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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)

**FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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 2010 (the “**Year**”) with comparative figures for the corresponding period in 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	<i>Note</i>	2010 HK\$	2009 <i>HK\$</i>
Turnover	4	(29,978,152)	(16,039,273)
Other revenue	4	2,851,091	4,904,925
Changes in fair value of listed equity investments classified under investments held for trading		6,338,759	2,849,767
Changes in fair value of unlisted debt investments designated as at fair value through profit or loss		10,000,000	–
Reversal of impairment on unlisted debt investments classified under available-for-sale investments		–	5,011,515
Impairment of unlisted equity investments classified under available-for-sale investments		(8,530,916)	(4,401,751)

	<i>Note</i>	2010 HK\$	2009 <i>HK\$</i>
Impairment of listed equity investments classified under available-for-sale investments		(8,765,700)	–
Realised loss on disposal of listed equity investments classified under available-for-sale investments		(26,066,323)	(70,448,365)
Gain on redemption of unlisted debt investments classified under available-for-sale investments		2,000,000	–
Other operating expenses		(11,635,463)	(21,206,724)
Finance costs	6	(1,175,010)	(1,288,121)
Loss before tax	6	(64,961,714)	(100,618,027)
Income tax expense	7	–	–
Loss for the year attributable to equity holders of the Company	8	(64,961,714)	(100,618,027)
Changes in fair value of available-for-sale investments		(65,407,022)	84,660,808
Realisation upon disposal of available-for-sale investments		26,066,323	70,448,365
Transfer to profit or loss upon impairment of available-for-sale investments		8,765,700	–
Other comprehensive (loss) income for the year, before and net of tax effects		(30,574,999)	155,109,173
Total comprehensive (loss) income for the year attributable to equity holders of the Company		(95,536,713)	54,491,146
			<i>(Restated)</i>
Loss per share – Basic and Diluted	9	(1.40)	(13.69)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	<i>Note</i>	2010 HK\$	2009 HK\$
Non-current assets			
Property, plant and equipment		2,395,155	4,408,327
Available-for-sale investments	10	323,201,556	258,797,699
		<u>325,596,711</u>	<u>263,206,026</u>
Current assets			
Available-for-sale investments	10	3,600,000	–
Financial assets at fair value through profit or loss	11	134,647,893	29,148,632
Other receivables		13,699,205	377,428
Bank balances and cash		3,851,951	6,359,142
		<u>155,799,049</u>	<u>35,885,202</u>
Current liabilities			
Other payables and accruals		7,414,264	2,575,834
Net current assets		<u>148,384,785</u>	<u>33,309,368</u>
NET ASSETS		<u>473,981,496</u>	<u>296,515,394</u>
Capital and reserves			
Share capital		4,226,893	14,387,488
Reserves		469,754,603	282,127,906
TOTAL EQUITY		<u>473,981,496</u>	<u>296,515,394</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 “**Stock Exchange**”). The principal activity of the Group is described in note 4.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) 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 consolidated financial statements also comply with applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2009 consolidated financial statements. The adoption of the new/ revised HKFRSs that are effective from the current year 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 consolidated financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to <i>HKAS 32</i>	<i>Classification of Rights Issues</i> ¹
Amendments to <i>HKFRS 1</i> (Revised)	<i>Limited Exemption from Comparative HKFRS 7</i> <i>Disclosures for First-time Adopters</i> ²
<i>HK(IFRIC) – Int 19</i>	<i>Extinguishing Financial Liabilities with Equity</i> <i>Instruments</i> ²
<i>HKAS 24 (Revised)</i>	<i>Related Party Disclosures</i> ³
Amendments to <i>HK(IFRIC)</i> – <i>Int 14</i>	<i>Prepayments of a Minimum Funding Requirement</i> ³
Improvements to <i>HKFRSs 2010</i>	<i>Improvements to HKFRSs 2010</i> ⁴
Amendments to <i>HKFRS 7</i>	<i>Disclosures – Transfer of Financial Assets</i> ⁵
Amendments to <i>HKAS 12</i>	<i>Deferred Tax: Recovery of Underlying Assets</i> ⁶
<i>HKFRS 9</i>	<i>Financial Instruments</i> ⁷

- ¹ Effective for annual periods beginning on or after 1 February 2010
- ² Effective for annual periods beginning on or after 1 July 2010
- ³ Effective for annual periods beginning on or after 1 January 2011
- ⁴ Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate
- ⁵ Effective for annual periods beginning on or after 1 July 2011
- ⁶ Effective for annual periods beginning on or after 1 January 2012
- ⁷ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of assessing the possible impact on the future adoption of these new/ revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group's consolidated financial statements.

