

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Unity Investments Holdings Limited

合一投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 913)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

RESULTS

The board of directors (the “**Board**”) of Unity Investments Holdings Limited (the “**Company**”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the year ended 31 December 2008 (the “**Year**”) with comparative figures for the corresponding period in 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	<i>Note</i>	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Turnover	4	(6,334,669)	(91,529,295)
Other revenue	4	2,121,170	2,656,153
Unrealised (loss) gain on investments held for trading		(38,819,960)	40,037,652
Unrealised loss on derivative financial instruments		(5,887,591)	(5,257,813)
Impairment of available-for-sale investments		(179,681,477)	–
Realised loss on disposal of available-for-sale investments		(217,147,138)	(31,123,307)
Other operating expenses		(10,180,985)	(11,286,635)
Finance costs	6	(2,498,438)	(2,492,396)
Loss before taxation	6	(458,429,088)	(98,995,641)
Taxation	7	–	–
Loss for the year attributable to equity holders of the Company	8	<u>(458,429,088)</u>	<u>(98,995,641)</u>
			<i>(Restated)</i>
Loss per share – Basic	9	<u>(1.76)</u>	<u>(2.01)</u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	2008	2007
	<i>HK\$</i>	<i>HK\$</i>
Non-current assets		
Property, plant and equipment	3,447,082	1,430,491
Available-for-sale investments	<u>143,437,613</u>	<u>280,991,825</u>
	<u>146,884,695</u>	<u>282,422,316</u>
Current assets		
Investments held for trading	26,722,407	150,549,641
Other receivables	7,228,963	5,220,030
Bank balances and cash	<u>4,245,589</u>	<u>9,732,245</u>
	<u>38,196,959</u>	<u>165,501,916</u>
Current liabilities		
Other payables and accruals	520,521	865,483
Interest-bearing borrowings, unsecured	9,500,000	25,000,000
Derivative financial instruments	<u>5,887,591</u>	<u>5,257,813</u>
	<u>15,908,112</u>	<u>31,123,296</u>
Net current assets	<u>22,288,847</u>	<u>134,378,620</u>
Total assets less current liabilities	<u>169,173,542</u>	<u>416,800,936</u>
Non-current liabilities		
Zero-coupon convertible notes	<u>15,722,690</u>	<u>–</u>
NET ASSETS	<u><u>153,450,852</u></u>	<u><u>416,800,936</u></u>
Capital and reserves		
Share capital	37,579,147	313,159,563
Reserves	<u>115,871,705</u>	<u>103,641,373</u>
TOTAL EQUITY	<u><u>153,450,852</u></u>	<u><u>416,800,936</u></u>

Notes:

1. GENERAL INFORMATION

Unity Investments Holdings Limited was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The principal activities of the Group are described in note 4.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2007 financial statements. The adoption of the new/revised HKFRSs that are effective from the current year has had no significant effects on the Group’s results and financial position for the current and prior years.

3. FUTURE CHANGES IN HKFRS

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRS that are not yet effective for the current year, which the Group has not early adopted. The directors anticipate that the adoption of these new/revised HKFRS in the future periods will have no material impact on the result of the Group.

3. FUTURE CHANGES IN HKFRS (CONTINUED)

		Effective for annual periods beginning on or after
HKAS 1 (Revised)	Presentation of Financial Statements	1 January 2009
HKAS 23 (Revised)	Borrowing Costs	1 January 2009
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
HKFRS 2 (Amendments)	Shared-based Payment – Vesting Conditions and Cancellations	1 January 2009
HKFRS 8	Operating Segments	1 January 2009
HK(IFRIC)-INT 15	Agreements for the Construction of Real Estate	1 January 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
HKAS 39 (Amendments)	Eligible Hedged Items	1 July 2009
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HK(IFRIC)-INT 17	Distribution of Non-Cash Assets to Owners	1 July 2009

4. TURNOVER AND REVENUE

The Group is principally engaged in the investment in listed and unlisted companies. Turnover and revenue recognised during the year are as follows:

	<i>Note</i>	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Turnover			
Loss from the sale of investments held for trading	<i>4(a)</i>	<u>(6,334,669)</u>	<u>(91,529,295)</u>
Other revenue			
Other income		10,860	180,437
Interest income		50,584	695,548
Dividend income			
– listed investments		1,532,020	1,780,168
Exchange gain		125,402	–
Gain on disposal of property, plant and equipment		402,304	–
		<u>2,121,170</u>	<u>2,656,153</u>
Total revenue		<u>(4,213,499)</u>	<u>(88,873,142)</u>

4(a). Loss from the sale of investments held for trading

The Group's proceeds from the sale of investments at fair value through profit or loss and the corresponding carrying amount were separated into "Turnover" and "Cost of sales", respectively, in the prior year's consolidated income statement. During the current year, the Group changed its presentation, as in the opinion of the directors, it is more appropriate to present the gain/loss from the sale of investments at fair value through profit or loss in "Turnover" on a net basis. The effect of this change in presentation was to decrease revenue and cost of sales for the year ended 31 December 2008 by HK\$164,158,588, representing the carrying amount of investments at fair value through profit or loss disposed of during the year. To conform with the current year's presentation, the carrying amount of investments at fair value through profit or loss disposed of for the year ended 31 December 2007 of HK\$928,768,239 has been offset against revenue, resulting in a decrease in revenue and cost of sales for that year by the same amount. This has resulted in no change in the amount of accumulated losses as at 1 January 2007.

