

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)

THIRD QUARTERLY REPORT

2017

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 report, 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 report 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 report misleading.

HIGHLIGHTS

- Unaudited revenue of the Group for the nine months ended 31 December 2017 amounted to HK\$95,383,000, representing a decrease of approximately 50.18% when compare with the corresponding period in 2016.
- Consolidated loss attributable to owners of the Company for the nine months ended 31 December 2017 was approximately HK\$4,074,000 as compared to a loss of approximately HK\$8,616,000 in corresponding period in 2016. The decrease in loss was mainly due to release from share of amortisation of intangible assets and results of the Company's associated group.
- **Loss per share of the Company for the nine months ended 31 December 2017 was approximately HK\$0.17 cents.**
- **The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2017.**

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 nine months ended 31 December 2017, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2017

| | Notes | Three months ended 31 December | | Nine months ended 31 December | |
|---------------------------------------|-------|-----------------------------------|---|----------------------------------|---|
| | | 2017 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 (restated) | 2017 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 (restated) |
| Revenue | 3 | 40,193 | 32,563 | 95,383 | 191,460 |
| Cost of sales | | (34,543) | (29,655) | (83,449) | (174,632) |
| Gross profit | | 5,650 | 2,908 | 11,934 | 16,828 |
| Other gains and losses | 3 | (611) | 4,972 | 4,303 | 5,541 |
| Administrative and operating expenses | | (4,466) | (2,672) | (15,982) | (9,381) |
| Finance costs | 5 | (1,081) | (691) | (4,301) | (3,911) |
| Share of results of an associate | | - | (5,372) | - | (15,741) |
| Loss before tax | 6 | (508) | (855) | (4,046) | (6,664) |
| Income tax | 7 | (257) | (976) | (28) | (1,952) |

| | Three months ended | | Nine months ended | |
|--|--------------------|-------------|-------------------|-------------|
| | 31 December | | 31 December | |
| | 2017 | 2016 | 2017 | 2016 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Notes | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | (restated) | | (restated) |
| Loss for the period | (765) | (1,831) | (4,074) | (8,616) |
| Other comprehensive income, net of tax | | | | |
| Items that may be subsequently reclassified to profit or loss: | | | | |
| Share of changes in other comprehensive income in an associate | - | (3) | - | (13) |
| Other comprehensive income for the period, net of tax | - | (3) | - | (13) |
| Total comprehensive loss for the period | (765) | (1,834) | (4,074) | (8,629) |
| Loss attributable to owners of the Company for the period | (765) | (1,831) | (4,074) | (8,616) |
| Total comprehensive loss attributable to owners of the Company for the period | (765) | (1,834) | (4,074) | (8,629) |
| Loss per share attributable to owners of the Company | | | | |
| Basic and diluted (HK cents) | (0.03) | (0.08) | (0.17) | (0.38) |

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

| | Attributable to owners of the Company | | | | | | | Total equity |
|---|---------------------------------------|----------------|---------------|------------------------------|--------------------------|----------------------------|--|----------------|
| | Share capital | Share premium | Other reserve | Exchange translation reserve | Convertible bond reserve | Share base payment reserve | Retained profits/ losses (accumulated) | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2017 (audited) | 23,330 | 179,881 | 19 | 157 | 22,856 | 1,954 | (213,252) | 14,945 |
| Loss for the period | - | - | - | - | - | - | (4,074) | (4,074) |
| Other comprehensive loss for the period | - | - | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | - | - | - | (4,074) | (4,074) |
| Issue of new shares upon full conversion of the convertible bonds | 1,400 | 108,956 | - | - | (22,856) | - | - | 87,500 |
| At 31 December 2017 (unaudited) | 24,730 | 288,837 | 19 | 157 | - | 1,954 | (217,326) | 98,371 |
| At 1 April 2016 (audited) | 22,600 | 144,131 | 529 | 64 | 22,856 | 1,954 | (14,699) | 177,435 |
| Loss for the period | - | - | - | - | - | - | (8,616) | (8,616) |
| Other comprehensive loss for the period | - | - | - | (13) | - | - | - | (13) |
| Total comprehensive loss for the period | - | - | - | (13) | - | - | (8,616) | (8,629) |
| At 31 December 2016 (unaudited) | 22,600 | 144,131 | 529 | 51 | 22,856 | 1,954 | (23,315) | 168,806 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS

