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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the “**Board**”) of Unity Investments Holdings Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the year ended 31 December 2015 (the “**Year**”) with comparative figures for the corresponding period in 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	<i>Notes</i>	2015 HK\$’000	2014 HK\$’000
(Loss) Gain from the sale of listed investments held for trading		(12,975)	141,959
Revenue	4	135	4,443
Other income		8,057	720
Changes in fair value of listed equity investments classified under investments held for trading		199,270	1,015
Impairment of assets classified as held for sale		(18,000)	(23,000)
Impairment of unlisted equity investments classified under available-for-sale investments		(78,450)	(27,050)
Realised gain on disposal of listed equity investments classified under available-for-sale investments		52,306	202,159
Realised gain (loss) on disposal of unlisted equity investments classified under available-for-sale investments		2,000	(550)
Other operating expenses		(6,609)	(31,092)
Finance costs	6	(1)	(696)
Profit before tax	6	145,733	267,908
Income tax expense	7	(33,047)	–

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
Profit for the year attributable to equity holders of the Company		<u>112,686</u>	<u>267,908</u>
Other comprehensive income			
<i>Items that are or may be reclassified to profit or loss:</i>			
Changes in fair value of available-for-sale investments		(26,585)	(17,780)
Realisation upon disposal of available-for-sale investments		<u>9,369</u>	<u>(201,609)</u>
Other comprehensive loss for the year		<u>(17,216)</u>	<u>(219,389)</u>
Total comprehensive income for the year attributable to equity holders of the Company		<u>95,470</u>	<u>48,519</u>
		<i>HK\$</i>	<i>HK\$</i> (Restated)
Earnings per share – Basic and Diluted	8	<u>0.05</u>	<u>0.43</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Non-current assets			
Available-for-sale investments	9	<u>202,744</u>	<u>260,850</u>
Current assets			
Financial assets at fair value through profit or loss	10	651,426	10,120
Deposits and prepayments		242	150
Due from securities brokers	11	7,446	25,456
Bank balances and cash		<u>38,583</u>	<u>5,104</u>
		697,697	40,830
Assets classified as held for sale		<u>177,000</u>	<u>285,000</u>
		<u>874,697</u>	<u>325,830</u>
Current liabilities			
Due to securities broker	12	227	–
Other payables and accruals		<u>736</u>	<u>916</u>
		<u>963</u>	<u>916</u>
Net current assets		<u>873,734</u>	<u>324,914</u>
Total assets less current liabilities		<u>1,076,478</u>	<u>585,764</u>
Non-current liabilities			
Deferred tax liabilities		<u>33,047</u>	<u>–</u>
NET ASSETS		<u><u>1,043,431</u></u>	<u><u>585,764</u></u>
Capital and reserves			
Share capital		58,211	11,642
Reserves		<u>985,220</u>	<u>574,122</u>
TOTAL EQUITY		<u><u>1,043,431</u></u>	<u><u>585,764</u></u>
		HK\$	HK\$
Net asset value per share		<u><u>0.36</u></u>	<u><u>0.10</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 “**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 2014 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year. A summary of the principal accounting policies adopted by the Group is set out below.

Impact of the Hong Kong Companies Ordinance (Cap. 622)

The financial-reporting requirements of Part 9 “Accounts and Audit” of the Ordinance comes into operation for the preparation of these consolidated financial statements and as a result, there are changes to the presentation and disclosures of certain information as compared with the 2014 consolidated financial statements. There is no impact on the Group’s financial position or performance, however, the new Hong Kong Companies Ordinance, Cap. 622, impacts on the preparation and disclosures on the consolidated financial statements.

3. FUTURE CHANGES IN HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 1	<i>Disclosure Initiative</i> ¹
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i> ¹
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i> ¹
Amendments to HKAS 28 (2011) and HKFRS 10	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	<i>Investment Entities: Applying the Consolidation Exception</i> ¹
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> ¹
HKFRS 14	<i>Regulatory Deferral Accounts</i> ¹
Various HKFRSs	<i>Annual Improvements Project – 2012-2014 Cycle</i> ²
HKFRS 15	<i>Revenue from Contracts with Customers</i> ³
HKFRS 9 (2014)	<i>Financial Instruments</i> ³

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2016, with limited exceptions

³ Effective for annual periods beginning on or after 1 January 2018

The directors of the Company do not anticipate that the adoption of these new HKFRSs in future periods will have any material impact on the results of the Group.

4. REVENUE

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

	2015 HK\$'000	2014 HK\$'000
Revenue		
Interest income	135	–
Dividend income from listed investments	–	4,443
	<u>135</u>	<u>4,443</u>

5. SEGMENT INFORMATION

For the purpose of internal reporting, the Group only has one business segment, namely, investments in listed and unlisted securities. Business segment information, which is the Group's primary basis of segment reporting, is not required as the Group's revenue, contribution to operating profit, assets and liabilities are attributable to this only segment.