5. SEGMENT INFORMATION

The Group has determined not to present further business segment information as the Group's turnover, contribution to operating loss, assets and liabilities are attributable to the investments in listed and unlisted companies.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the markets, and assets are attributed to the segments based on the location of the assets.

	2008				
	Hong Kong	Taiwan	United States	Others	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Segment revenue	3,283,970	132	(7,803,152)	305,551	(4,213,499)
Segment assets	157,837,210	7,756,880	11,294,764	8,192,800	185,081,654
Capital expenditure	<u>3,990,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,990,292</u>
	2007				
	Hong Kong	Taiwan	United States	Others	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Segment revenue (<i>restated</i>)	(95,347,455)	171	6,446,724	27,418	(88,873,142)
Segment assets	368,870,541	17,204,265	33,978,097	27,871,329	447,924,232
Capital expenditure	<u>339,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,678</u>

6. LOSS BEFORE TAXATION

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
This is stated after charging:		
Finance costs		
Other borrowings wholly repayable within five years	2,106,966	2,492,396
Imputed interest expense from zero-coupon convertible notes	<u>391,472</u>	<u>–</u>
	<u>2,498,438</u>	<u>2,492,396</u>
Staff costs		
Employee benefits expense, excluding directors' remuneration	736,226	545,204
Contributions to defined contribution plans	<u>26,701</u>	<u>18,720</u>
	<u>762,927</u>	<u>563,924</u>
Other items		
Auditors' remuneration		
– under provision in prior year	–	30,000
– current year	395,000	370,000
Depreciation	776,005	895,957
Exchange loss	–	131,615
Operating leases in respect of:		
– office premises	389,019	309,600
– hire of machinery	63,432	58,744
Equity-settled share-based payment	<u>–</u>	<u>2,383,617</u>

7. TAXATION

Hong Kong Profits Tax has not been provided in the financial statements as companies within the Group incurred a loss for the years 2008 and 2007.

8. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the loss for the year attributable to equity holders of the Company of HK\$458,429,088 (*2007: HK\$98,995,641*), a loss of HK\$539,195,927 (*2007: HK\$137,726,609*) is dealt with in the financial statements of the Company.

9. LOSS PER SHARE

The calculation of basic loss per share is based on the Group's loss attributable to the equity holders of HK\$458,429,088 (*2007: HK\$98,995,641*) and the weighted average number of 260,810,781 (*2007 as restated: 49,306,054*) ordinary shares in issue during the year.

The comparative amount of the basic loss per share for 2007 has been adjusted to reflect the impact of the share consolidation and the rights issue during the year.

No diluted loss per share was presented as there was an anti-dilutive effect after adjusting for the effects of all dilutive potential ordinary shares.

DIVIDEND

No interim dividend was paid by the Company during the Year (2007: Nil) and the Board does not recommend the payment of a final dividend for the Year (2007: Nil).

FINAL RESULTS

The Group's audited consolidated net loss attributable to the shareholders was HK\$458,429,088 for the Year (2007: HK\$98,995,641). The increase in net loss is attributable to realised loss on disposal of its listed available-for-sale investments and listed investments held for trading; unrealised loss on revaluation of its listed investments held for trading; and impairment of its available-for-sale investments, all of which are as a result of significant downturn of global equity market. Loss per share was HK\$1.76 (2007 as restated: HK\$2.01).

BUSINESS REVIEW

The Company is an investment company and the Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 27 October 1999 pursuant to Chapter 21 of the Rules Governing the Listing of Securities (the "**Listing Rules**"). During the Year, the Group was principally engaged in listed and unlisted investments in Hong Kong and listed investments in other main stock market around the world. There was no change in the nature of the Company's principal activity during the Year.

The stock market in Hong Kong highly fluctuated since late 2007 as a result of global credit market squeeze. Turnover recognised by the Group during the Year was the loss from the sale of investments at fair value through profit or loss on a net basis, which amounted to HK\$6,334,669 (2007 as restated: HK\$91,529,295).

The Board believes that securities market is still challenging under the global credit crisis and the Board will continue to identify any medium-term or long-term investment opportunities and exercise caution when managing the investment portfolio. In terms of diversification, the Group's current investment portfolio covers a wide range of industries and sectors, including, but not limited to, companies engaged in trading, information technologies, media, energy, property investment, securities investment etc.