For the nine months ended 31 December 2017

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, West Wing, Tsim Sha Tsui Centre, 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 corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC as well as shipping and logistics services.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated third quarterly financial statements for the nine months ended 31 December 2017 (the "Third Quarterly Accounts") have been prepared in accordance with Hong Kong Accounting Standard and Interpretations 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 Third Quarterly Accounts are consistent with those used in the annual financial statements for the year ended 31 March 2017. The Third Quarterly 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 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The Third Quarterly Accounts have been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair values. The Third Quarterly Accounts are presented in Hong Kong dollars ("HK\$") except when otherwise indicated.

3. REVENUE AND OTHER REVENUE

Revenue represents fees income received from corporate finance advisory services rendered during the periods.

| | Three months ended | | Nine months ended | |
|---|--------------------|-------------|-------------------|-------------|
| | 31 December | | 31 December | |
| | 2017 | 2016 | 2017 | 2016 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue | | | | |
| Corporate finance advisory income | 1,690 | 2,559 | 4,885 | 5,267 |
| Dry bulk shipping services | 38,503 | 30,004 | 90,498 | 186,193 |
| | 40,193 | 32,563 | 95,383 | 191,460 |
| Other gains and losses | | | | |
| Sundry income | - | - | 1 | 36 |
| Interest income from a promissory note | - | 355 | 198 | 778 |
| Bank interest income | 13 | - | 14 | - |
| Realised gain/(loss) on financial assets at FVTPL | (624) | 2,682 | (3,536) | 2,682 |
| Unrealised (loss)/gain on financial assets at FVTPL | - | 1,935 | 7,626 | 2,045 |
| | (611) | 4,972 | 4,303 | 5,541 |

4. SEGMENT INFORMATION

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

| | Corporate finance advisory service | | Dry bulk shipping | | Consolidated | |
|------------------------------------|---------------------------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| | Nine months ended | | Nine months ended | | Nine months ended | |
| | 31 December | | 31 December | | 31 December | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Revenue | 4,885 | 5,267 | 90,498 | 186,193 | 95,383 | 191,460 |
| Segment results | 3,879 | 6,427 | 4,458 | 9,241 | 8,337 | 15,668 |
| Unallocated corporate expenses | | | | | (8,082) | (2,680) |
| Share of result of an associate | | | | | - | (15,741) |
| Finance cost | | | | | (4,301) | (3,911) |
| Loss before tax | | | | | (4,046) | (6,664) |
| Income tax | | | | | (28) | (1,952) |
| Loss for the period | | | | | (4,074) | (8,616) |

5. FINANCE COSTS

| | Three months ended | | Nine months ended | |
|---|--------------------|-----------------|-------------------|-----------------|
| | 31 December | | 31 December | |
| | 2017 | 2016 | 2017 | 2016 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Imputed interest on convertible bond | 1,081 | 737 | 4,301 | 3,911 |

6. LOSS BEFORE TAX

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

| | Three months ended 31 December | | Nine months ended 31 December | |
|---|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2017 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 | 2017 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 |
| Depreciation | 122 | 2 | 365 | 12 |
| Minimum lease payment under operating lease: | | | | |
| – Property rental | 245 | 245 | 734 | 734 |
| – Wages, salaries, allowances and bonus | 3,568 | 2,534 | 12,664 | 7,370 |
| – Pension scheme contributions | 71 | 65 | 191 | 185 |
| | 3,639 | 2,599 | 12,855 | 7,555 |

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) for the three months and nine months ended 31 December 2017 and 2016.

| | Three months ended 31 December | | Nine months ended 31 December | |
|--------------|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2017 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 | 2017 (Unaudited) HK\$'000 | 2016 (Unaudited) HK\$'000 |
| Current tax | 436 | 1,085 | 738 | 2,585 |
| Deferred tax | (179) | (109) | (710) | (633) |
| | 257 | 976 | 28 | 1,952 |

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

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2017.

