

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)

2021
FIRST QUARTERLY REPORT

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.

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 three months ended 30 June 2021 amounted to approximately HK\$894,000, representing a decrease of approximately 39% when compared with the corresponding period in 2020.
- The Group recorded an unaudited consolidated loss from continuing operations attributable to owners of the Company for the three months ended 30 June 2021 of approximately HK\$1,977,000 as compared to a loss of approximately HK\$2,001,000 in corresponding period in 2020.
- Loss per share of the Company from continuing operations for the three months ended 30 June 2021 was HK\$0.08 cents.
- The Directors do not recommend the payment of a dividend for the three months ended 30 June 2021.

FIRST QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the "Board") of Unitas Holdings Limited 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 ended 30 June 2021, together with the unaudited comparative figures for the three months ended 30 June 2020, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2021

		Three months ended 30 June	
		2021	2020
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000 (Restated)
Continuing operations			
Revenue	3	894	1,466
Cost of operations		(273)	(791)
Gross profit		621	675
Other gains and losses	3	–	–
Administrative and operating expenses		(2,514)	(2,589)
Finance cost	5	(32)	(87)
Loss before income tax from continuing operations	6	(1,925)	(2,001)
Income tax	7	(52)	–
Loss for the period from continuing operations		(1,977)	(2,001)
Discontinued operation			
Loss for the period from a discontinued operation		–	(43)
Loss for the period		(1,977)	(2,044)
Other comprehensive loss for the period, net of tax		–	–
Total comprehensive loss for the period		(1,977)	(2,044)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)**

For the three months ended 30 June 2021

	Three months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
<i>Notes</i>	HK\$'000	<i>HK\$'000</i> (Restated)
Loss attributable to owners of the Company for the period		
– from continuing operations	(1,977)	(2,001)
– from discontinued operation	–	(43)
	<hr/>	<hr/>
Total Comprehensive loss attributable to owners of the Company for the period	(1,977)	(2,044)
	<hr/>	<hr/>
Loss per share		
Basic and diluted (HK cents)		
– from continuing operations	(0.08)	(0.08)
– from discontinued operation	–	–
	<hr/>	<hr/>

9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2021

	Attributable to owners of the Company						Total Equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Financial assets at fair value through other comprehensive income reserve HK\$'000	Other reserve HK\$'000	Share Option reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	
At 1 April 2021 (audited)	24,730	288,837	33	-	1,954	(299,452)	16,102
Loss for the period	-	-	-	-	-	(1,977)	(1,977)
Other comprehensive income for the period	-	-	-	-	-	-	-
At 30 June 2021 (unaudited)	24,730	288,837	33	-	1,954	(301,429)	14,125
At 1 April 2020 (audited)	24,730	288,837	-	19	1,954	(291,319)	24,221
Loss for the period	-	-	-	-	-	(2,044)	(2,044)
Other comprehensive income for the period	-	-	-	-	-	-	-
At 30 June 2020 (unaudited)	24,730	288,837	-	19	1,954	(293,363)	22,177

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY RESULTS

For the three months ended 30 June 2021

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 address of its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is located at Flat C, 16/F., MG Tower, 133 Hoi Bun Road, Kwun Tong.

The Company is an investment holding company. The principal activities of its subsidiaries are provision of dry bulk shipping and shipping agent services and IP automation and entertainment business.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated first quarterly financial statements for the three months ended 30 June 2021 have been prepared in accordance with Hong Kong Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the GEM Listing Rules. The principal accounting policies used in the Group's unaudited condensed first quarterly financial statements are consistent with those adopted in the financial statements for the year ended 31 March 2021 and these unaudited condensed consolidated first quarterly financial statements should be read in conjunction with such financial statements.

The Group's unaudited condensed consolidated first quarterly financial statements for the three months ended 30 June 2021 are presented in Hong Kong dollars ("HK\$") except when otherwise indicated. The Group has adopted new or revised standards, amendments to standards and interpretations of Hong Kong Financial Reporting Standards ("new HKFRSs") which are effective for accounting periods commencing on or after 1 January 2021. The adoption of such new HKFRSs does not have material impact on the consolidated accounts and does not result in substantial changes to the Group's accounting policies.

The condensed consolidated accounts have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

3. REVENUE, OTHER GAINS AND LOSSES

An analysis of revenue and other income and gains from continuing operations is as follows:

	Three months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		
Dry bulk shipping and shipping agent income	–	–
IP automation and entertainment business	894	1,466
	<hr/>	<hr/>
	894	1,466
	<hr/>	<hr/>

4. SEGMENT INFORMATION

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

	Dry bulk shipping and shipping agent services		IP automation and entertainment business		Consolidated	
	Three months ended		Three months ended		Three months ended	
	30 June		30 June		30 June	
	2021	2020	2021	2020	2021	2020
	<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	–	–	894	1,466	894	1,466
	<hr/>		<hr/>		<hr/>	
Segment results	(19)	(238)	(950)	(566)	(969)	(804)
	<hr/>		<hr/>		<hr/>	
Unallocated corporate expenses					(924)	(1,110)
Finance cost					(32)	(87)
	<hr/>		<hr/>		<hr/>	
Loss before tax					(1,925)	(2,001)
Income tax					(52)	–
	<hr/>		<hr/>		<hr/>	
Loss for the period					(1,977)	(2,001)
	<hr/>		<hr/>		<hr/>	

5. FINANCE COST

Continuing operations

	Three months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interests on lease liabilities	32	87

6. LOSS BEFORE TAX

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

	Three months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Employee benefit expenses (including directors' remuneration)		
– Wages, salaries, allowances and bonus	1,027	1,367
– Pension scheme contributions*	33	38
	1,060	1,405
Depreciation	156	816
Minimum lease payment under operating lease:		
– Property rental	811	–

* As at 30 June 2021 and 2020, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years.