FINANCIAL REVIEW

Liquidity, Financial Resource and Capital Structure

The consolidated net asset value per share of the Company as at 31 December 2008 was HK\$0.41 (2007: HK\$0.13). The consolidated net asset value per share is calculated based on the net assets of the Group of HK\$153,450,852 (2007: HK\$416,800,936) as at 31 December 2008 and 375,791,474 issued shares of the Company as at that date (2007: 3,131,595,629 shares).

As at 31 December 2008, the Group's gearing ratio was 17.09% (2007: 6.95%), which is calculated on the Group's total liabilities divided by its total assets. As at 31 December 2008, the Group had HK\$9,500,000 unsecured, interest bearing short-term borrowings (2007: HK\$25,000,000) and the retained cash of HK\$4,245,589 (2007: HK\$9,732,245). Taking into account of the amount of liquid assets in hand and available short-term or margin loan facilities and there was no material capital commitment, the directors are of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

The Group's asset portfolio is mainly financed by its shareholders' funds. As at 31 December 2008, the Group had shareholders' funds of HK\$153,450,852 (2007: HK\$416,800,936). During the Year, the Company completed a rights issue in June 2008, 1,565,797,810 rights shares were issued with net proceeds of approximately HK\$181,700,000. On 8 October 2008, the Company entered into two settlement deeds with two short-term loan lenders, pursuant to which convertible notes with aggregate principal amount of HK\$38,000,000 (the "**Convertible Notes**") was issued on 26 November 2008 to settle HK\$38,000,000 outstanding loan principal.

During the Year, the Company had undergone two capital reorganisation pursuant to which a total contributed surplus of HK\$432,160,196 arose and HK\$153,846,438 and HK\$21,313,066 was utilised to eliminate the accumulated losses of the Company for the year ended 31 December 2007 and the loss for the Year.

Charge of Group Assets

As at 31 December 2008, margin facilities from several regulated securities brokers were granted to the Group which were secured by the Group's available-for-sale investments and investments held for trading. As at 31 December 2008, a total amount of HK\$Nil (2007: HK\$131,142) had been utilised against these facilities and the total carrying amount of the available-for-sale investments and investments held for trading charged to the securities brokers is HK\$106,759,551 (2007: HK\$302,558,861).

Contingent Liabilities

The Company had corporate guarantee for securities trading account maintained by one of its subsidiaries with a broker, which were utilised to the extent of HK\$Nil (2007: HK\$Nil) at the balance sheet date.

The Company has not recognised any deferred income for the corporate guarantee given in respect of the securities trading facilities for subsidiaries as their fair value cannot be reliably measured and their transactions price was zero.

At the balance sheet date, the directors do not consider probable that a claim will be made against the Company under any of the guarantee.

Foreign Exchange Exposure

As at 31 December 2008, the majority of the Group's investments were either denominated in Hong Kong dollars or United States dollars. The Group considers its exposure to foreign exchange risk was not significant, therefore, no financial instruments was made to hedge such exposures.

PROSPECTS

2008 has turned out to be an “Annus Horribilis” for the global capital markets. The US downturn, ignited by an asset bubble especially the property market financed by thinly-regulated financial derivative issuances, have now become a full-blown worldwide synchronised recession, with a number of banking systems in the world under stress and Asia’s growth now being disruptively curtailed. Despite massive intervention by fiscal and monetary authorities, the global financial system remains fragile with credit tight and a long list of banks and “near-bank” financial institutions reporting hundreds of billions of dollars in losses and many on the verge of bankruptcy. China has not been immune against the backdrop of global downturn, with its export-oriented economy.

As a reflection to falling demand, oil prices have fallen drastically, with OPEC now considering production cut. Other commodity prices have also dropped from the peak in 2007. The commodity downcycle has now enabled central banks to relax their guards over inflation and focus more on rebuild the capital of the core financial institutions and inflate the economies aggressively through cutting interest rates as well as money supply injection.

Therefore, the difficult global capital market condition should overspill to 2009 for a period and will not improve until the lack of risk capital and the credit crunch can be addressed. Recent concerted actions by the central banks especially from the G7 countries have helped short-term corporate borrowing cost to fall sharply. However, the cost of the long-end of the risk curve remains clearly elevated, with Asian CDS spreads at historically high levels.