9. LOSS PER SHARE

Basic earnings/(loss) per share for each of the three months and nine months ended 31 December 2017 and 2016 are calculated by dividing the (loss)/profit 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 31 December 2017 | For the nine months ended 31 December 2017 | For the three months ended 31 December 2016 | For the nine months ended 31 December 2016 |
|---|---|--|---|--|
| Profit/(Loss) attributable to the owners of the Company | (HK\$765,000) | (HK\$4,074,000) | (HK\$1,831,000) | (HK\$8,616,000) |
| Weighted average number of ordinary share in issue | 2,357,848,221 | 2,350,187,673 | 2,260,000,000 | 2,260,000,000 |
| Earnings/(loss) per share (HK cents per share) | (0.03) | (0.17) | (0.08) | (0.38) |

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the three and nine months ended 31 December 2017 have been adjusted for the effect of the full conversion of the outstanding convertible bonds in the principal amount of HK\$87,500,000 on 15 December 2017.

All outstanding share options of the Company have not been included in the computation of diluted earnings per share as they did not have a dilutive effect to the Company's earnings/(loss) per share during the nine months ended 31 December 2017 because the exercise prices of these Company's share options were higher than the average market prices of the Company's shares during the period.

10. APPROVAL OF THIRD QUARTERLY FINANCIAL STATEMENTS

The Third Quarterly Accounts were approved and authorised for issue by the Board on 14 February 2017.

DIVIDEND

The Directors do not recommend the payment of an dividend for the nine months ended 31 December 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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 PRC as well as provision of shipping and logistics services.

Corporate finance advisory business

The Group continues seeking to position itself as one of the active local corporate finance advisory service providers in Hong Kong. The Group provides a broad range of corporate finance advisory services to its clients, including:

- (i) advising on the The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rule"), the GEM Listing Rules 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 merger(s) and acquisition(s) (the "M&A") activities and other corporate activities; and
- (iv) advising on corporate resumption.

During the period under review, the Group continued to focus on the provision of corporate finance advisory services to its clients. The Group also continued to maintain professional networks to facilitate new client referrals and client retention through business luncheons, dinners, cocktails and other social occasions, and involvement in various professional bodies and educational institutions. The Group recorded revenue of approximately HK\$4,885,000 for the nine months ended 31 December 2017, representing a decrease of approximately 7.25% when compared to the corresponding period in 2016.

Shipping and logistics business

The Group recorded a turnover and net profit of approximately HK\$90,498,000 and HK\$3,725,000 respectively from its shipping and logistics business segment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Review

Results

For the nine months ended 31 December 2017, the revenue of the Group decreased by approximately 50.18% to approximately HK\$95,383,000 compared to approximately HK\$191,460,000 in the corresponding period in 2016. The decrease was mainly due to the decline in performance of the Group's shipping and logistics business.

The Group's administrative and operating expenses for the nine months ended 31 December 2017 was approximately HK\$15,892,000 as compare to approximately HK\$9,381,000 recorded in the corresponding period in 2016. Such increase was mainly due to increase in staff cost and increase in staff bonus.

The Group's loss attributable to owners of the Company for the nine months ended 31 December 2017 was approximately HK\$4,074,000 compared to a loss of approximately HK\$8,616,000 in the corresponding period last year. The decrease in loss was mainly due to release from share of amortisation of intangible assets and results of the Company's associated group.

FOREIGN EXCHANGE EXPOSURE

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

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 31 December 2017, the Group did not pledge any of its assets (31 December 2016: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had 25 full-time employees (31 December 2016: 31), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$12,855 for the nine months ended 31 December 2017 as compared to approximately HK\$7,555 for the nine months ended 31 December 2016. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Discretionary bonuses will be paid to employees with reference to the financial performance of the Group in the preceding financial year 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.

OUTLOOK

In spite of the slow recovery pace in the global economy and the competitive business environment, we are optimistic and see potential opportunities in the corporate finance advisory services industry and shipping and logistics industry. We will continue to pursue our core business and to strengthen it by enhancing technical competence, expanding the alliance network and improving public awareness.

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.

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.