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) for the three months ended 30 June 2021.

	Three months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax	52	–
Deferred tax	–	–
	<hr/>	<hr/>
	52	–
	<hr/>	<hr/>

8. DIVIDENDS

The Board does not recommend the payment of any dividend for three months ended 30 June 2021 (for the three months ended 30 June 2020: nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Three months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share		
– from continuing operations	(1,977)	(2,001)
– from discontinued operation	–	(43)
	<hr/>	<hr/>

9. LOSS PER SHARE (CONTINUED)

Number of Shares

	Three months ended 30 June	
	2021 (Unaudited) '000	2020 (Unaudited) '000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	2,472,959	2,472,959

During the three months ended 30 June 2021, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effect of the Company's outstanding share options were anti-dilutive and therefore the diluted loss per share are the same as the basic loss per share.

10. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

The unaudited condensed consolidated first quarterly financial statements of the Group were approved and authorised for issue by the Board on 13 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

Dry bulk shipping and shipping agent services

During the period under review, the Group has temporarily set aside the dry bulk shipping and shipping agent business resulted in nil revenue (2020: nil). Net loss of the Group's dry bulk shipping and shipping agent business for the three months ended 30 June 2021 was approximately HK\$19,000 when compared with net loss of approximately HK\$238,080 in the same period last year.

IP automation and entertainment business

The Group IP automation and entertainment business includes (1) operation of 2 shops in Hong Kong under the brand name "Ganawawa". They are the IP thematic experience centres providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet; (2) sale of medical mask and other merchandise. For the period under review, the IP automation and entertainment business generated revenue of approximately HK\$0.89 million (2020: approximately HK\$1.47 million), representing a decrease of approximately 39.5%. Such decrease was mainly caused by the drop in revenue of our "Ganawawa" shops due to decrease in people traffic of our shops.

Financial Review

Results

For the three months ended 30 June 2021, revenue of the Group decreased by approximately 39% to approximately HK\$894,000 from approximately HK\$1,466,000 in the corresponding period in 2020.

The Group's administrative and operating expenses for the three months ended 30 June 2021 decreased by approximately 2.9% to approximately HK\$2,514,000 compared to approximately HK\$2,589,000 for the corresponding period in 2020. During the period under review, the Group's administrative and operating expenses mainly comprises (i) staff cost and directors remuneration of approximately HK\$1.06 million; and (ii) rental expenses of the Group's "Ganawawa" shops of approximately HK\$0.81 million.

The Group's loss from continuing operations attributable to owners of the Company for the three months ended 30 June 2021 was approximately HK\$1,977,000 compared to a loss of approximately HK\$2,001,000 for the corresponding period last year. Such loss was mainly attributable to the decrease in the Group's revenue by approximately 39% when compared with the same period last year.

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.

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 June 2021, the Group did not pledge any of its assets (30 June 2020: nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group had 18 full-time employees and 4 consultants (30 June 2020: 19 full-time employees and 4 part-time employees), including the Directors. Total employee benefit expenses (including Directors' emoluments) were approximately HK\$1.06 million for the three months ended 30 June 2021 as compared to approximately HK\$1.41 million for the three months ended 30 June 2020. 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

Affected by the COVID-19, the Group's Ganawawa's shops business faced a serious downturn. After the 4th wave of pandemic and restriction has been relaxed since early 2021, people are eager for entertainment and leisure activities, we plans to further expand its business in several aspects, firstly, a 7000+ square feet integrated edutainment playground will be launched by fourth quarter of 2021 at the Westwood. Apart from IP gift and game machines, we will bring in e-sports, steam education and party elements to enrich the fun experience. Also, mobile/popup playground will be run at shopping malls all over Hong Kong. The playground will be shown up at different shopping malls to help driving traffic and it would be an extra income source to the business. The confirmed malls including Whampoa in July 2021 and Westwood in August 2021. And some more up and coming.

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.

Details of the options granted under the Scheme, their movements during the three months ended 30 June 2021 and the options outstanding as at 30 June 2021 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 June 2021 '000
						As at 1 April 2021 '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	2015	17/9/2014	0.68	0.13027	17/9/2014 – 16/9/2024	12,500	-	-	-	-	12,500
Consultant	2015	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 June 2021, 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	Approximate percentage of shareholding in the Company
Ms. Ho Chiu Ha Maisy (<i>Note</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%

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 (Continued)

Note:

Ms. Ho Chiu Ha Maisy has a total interest in 636,952,500 shares/underlying shares (representing and aggregate of approximately 25.76% 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; (ii) Ms. Ho Chiu Ha Maisy personal held 407,890,000 shares.

Save as disclosed above, as at 30 June 2021, 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 June 2021, 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	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 June 2021, 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 three months ended 30 June 2021.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the three months ended 30 June 2021, 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 three months ended 30 June 2021.

CODE OF CORPORATE GOVERNANCE PRACTICES

During the period under review, the Company has fully complied with the code provisions as set out in Appendix 15 to the GEM Listing Rules.

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 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 first quarterly financial statements of the Group for the three months ended 30 June 2021 have not been audited by the Company’s auditors, but have been reviewed by the Committee, who is of the opinion that the first quarterly 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 August 2021

As at the date of this report, 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.