In view of such capital market uncertainties, the Group will continue to look for appropriate investment opportunities to expand and diversify its portfolio, with special consideration towards withstanding the challenges of a complete economic cycle. Should the capital market environment improves, the Board of Directors of the Group may consider allocating part of the distributable net profit as the next dividend payout, as reward for investors’ loyalty to the Group.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2008, the Group had ten employees, including three executive directors, four independent non-executive directors and three staff. They are remunerated based on their performance, working experience and prevailing market standards. For the Year, the total staff costs paid amounted to HK\$2,498,700 (2007: HK\$2,365,949) and there has been no significant change in the Group’s remuneration policy.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the Year, the Company repurchased the following shares on the Stock Exchange and the title documents of the respective repurchased shares were cancelled and destroyed accordingly shown as follows:

Date of repurchase	Number of shares repurchased	Price per share		Total consideration
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
25 February 2008	9	0.048	0.048	0.43
20 June 2008	2	0.065	0.065	0.13

Save as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the Year (2007: Nil).

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is dedicated to an ongoing enhancement of effective and efficient corporate governance practice in compliance with the principles set out in the Code on Corporate Governance Practice contained in Appendix 14 (the "Code Provision") of the Listing Rules.

For the financial year ended 31 December 2008 and up to the date of this announcement, the Company, in the opinion of the Board, has complied with the Code Provision with deviations from Code Provision A.2.1, A.4.1 and E.1.2 as summarised below:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. CHUNG Wilson as an executive director and chairman of the Company on 16 January 2008, Mr. KITCHELL Osman Bin was elected as chairman and took the role of chairman and chief executive officer of the Company. Mr. KITCHELL Osman Bin possesses essential leadership skills and has extensive knowledge in the business of the Group. The Board is of the view that currently vesting the roles of chairman and chief executive officer in the same person provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and be subject to re-election. The Company has not fixed the term of appointment for non-executive directors, which constitutes a deviation from Code Provision A.4.1. However, all non-executive directors are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to Article 157 of the articles of association of the Company which was amended on 13 September 2005. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting those in the Code Provision.

Code Provision E.1.2 stipulates that chairman of the audit and remuneration committees or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, should be available to answer questions at the general meeting. Neither of the chairman nor the members of the board committees has attended and been available to answer questions in the extraordinary general meeting held on 30 January 2008. However, opinions of independent non-executive directors had been expressed in the letters from the Independent Board Committee which was included in circular of the Company dated 7 January 2008. Save as extraordinary general meeting held on 30 January 2008, the Company has complied Code Provision E.1.2.

The current corporate governance practices of the Company will be reviewed and updated in a timely manner in order to comply with the requirements of the Code Provision.

POST BALANCE SHEET EVENTS

Rights Issue

On 2 February 2009, the Board announced that the Company proposed a rights issue of not less than 375,791,474 rights shares and not more than 663,670,261 rights shares at the subscription price of HK\$0.10 per rights share on the basis of one rights share for every share held on the record date by the qualifying shareholder(s). The rights issue is conditional upon the following conditions being fulfilled:

- (i) the approval of the rights issue by shareholders of the Company at the extraordinary general meeting;

- (ii) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong on or prior to the posting date of the prospectus documents in compliance with section 342C of the Companies Ordinance and the Listing Rules;
- (iii) the Listing Committee of the Stock Exchange agreeing to grant listing of, and permission to deal in, the rights shares in its nil-paid and fully-paid forms by no later than the posting of prospectus documents and not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the settlement date;
- (iv) the posting of the prospectus documents to the qualifying shareholders on the posting date;
- (v) compliance by the Company with all its obligations under the underwriting agreement with the underwriter;
- (vi) the signing by or on behalf of all of the directors on or before the posting date of two copies of each of the prospectus documents and the certification by two directors of two copies of each of the prospectus documents; and
- (vii) the delivery on or before the posting date of one such signed copy of each of the prospectus documents to the underwriter.

AUDIT COMMITTEE

The Audit Committee of the Company as at the date of this announcement comprises four independent non-executive directors, namely Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki, Ms. SWARTZ Kristi Lynn and Mr. NGAI Wai Kin.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls, auditing and financial reporting matters, including a review of the audited financial statements for the year ended 31 December 2008.

AUDITORS' REPORT

The auditors' report of the Group's financial statements for the year ended 31 December 2008 is unqualified.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be despatched to shareholders of the Company and published on website of the Stock Exchange and the Company (www.unity913.com) in due course.

APPRECIATION

The Board would like to take this opportunity to express our appreciation to the staff and management team of the Group for their contribution during the Year and also to give our sincere gratitude to all our shareholders for their continuous support.

By order of the Board
Unity Investments Holdings Limited
合一投資控股有限公司
KITCHELL Osman Bin
Executive Director

Hong Kong, 20 February 2009

As at the date of this announcement, the Executive Directors of the Company are Mr. KITCHELL Osman Bin (Chairman and Chief Executive Officer), Ms. DAVIS Angela Hendricks and Ms. CHOI Ka Wing; and the Independent Non-executive Directors of the Company are Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki, Ms. SWARTZ Kristi Lynn and Mr. NGAI Wai Kin.