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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)**

## **DECISION OF THE LISTING REVIEW COMMITTEE TO OVERTURN GEM LISTING COMMITTEE'S DECISION TO CANCEL THE LISTING OF THE COMPANY'S SHARE ON THE GEM UNDER GEM RULE 9.14A**

**Financial adviser to the Company**



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

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

## **DECISION OF THE LISTING REVIEW COMMITTEE**

The Board wishes to inform the shareholders and potential investors of the Company that 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**”).

On 28 September 2023, the Company received a letter from the Stock Exchange 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**”).

**The Listing Review Committee’s views:**

1. The Listing Review Committee noted that at the expiry of the remedial period on 16 May 2023, the Company’s shares had not resumed trading and remained suspended at the LRC Review Hearing. The Company submitted that it was in full compliance with the Resumption Guidance as it had demonstrated a sufficient level of operations and assets pursuant to Rule 17.26. The Listing Division disagreed that the Company had demonstrated compliance with RG1/Rule 17.26. The Listing Review Committee therefore had to assess, whether at the time of the LRC Review Hearing, the Company had demonstrated the sustainability and viability of its business and re-complied with the Resumption Guidance, and should therefore be allowed to resume trading.
2. The Listing Review Committee considered that an assessment of Rule 17.26 compliance was a qualitative test and noted several concerns expressed in the GLC Decision as to the substance, sustainability and viability of the Company’s business and, ultimately, its compliance with Rule 17.26, which the Listing Review Committee took into account when conducting its assessment.
3. At the outset, the Listing Review Committee noted that it had the benefit of the Company’s audited results for FY2022/23 and the unaudited financial results for the first five months of FY2023/24 which had not been available at the time of the GLC Decision. These results demonstrated that the Company had made great progress from the time during the pandemic when large parts of its business were temporarily suspended. The Company achieved revenue of approximately HK\$91 million for FY2022/23 and gross profit of HK\$11 million. For the first five months of FY2023/24, the Company achieved revenue exceeding HK\$40 million and gross profit of HK\$7 million which suggests that for FY2023/24, the Company may be able to exceed its results for FY2022/23 which according to the Company already exceeded any of its financial results prior to the suspension.
4. While recognizing that compliance with Rule 17.26 was a qualitative test, the Listing Review Committee considered the Company’s submission that its financial results compared favourably to many GEM issuers. The Listing Review Committee also considered that in order to comply with Rule 17.26, it is not necessary for the Company to achieve a net profit. In fact, profit making track record had never been a requirement for GEM Board’s IPO candidates.

5. In terms of the substance, sustainability and viability of the Company's two businesses, the Logistics Business and the Entertainment Business, the Listing Review Committee noted the following:
- (a) For the Logistics Business, the Listing Review Committee noted that this business had steadily increased its revenue to HK\$73.8 million in FY2022/23 and produced a segment profit for the last two financial years, and also considered the concerns expressed by the GEM Listing Committee relating to the short operating history of the Logistics Business, the overreliance on one customer and questions as to the viability of the business plans presented by the Company.
  - (b) The Listing Review Committee noted that it had the benefit of further submissions and clarification from the Company. While the Company had discontinued the vessel chartering (which was natural since the chartering business had become loss-making), it had recommenced its logistics services business following a temporary suspension during the pandemic. As part of the logistics service business, the Company continued its cooperation with Qingdao Sino, which had already existed for eight years. The Company also explained that beyond this long business relationship, a cross-directorship existed with Qingdao Sino which further added to the strength of this relationship. Finally, the Listing Review Committee also noted the further confirmation of the Company that existing agreements with Qingdao Sino had been extended to mid-2025. Apart from the relationship with Qingdao Sino, the Company had also made further submissions on its attempts to diversify its Logistics Business, which included commencing new transport services to Russia and Taiwan, which had already generated revenue of HK\$5 million.
  - (c) Based on the further information outlined in the preceding sub-paragraph, which did not exist at the time of the GLC Decision, the Listing Review Committee took the view that the Company had sufficiently explained that the Logistics Business was a continuation of operations started eight years ago, and, the Company's business plans for a diversification of the Logistics Business, together with explanations of the strong connection to Qingdao Sino, addressed concerns as to a potential overreliance on Qingdao Sino as a major client of the Logistics Business.
  - (d) For the Entertainment Business, the Listing Review Committee noted that as of FY2022/23, revenue for the segment (HK\$17.2 million) made up around 20% of the Company's total revenue. In addition, the Entertainment Business had generated a segment profit in FY2022/23.

- (e) Having the benefit of the latest audited figures, the Listing Review Committee took the view that the Entertainment Business was a business of substance. The Listing Review Committee also noted the Company's further submissions on the expansion of the Entertainment Business into themed events at shopping malls and entertainment venues, in particular in Macau, which had not previously been submitted to the GEM Listing Committee. The Listing Review Committee considered that based on the Company's experience and knowledge of the entertainment industry and its chairlady's connection and family ties, particularly in Macau, the Company's plans for the development of its Entertainment Business were credible, viable and sustainable. In fact, the Company's latest financial results demonstrated that the Company had already been generating revenue and segment profits from its Entertainment Business.
  - (f) The Listing Review Committee therefore considered that the GEM Listing Committee's concerns as to the viability of the Company's Entertainment Business had been sufficiently addressed by the Company's further submissions.
6. The Listing Review Committee noted that the Company maintained cash reserves of around HK\$25 million at the time of the Hearing and did not have debts. The Listing Review Committee was of the opinion that in view of the Company's asset-light business model, the Company had demonstrated it had assets of sufficient value to support its operations in compliance with Rule 17.26. The Listing Review Committee also noted that the Company had issued its audited results and other interim or quarterly results on time without any audit issues. Also, there was no allegation of any non-compliance with the listing rules, other laws or regulations.
7. In summary, 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. For the avoidance of doubt, the Listing Review Committee also found the Company had complied with RG2.

## **Decision**

8. The Listing Review Committee therefore decided to overturn the GEM Listing Committee's decision to cancel the Company's listing pursuant to Rule 9.14A(1).

**Shareholders should note that decisions of the Listing Review Committee do not represent binding precedents, and do not constrain the discretion of or otherwise bind the Stock Exchange or other committees (including, without limitation the Listing Review Committee) in respect of other matters. Shareholders who have any queries about the implications of the LRC Decision are advised to obtain appropriate professional advice.**

## **COMPANY'S PERSPECTIVE ON THE DECISION**

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.

As the Company moves forward, it is diligently finalising the schedule for the Resumption. Recognizing the significance of this milestone, the Company is committed to ensuring transparency and compliance with the GEM Listing Rules. Consequently, the Company will promptly make further announcement(s) regarding the anticipated timetable for the resumption of the trading of the Shares, keeping Shareholders and potential investors of the Company informed of the progress and complying with the necessary regulatory requirements under GEM Listing Rules.

## **SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange was 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. When in doubt, shareholders and potential investors of the Company are advised to seek advice from professional or financial advisers.**

By order of the Board  
**Unitas Holdings Limited**  
**Maisy Ho**  
*Chairlady*

Hong Kong, 29 September 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](http://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](http://www.unitas.com.hk)).*