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:

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Turnover		
Loss from the sale of listed investments classified under investments held for trading	<u>(29,978,152)</u>	<u>(16,039,273)</u>
Other revenue		
Other income	20	273
Interest income	30,611	42,306
Dividend income from listed investments	2,816,555	4,862,346
Exchange gain	3,905	–
	<u>2,851,091</u>	<u>4,904,925</u>
Total revenue	<u>(27,127,061)</u>	<u>(11,134,348)</u>

5. SEGMENT INFORMATION

For the purpose of internal reporting, the Group only has one business segment, namely, investments in listed and unlisted securities. The Group's turnover, contribution to operating profit, assets and liabilities are attributable to this only segment.

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue; and (ii) the Group's non-current assets other than financial instruments ("specified non-current assets"). The geographical location from which the Group derives revenue is based on the location of the markets of the respective investments; and geographical location of the specified non-current assets is based on the physical location of the asset.

	Revenues		Specified non-current assets	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Hong Kong (place of domicile)	<u>(27,849,643)</u>	<u>(16,853,305)</u>	<u>2,395,155</u>	<u>4,408,327</u>
United States	–	928,332	–	–
Others	<u>722,582</u>	<u>4,790,625</u>	<u>–</u>	<u>–</u>
	<u>722,582</u>	<u>5,718,957</u>	<u>–</u>	<u>–</u>
	<u><u>(27,127,061)</u></u>	<u><u>(11,134,348)</u></u>	<u><u>2,395,155</u></u>	<u><u>4,408,327</u></u>

6. LOSS BEFORE TAXATION

	2010 HK\$	2009 HK\$
This is stated after charging (crediting):		
Finance costs		
Other borrowings wholly repayable within five years	1,715,010	171,838
Imputed interest expense from zero-coupon convertible notes	–	1,116,283
	<u>1,715,010</u>	<u>1,288,121</u>
Staff costs		
Employee benefits expense, excluding directors' remuneration	1,065,453	887,645
Contributions to defined contribution plans	38,601	31,400
	<u>1,104,054</u>	<u>919,045</u>

	2010	2009
	<i>HK\$</i>	<i>HK\$</i>
Other items		
Auditor's remuneration	380,000	365,000
Depreciation	2,188,206	1,487,563
Exchange loss	–	24,071
Loss on disposal of a subsidiary	–	5,677,265
Share-based payment in respect of share options granted	387,628	–
Operating leases in respect of:		
office premises	883,089	722,040
hire of machinery	80,069	48,308
	<u><u> </u></u>	<u><u> </u></u>
Disclosures pursuant to Rule 21.12(1)(c) of the Listing Rules		
Realised loss on disposal of listed investments	56,044,475	86,487,638
Realised surplus on unlisted investments	(2,000,000)	–
Unrealised loss (surplus) on listed investments	2,426,941	(2,849,767)
Unrealised surplus on unlisted investments	(1,469,084)	(609,764)
	<u><u> </u></u>	<u><u> </u></u>

7. TAXATION

Hong Kong Profits Tax has not been provided in the consolidated financial statements as companies within the Group incurred losses for taxation purpose for the years 2010 and 2009.

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\$64,961,714 (2009: HK\$100,618,027), a loss of HK\$95,536,704 (2009: profit of HK\$54,491,138) 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\$64,961,714 (2009: HK\$100,618,027) and the weighted average number of 46,261,699 (2009 as restated: 7,349,906) ordinary shares in issue during the year. The comparative amount of the basic loss per share for 2009 has been adjusted to reflect the impact of the share consolidation and the rights issues effected during the year.

As there were no dilutive potential ordinary shares, diluted loss per share was the same as basic loss per share in 2010 and 2009.

10. AVAILABLE-FOR-SALE INVESTMENTS

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Equity investments, at fair value		
Listed in Hong Kong	<u>314,091,572</u>	<u>214,556,799</u>
Equity investments, at cost		
Unlisted in Hong Kong	<u>36,058,300</u>	36,058,300
Impairment loss	<u>(30,058,300)</u>	<u>(30,058,300)</u>
	<u>6,000,000</u>	6,000,000
Unlisted overseas	<u>11,640,900</u>	11,640,900
Impairment loss	<u>(8,530,916)</u>	–
	<u>3,109,984</u>	<u>11,640,900</u>
	<u>9,109,984</u>	<u>17,640,900</u>
Debt investments, unlisted in Hong Kong, at fair value	<u>3,600,000</u>	<u>26,600,000</u>
Total	<u>326,801,556</u>	<u>258,797,699</u>
Current portion	<u>(3,600,000)</u>	–
	<u><u>323,201,556</u></u>	<u><u>258,797,699</u></u>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Held for trading		
Equity investments		
Listed in Hong Kong	<u>76,790,293</u>	18,340,802
Listed overseas	<u>13,156,000</u>	<u>10,807,830</u>
	<u>89,946,293</u>	<u>29,148,632</u>
Designated upon initial recognition		
Debt investments		
Unlisted in Hong Kong	<u>44,701,600</u>	–
Total	<u><u>134,647,893</u></u>	<u><u>29,148,632</u></u>

DIVIDEND

No interim dividend was paid by the Company during the Year (2009: Nil) and the Board does not recommend the payment of a final dividend for the Year (2009: Nil).

FINAL RESULTS

The Group's audited consolidated loss attributable to shareholders was HK\$64,961,714 for the Year (2009: HK\$100,618,027). The decrease in net loss was mainly attributable to decrease in realised loss on disposal of its listed available-for-sale investments which was as a result of improvement in equity market in Hong Kong. Loss per share was HK\$1.40 (2009 as restated: HK\$13.69).

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**") since 27 October 1999 pursuant to Chapter 21 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). During the Year, the Group remains principally engaged in listed and unlisted investments in Hong Kong and in other main stock markets around the world and also in unlisted companies.

Given continuous volatile market condition, the listed investments held for trading of the Group has suffered and posted realised loss of HK\$29,978,152 (2009: HK\$16,039,273), while the listed available-for-sale investments reported realised loss of HK\$26,066,323 (2009: HK\$70,448,365). During the Year, the Board remained focus on listed equity and unlisted debt securities in Hong Kong. The Company keep caution in identifying any investment opportunities to achieve medium-term or long-term capital appreciation.

With a view to keep balance of its investment portfolio, the Board would maintain diversified investment portfolio to cover a wide range of business sectors, including, but not limited to, companies engaged in financial sectors, insurance sector, consumer goods, industrial goods and manufacturing sector, property sector, retailing and services sector, green energy and natural resources sectors.

FINANCIAL REVIEW

Liquidity, Financial Resource and Capital Structure

The Group's asset portfolio was mainly financed by internally generated cash resources and fund raising activities. As at 31 December 2010, net current assets of the Group amounted to HK\$148,384,785 (2009: HK\$33,309,368) with a cash and bank balances of HK\$3,851,951 (2009: HK\$6,359,142). The consolidated net asset value per share of the Company as at 31 December 2010 was HK\$1.12 (2009: HK\$2.06). The consolidated net asset value per share as at 31 December 2010 is calculated based on the net assets of the Group of HK\$473,981,496 (2009: HK\$296,515,394) and 422,689,338 ordinary shares of the Company in issue as at that date (2009: 143,874,881 shares).

There was no material change in available credit facilities when compared with the financial year ended 31 December 2009. As at 31 December 2010, the Group did not have any unsecured, interest bearing short-term borrowings (2009: *HK\$Nil*). The gearing ratio of the Group was 1.54% as at 31 December 2010 (2009: 0.86%), which is calculated based on the Group's total liabilities divided by its total assets. 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 Board are of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

On 14 January 2010 and 19 February 2010, the Company placed 28,770,000 shares and 100,000,000 shares through placing agents to independent investors at a placing price of HK\$0.38 per placing share, net proceeds of approximately HK\$10.6 million and HK\$36.1 million respectively was received. The Company also completed two rights issues on two for one basis at an issue price of HK\$0.15 each on 18 May 2010 and eight for one basis at an issue price of HK\$0.36 each on 23 December 2010 which resulted in issue of 569,279,762 ordinary shares of HK\$0.10 each with net proceeds of approximately HK\$81.55 million and 375,723,856 ordinary shares of HK\$0.01 each with net proceeds of approximately HK\$129.57 million respectively. The total net proceeds from the placements and the rights issues were used for listed securities investments and general working capital of the Group.

On 24 September 2010, a special resolution was passed by the shareholders at the extraordinary general meeting of the Company to approve capital reorganisation including consolidation of every twenty issued shares of HK\$0.10 each into one consolidated share of HK\$2.00 each; reduction in each issued paid-up consolidated share of HK\$2.00 each to HK\$0.01 each so as to form an adjusted share of HK\$0.01 each; and sub-division of each of the authorised but unissued share of HK\$0.10 each into ten adjusted shares of HK\$0.01 each. The capital reduction was approved by the Grand Court of the Cayman Islands on 26 November 2010 and the capital reorganisation became effective on 1 December 2010, pursuant to which an aggregate credit amount of HK\$93,461,309 arisen was utilised to set-off against the accumulated losses of the Company. The authorised share capital of the Company became HK\$2,000,000,000 consisting of 200,000,000,000 ordinary shares of HK\$0.01 each.

Charge of Assets and Margin Facilities

As at 31 December 2010, 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 2010, a total amount of HK\$6,862,643 (2009: *HK\$2,250,809*) 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\$452,339,465 (2009: *HK\$270,305,431*).

CONTINGENT LIABILITIES

Financial guarantee issued

The Company had corporate guarantee for securities trading account maintained by one of its subsidiaries with a broker, which were unutilised (2009: HK\$Nil) at the year end 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.

The directors of the Company do not consider probable that a claim will be made against the Company under any of the guarantee at 31 December 2010 and 2009.

Foreign Exchange Exposure

As at 31 December 2010, the majority of the Group's investments were either denominated in Hong Kong dollars or Singapore dollars. The Group considers its exposure to foreign exchange risk was not significant, therefore, no financial instruments was made to hedge such exposures.

PROSPECTS

Global credit and liquidity conditions have improved significantly in the second half of 2010 and although it is likely that there will be financial policy tightening in the upcoming year of 2011. In China, the improvement in the prospects of a GDP growth of 10.3% in 2010-11, up 1.1 percentage points from 2009. It is likely to enhance savings and provide domestic liquidity at reasonable cost for the companies on CAPEX planning. We do expect a gradual contraction of policy induced liquidity in the future as concerns relating to price pressures and asset bubbles replace concerns about growth.

The economic outlook for the region looks promising and while there may be concerns around the slow pace of global recovery and inflation at home, there is unanimity in the view that we are poised at an exciting juncture. This is a good time for the Company to reposition itself and it will provide an impetus for overall economic growth. The Board is confident that the Company will be able to capitalise on these opportunities and propel itself into the next level.

The Board will continue to look for appropriate investment opportunities to expand and diversify its portfolio, with continuing special consideration towards the challenges of the global economy. In addition, the Board will consider fundraising to strengthen its asset base as and when the opportunity arises.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARE

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.

Date of repurchase	Number of shares repurchased	Price per share		Total consideration <i>HK\$</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
10 August 2010	3	0.052	0.052	0.16

Save as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Year.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2010, the Group had ten employees, including three executive directors, three independent non-executive directors and four staff. They are remunerated based on their performance, working experience and prevailing market standards. Total staff costs paid for the Year amounted to HK\$3,132,054 (2009: HK\$2,920,045) and there has been no significant change in the Group's remuneration policy.

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 (the "**Code Provision**") contained in Appendix 14 of the Listing Rules.

For the financial year ended 31 December 2010 and up to the date of this results announcement, the Company, in the opinion of the Board, has complied with the Code Provision with deviations from Code Provision A.2.1 and A.4.1 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. Mr. KITCHELL Osman Bin was elected as chairman of the Company on 16 January 2008 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 Board 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.

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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors of the Company. The Model Code was sent to each director on his/her appointment and any update to the Model Code released by the Stock Exchange was also sent to all existing directors. Upon specific enquiry by the Company, all directors have confirmed that they have complied with the required standards set out in the Model Code for the Year.

AUDIT COMMITTEE

The Audit Committee of the Company as at the date of this results announcement comprises three independent non-executive directors, namely Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki 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 consolidated financial statements and continuing connected transactions for the year ended 31 December 2010.

SCOPE OF WORK OF AUDITOR ON PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2010 have been agreed by the Group's auditor, Mazars CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2010. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

AUDITOR'S REPORT

The auditor's report of the Group's consolidated financial statements for the year ended 31 December 2010 is unqualified.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company at www.unity913.com. The 2010 annual report of the Company will be despatched to shareholders of the Company and published on the same website above 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, 25 February 2011

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 and Mr. NGAI Wai Kin.