 2020	For the six months ended 30 September 2020	For the three months ended 30 September 2019	For the six months ended 30 September 2019
(Loss)/gain attributable to the owners of the Company				
– from continuing operations	(HK\$2,084,000)	(HK\$4,085,000)	(HK\$2,700,000)	(HK\$3,401,000)
– from discontinued operation	(HK\$1,071,000)	(HK\$1,114,000)	(HK\$1,178,000)	(HK\$1,249,000)
Weighted average number of ordinary share in issue	2,472,959,333	2,472,959,333	2,472,959,333	2,472,959,333

11. LOSS PER SHARE (CONTINUED)

For the three months and six months ended 30 September 2020, the computation of diluted loss per share does not assume the exercise of the share options as the exercise price of those share options is higher than the average market price of the Company's shares for the three months and six months ended 30 June 2020.

Diluted loss per share for the three months and six months ended 30 September 2019 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.

12. PLANT AND EQUIPMENT

The Group did not acquire other plant and equipment (2019: nil). There was no disposal of plant and equipment during the three months and six months ended 30 September 2020.

13. TRADE RECEIVABLES

The Group's trade receivables arose from the provision of corporate finance advisory services to its clients.

The Group's trading term with its clients is, in general, due upon the issuance of invoices. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables arising from the provision of corporate finance advisory services are non-interest bearing.

An aged analysis of the trade receivables at the end of each reporting period, based on the invoice date and net of provision, is as follows:

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Current to 30 days	552	—
31 to 60 days	—	—
61 to 90 days	—	—
Over 90 days	80	—
	632	—
Less: Loss allowance	—	—
	632	—

13. TRADE RECEIVABLES (CONTINUED)

Trade receivables disclosed above are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Equity securities – unlisted investment	363	–
	363	–

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Prepayments and deposits	1,272	1,394
Other receivables	12,074	46,486
Less: Allowance for impairment losses in other receivables	(3,547)	(3,547)
	9,799	44,333

16. OTHER PAYABLES AND ACCRUALS

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Other payables and accruals	2,762	1,527

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

17. SHARE CAPITAL

<i>Note</i>	Number of ordinary shares of HK\$0.01 each '000	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 April 2018, 31 March 2019, 1 April 2020 and 30 September 2020	20,000,000,000	200,000,000
Issued and fully paid:		
At 1 April 2020	2,472,959	24,730
At 30 September 2020 (unaudited)	2,472,959	24,730

18. 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.

19. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2020, neither the Group nor the Company had any significant commitments and contingent liabilities (31 March 2020: Nil).

20. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in this announcement, the Group had the following material transactions with related parties during the period:

Compensation of key management personnel of the Group

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Short term employees benefits	435	490	870	1,225
Post-employment benefits	13	15	26	38
Total compensation paid to key management personnel	448	505	896	1,263

21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Accounts were approved and authorised for issue by the Board on 13 November 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Continuing operations

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

Dry bulk shipping and shipping agent services

During the period under review, the Group was unable to obtain a deal resulted in nil revenue (2019: HK\$29,097,000). Net loss of the Group's dry bulk shipping business for the three months ended 30 June 2020 was approximately HK\$457,000 when compared with net profit in the same period last year.

IP automation and entertainment business

During the period under review, we recorded revenue of approximately HK\$3,748,000 where approximately HK\$456,000 was contributed from operation of "Ganawawa" shops in Hong Kong and approximately HK\$3,293,000 was contributed from our new "Procure" medical face mask sale and marketing project commenced since June 2020. We recorded net loss of approximately HK\$1,213,000. Due to the outbreak of COVID-19 Epidemic, operation of "Ganawawa" shops suffered during the period under review. However, the outbreak of COVID-19 Epidemic not only has raised public awareness of protection, but has also recognized face mask as part of fashion, which we has been benefited from it by releasing different styles of medical face masks. The Procure medical face mask sales and marketing has helped to drive an additional income for the Group.

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

Financial Review

Continuing operations

Results

For the six months ended 30 September 2020, revenue of the Group decreased by approximately 87% to approximately HK\$3,748,000 from approximately HK\$29,097,000 in the corresponding period in 2019.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's administrative and operating expenses for the six months ended 30 September 2020 increased by approximately 37% to approximately HK\$6,059,000 compared to approximately HK\$4,394,000 for the corresponding period in 2019.

The Group's loss attributable to owners of the Company for the six months ended 30 September 2020 was approximately HK\$5,199,000 compared to a loss of approximately HK\$4,650,000 for the corresponding period last year. The loss was mainly due to decrease in revenue of approximately 87% when compared with the same period in 2019.

Liquidity, financial resources and capital structure

During the six months ended 30 September 2020, the Group mainly finances its operations with its own working capital and advances from Company's shareholders. As at 30 September 2020, the Group had total assets and net assets of approximately HK\$34,510,000 (31 March 2020: approximately HK\$53,640,000) and approximately HK\$19,022,000 (31 March 2020: approximately HK\$24,221,000) respectively, including cash and bank balances of approximately HK\$18,952,000 (31 March 2020: approximately HK\$505,000). As at 30 September 2020, the Company had net current assets of approximately HK\$15,708,000 (31 March 2020: approximately HK\$19,506,000).

The Group's gearing ratios as at 30 September 2020 was 0.21% (31 March 2020: 0.72%). Gearing ratio is calculated by dividing total net debt with the total equity.

FOREIGN EXCHANGE EXPOSURE

The Group continues to adopt a conservative treasury policy with all bank deposits being kept in either Hong Kong dollars, keeping a minimum exposure to foreign exchange risks.

SIGNIFICANT INVESTMENTS

The Group had no significant investments held during the six months ended 30 September 2020.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save for the deemed disposal of the Group's corporate finance segment completed in September 2020 where the Group has lost control over the corporate finance segment since then, the Group had no other material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2020.

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 2020, the Group did not pledge any of its assets (30 September 2019: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2020, the Group had 20 full-time employees and 4 part-time staff (30 September 2019: 15 full-time employees), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$3,060,000 for the six months ended 30 September 2020 as compared to approximately HK\$2,407,000 for the six months ended 30 September 2019. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical benefit to its employees in Hong Kong. In addition, the Group adopted a share option scheme for eligible employees (including Directors) to provide incentives to participants for their contribution and continuing efforts to promote the interests of the Group.

OUTLOOK

We will keep monitoring our shipping business and IP automation and entertainment business.

We will continue to actively explore other business opportunities to maximize shareholder's wealth and diversify business risk like the IP automation and entertainment business. 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.

SHARE OPTION SCHEME (CONTINUED)

Details of the options granted under the Scheme, their movements during the six months ended 30 September 2020 and the options outstanding as at 30 September 2020 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 2020 '000
						As at 1 April 2020 '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 2020, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

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 (<i>Note 1</i>)	Beneficial owner	407,890,000	–	16.49%
	Interest of a controlled corporation	229,062,500	–	9.26%
Ms. Man Wing Yee Ginny	Beneficial owner	441,900,000	–	17.87%
Mr. Wang Qiang	Beneficial owner	100,000,000	–	4.04%
Mr. Lau Ling Tak	Beneficial owner	43,937,500	–	1.78%

Note:

- Ms. Ho Chiu Ha Maisy has a total interest in 636,952,500 shares/underlying shares (representing and aggregate of approximately 25.68% shareholding in the Company), of which (i) 229,062,500 shares were allotted to Refulgent Sunrise Limited, a company owned as to 36% by Ms. Ho Chiu Ha Maisy and it is an approximately 75% shareholder of Revenue Synthesis Limited, an associated corporation of the Company. As a result, Ms. Ho Chiu Ha Maisy is deemed to be interested in the approximately 75% shareholding in Revenue Synthesis Limited by virtue of the SFO; and (ii) Ms. Ho Chiu Ha Maisy personal held 407,890,000 shares.

Save as disclosed above, as at 30 September 2020, 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 2020, 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
Refulgent Sunrise Limited (Note)	Beneficial owner	229,062,500	–	9.26%
Mr. Zhao Genlong	Beneficial owner	200,000,000	–	8.09%

Note:

Refulgent Sunrise Limited is a company incorporated in BVI with limited liabilities and is owned as to 36% by Ms. Ho Chiu Ha Maisy. As a result, Ms. Ho Chiu Ha Maisy and Mr. Tsang Yan are deemed to be interested in this shareholding through Refulgent Sunrise Limited by virtue of the SFO. Ms. Ho Chiu Ha Maisy personally held 407,890,000 shares.

Save as disclosed above, as at 30 September 2020, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries, has purchased, redeemed or sold any of the Company's listed shares during the six months ended 30 September 2020.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the six months ended 30 September 2020, 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 2020.

CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 September 2020, 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 2020 (the “AGM 2020”) as she had other important business engagement. However, Mr. Lau Ling Tak, an executive Director, had chaired the AGM 2020 in accordance with the articles of association of the Company and answered the questions from the Shareholders.

AUDIT COMMITTEE

The Company set up an audit committee (the “Committee”) on 21 September 2011, with written terms of reference in compliance with the GEM Listing Rules, risk management for the purpose of reviewing and providing supervision over the financial reporting process and internal control systems of the Group. The Committee comprises three independent non-executive Directors, namely 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 2020 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, 13 November 2020

As at the date of this announcement, the Company’s executive Directors are Ms. Ho Chiu Ha Maisy (Chairlady), Mr. Lau Ling Tak, Ms. Man Wing Yee Ginny and Mr. Wang Qiang 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).