Details of options granted are as follows:

| Options type | Date of grant | Exercisable period | Exercise price per share HK\$ | Fair value at grant date per share HK\$ | Remaining contractual life of options |
|--------------|---------------|-----------------------|----------------------------------|--|---------------------------------------|
| 2014 | 17/9/2014 | 17/9/2014 – 16/9/2024 | 0.68 | 0.13027 | 7 years |

The following table discloses movements of the Company's share options held by employees and directors during the period ended 31 December 2017:

| Participant | Date of grant | Exercise price per share HK\$ | Exercise period | At 1 April 2017 '000 | Number of options | | | | At 31 December 2017 |
|--------------------------------|---------------|----------------------------------|-----------------------|-------------------------|-----------------------------------|-------------------------------------|-----------------------------|--------------------------|---------------------|
| | | | | | Granted during the period '000 | Exercised during the period '000 | Cancelled during the period | Lapsed during the period | |
| Employees other than directors | 17/9/2014 | 0.68 | 17/9/2014 – 16/9/2024 | 12,500 | - | - | - | - | 12,500 |
| Consultants | 17/9/2014 | 0.68 | 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 31 December 2017, 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:

Long positions in the Company

| Name of Director and chief executive | Type of interests | Number of ordinary shares held | Number of underlying shares held | Approximate percentage of shareholding in the Company |
|---|--------------------------------------|---------------------------------------|---|--|
| Ms. Ho Chiu Ha Maisy <i>(Note 1)</i> | Beneficial owner | 406,000,000 | – | 16.42% |
| | Interest of a controlled corporation | 227,062,500 | – | 9.18% |
| Mr. Wong Kam Wah <i>(Note 2)</i> | Interest of a controlled corporation | 70,000,000 | – | 2.83% |
| Ms. Man Wing Yee Ginny | Beneficial owner | 440,040,000 | – | 17.79% |
| Mr. Wang Qiang | Beneficial owner | 100,000,000 | – | 4.04% |
| Mr. Lau Ling Tak | Beneficial owner | 43,937,500 | – | 1.78% |

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

Note(s):

1. Ms. Ho Chiu Ha Maisy has a total interest in 633,062,500 shares/underlying shares (representing an aggregate of approximately 25.60% shareholding in the Company), of which (i) 227,062,500 shares were held by 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 and the 227,062,500 shares of the Company through Refulgent Sunrise Limited by virtue of the SFO; and (ii) Ms. Ho Chiu Ha Maisy personal held 406,000,000 shares.
2. The 70,000,000 shares are registered in the name of Kate Glory Limited. Mr. Wong Kam Wah is the beneficial owner of 100% of the issued share capital of Kate Glory Limited. By virtue of the SFO, Mr. Wong Kam Wah is deemed to be interested in 70,000,000 shares held by Kate Glory Limited.

Save as disclosed above, as at 31 December 2017, 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 31 December 2017, 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 |
|-------------------------------------|------------------|--------------------------------|----------------------------------|---|
| Refulgent Sunrise Limited (Note) | Beneficial owner | 227,062,500 | – | 9.18% |
| Ms. Li Zhaoxia | Beneficial owner | 46,423,333 | 330,700,000 | 15.25% |
| 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 is deemed to be interested in this shareholding through Refulgent Sunrise Limited by virtue of the SFO. Ms. Ho Chiu Ha Maisy personally held 406,000,000 shares.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

Long positions in the Company (Continued)

Save as disclosed above, as at 31 December 2017, 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 nine months ended 31 December 2017.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the nine months ended 31 December 2017, 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 nine months ended 31 December 2017.

CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the nine months ended 31 December 2017, 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 2017 (the "AGM 2017") as she had other important business engagement. However, Mr. Wong Kam Wah, an executive Director, had chaired the AGM 2017 in accordance with the articles of association of the Company.

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, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises four independent non-executive Directors, namely Mr. Siu Chi Yiu Kenny, Mr. Lee Chi Keung Jim, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond (as the Committee chairman). The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017 have not been audited by the Company's auditors, but have been reviewed by the Committee, who is of the opinion that the 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 February 2018

As at the date of this report, the Company's executive Directors are Ms. Ho Chiu Ha Maisy (Chairlady), Mr. Wong Kam Wah, Mr. Lau Ling Tak, Ms. Man Wing Yee Ginny, Mr. Leung Man Kit and Mr. Wang Qiang, and the independent non-executive Directors are Mr. Siu Chi Yiu Kenny, Mr. Lee Chi Keung Jim, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond.