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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)

VOLUNTARY ANNOUNCEMENT

Financial adviser to the Company



This announcement is made by Unitas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis, for the purpose of providing updated development of the resumption of trading of the Group to the shareholders and potential investors of the Company.

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

In the evening of 14 August 2023, the directors of the Company received a number of open email letters (the “**Open Letter**”) from some shareholders of the Company (the “**Shareholders**”) addressed to the GEM Listing Committee and the Listing Review Committee of the Stock Exchange. According to the receivers list of the Open Letter, the receivers of the Open Letter include Mr. Paul Chan Mo-po, Financial Secretary of Hong Kong Special Administrative Region, Mr. Christopher Hui Ching-yu, Secretary for Financial Services and the Treasury of Hong Kong Special Administrative Region, Mr. Andrew Leung Kwan-yuen, President of the Legislative Council of the Hong Kong Special Administrative Region, Mr. Ronick Chan Chun-ying, a member of the financial sector of the Legislative Council of the Hong Kong Special Administrative Region, Mr. Tim Lui Tim Leung, Chairman of the Securities and Futures Commission, Ms. Julia Leung

Fung Yee, Chief Executive Officer of the Securities and Futures Commission, Ms. Laura Cha Shih May-lung, Chairman of Hong Kong Exchanges and Clearing Limited, Mr. Nicolas Aguzin, Chief Executive Officer of Hong Kong Exchanges and Clearing Limited, the board of directors of the Company, a volunteer-initiated investor interest concern group and various major media in Hong Kong.

According to the Open Letter, the Shareholders begin with a brief summary of the relevant responses and opinions by the Board towards the GLC Decision relating to dry bulk shipping and logistics services business and the IP automation and entertainment business of the Company as stated in the announcement of the Company dated 10 July 2023.

Based of the respective information, the Shareholders expresses their view that the Company's existing business is in no way a failure to have an adequate level of business operations as suggested by the GEM Listing Committee. The Shareholders have come to the same conclusion of the Board that the Company is currently embarking on a business with an adequate level of business operations and sufficiently valued assets to back up its operations and to ensure that it continues to be listed on the Stock Exchange in accordance with Rule 17.26 of the GEM Listing Rules.

Meanwhile, the Shareholders also agree that the Board should actively adopt effective means to make timely trade-offs and appropriate decisions on business development in a very challenging market environment.

As such, the Shareholders regret the GEM Listing Committee's barbarism and irrationality in the GLC Decision, which was based on its own perspective and disregarded the actual operation of the business environment, and acted "by the book", ignoring the examination of the actual business operation of the Company and the sufficient evidence submitted by the Company.

After taking the advice from different professionals, the Shareholders consider that there were no material problems with the Company as it issued its unqualified audited financial report in timely manner with no debt litigation problems. Thus, it is not understandable why the GEM Listing Committee still considered the Company as not compliant with GEM Rule 17.26 and insisting on disregarding the interests of the Shareholders.

The Shareholders believe that the Stock Exchange's biased scrutiny of small or medium-sized stocks in recent years has led to a stagnant growth in the entire GEM. The repeatedly emphasised reforms to the GEM and the optimization of liquidity for small or medium-sized stocks have only been empty promises time and time again. Ultimately, the authorities have only dealt fatal blows to low-priced stocks in the GEM, leaving shareholders disappointed.

The Shareholders believe that the government of the Hong Kong Special Administrative Region, as the major shareholder of the Stock Exchange, should honour its commitment by taking the initiative to minimise its intervention in the free market. If the business of a small or medium-sized stock is found to be under pressure due to changes in the objective environment, the Listing Division may enquire the respective company about the situation, follow up on the improvement, or even request for suspension of trading to make improvement, but it should not arbitrarily make a delisting decision, which will result in the loss of all the investments of the minority shareholders and discourage them from investing in the GEM.

The Shareholders once again expressed their concerns about the resumption of trading of the Company and the Shareholders considered that only the resumption of trading of the Company can loosen the investments of the Shareholders, otherwise the Company will become a private company, similar to other company previously listed in the Stock Exchange and have been delisted in the past few years. If the Company become a private company, the liquidity of the Shares held by the Shareholders will be reduced to zero, the value of the Shares held by the Shareholders will also be reduced to zero eventually.

The Shareholders stated in the Open Letter that as long as the GEM Listing Committee continues to ignore the willingness to improve the GEM and the investment interest in GEM, it is no wonder that the GEM and small or medium-sized stock in Hong Kong are believed to be heading towards total collapse. In recent years, an increasing number of small and medium-sized enterprises have chosen to list on the stock exchanges in United States instead, and even Singaporean small and medium-sized enterprises that intended to list in Hong Kong have also chosen to apply listing in United States.

The Company is pleased that the Shareholders expressed their affirmation to the growth and improvement in profitability in its financial and operating performance, the success diversification and expansion of the Group's business, with the development of its sustainable and viable business model. At the same time, the Company believes that the self-initiated actions of the Shareholders further clarified that the delisting of the Company is not in the best interests of the existing Shareholders. Therefore, the Company wishes that the Listing Review Committee may consider options to bring the best interests to the Company's shareholders and hence public investors in addition to the delisting.

The Board will present its view to the Listing Review Committee during the hearing and express its disagreement with the decision of the GEM Listing Committee at the meantime. The Board believes that having the operation scale as mentioned above, the Group shall be in compliance with Rule 17.26 of the GEM Listing Rules. The Company will use its best endeavours to safeguard the interests of the Shareholders and make every effort to pursue the resumption of trading in the shares of the Company.

SUSPENSION OF TRADING

Accordingly, trading in the shares of the Company on the Stock Exchange will be suspended with effect from 9:00 a.m. on 17 May 2022 and will remain suspended until further notice. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Unitas Holdings Limited
Maisy Ho
Chairlady

Hong Kong, 15 August 2023

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

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