Geographical information

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. However, over 90% of the Group's revenue and non-current assets are principally attributable to Hong Kong. Consequently, no geographical information represented.

6. PROFIT BEFORE TAX

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
This is stated after charging (crediting):		
Finance costs		
Other borrowings wholly repayable within five years	<u>1</u>	<u>696</u>
Staff costs		
Employee benefits expense, excluding directors' remuneration	457	3,447
Contributions to defined contribution plans	<u>22</u>	<u>106</u>
	<u>479</u>	<u>3,553</u>
Other items		
Auditor's remuneration	390	430
Depreciation	–	708
Exchange loss, net	–	3
Loss on disposal of subsidiaries	–	2,104
Operating leases in respect of:		
office premises	12	840
office equipment	5	118
Written off of property, plant and equipment	<u>–</u>	<u>841</u>
Disclosures pursuant to Rule 21.12(1)(c) of the Listing Rules		
Realised gain on disposal of listed investments	(39,331)	(344,118)
Realised (gain) loss on disposal of unlisted investments	(2,000)	550
Unrealised (gain) loss on listed investments	(172,685)	16,765
Unrealised loss on unlisted investments	<u>96,450</u>	<u>50,050</u>

7. TAXATION

Hong Kong Profits Tax has not been provided as the estimated assessable profits of the Group was wholly absorbed by unrelieved tax losses brought forward from previous years.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to the equity holders of the Company of HK\$112,686,000 (2014: HK\$267,908,000) and the weighted average number of 2,477,398,836 (2014 as restated: 619,337,450) ordinary shares in issue during the year.

As there are no dilutive potential ordinary shares, diluted earnings per share is the same as basic earnings per share in 2015 and 2014.

The calculations of the basic earnings per share for the current and prior reporting periods have been adjusted as a result of the issuance of shares under open offers on 19 March 2015.

9. AVAILABLE-FOR-SALE INVESTMENTS

	2015 HK\$'000	2014 HK\$'000
Equity investments, at fair value		
Listed in Hong Kong	30,244	69,900
Equity investments, at fair value		
Unlisted in Hong Kong	<u>172,500</u>	<u>190,950</u>
Total	<u><u>202,744</u></u>	<u><u>260,850</u></u>

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 HK\$'000	2014 HK\$'000
Held for trading		
Equity investments listed in Hong Kong	<u><u>651,426</u></u>	<u><u>10,120</u></u>

11. DUE FROM SECURITIES BROKERS

Amounts due from securities brokers represent deposits placed with securities brokers for the trading of listed investments which are repayable on demand and interest-free.

12. DUE TO SECURITIES BROKER

Amount due to securities broker represent margin loans arising from the trading of listed investments which are repayable on demand. No ageing analysis is disclosed in respect of accounts payable due to securities broker. In the opinion of the directors of the Company, an ageing analysis does not give additional value in view of the Group's business nature.

FINAL RESULTS AND FINAL DIVIDEND

The Group's audited consolidated net profit attributable to shareholders was approximately HK\$112.7 million for the Year (2014: HK\$267.9 million) which was mainly attributable to net realised gain on disposal of listed investments and net unrealised gain on listed investments. Earnings per share was approximately HK\$0.05 (2014: HK\$0.43 (restated)).

The Board does not recommend the payment of a final dividend for the Year (2014: Nil).

BUSINESS REVIEW

The Company is an investment company and the Company's shares are 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 investments in Hong Kong and in unlisted companies.

Despite of the stock market crash in the third quarter of the Year, the overall performance of the Group's listed stock investments during the Year maintained outstanding. The listed equity investments classified under investments held for trading has posted net realised loss of approximately HK\$13.0 million (2014: profit of HK\$142.0 million) and unrealised gain of approximately HK\$199.3 million (2014: HK\$1.0 million). The listed equity investments classified under available-for-sale investments reported net gain of approximately HK\$52.3 million (2014: HK\$202.2 million). During the Year, the Board remained to place much resources on listed equity investments in Hong Kong. The Company is cautious in identifying any investment opportunities to achieve medium-term or long-term capital appreciation.

In order to keep reasonable spread of the Group's investments, the Board will maintain a diversified investment portfolio to cover a wide range of business sectors, including, but not limited to, companies engaged in sectors such as finance, consumer goods and services, media, airline industry, etc.

The classification of financial assets of the Group as at 31 December 2015 are as follows:

	Market value/Cost HK\$'000	Approximate percentage of the Group's consolidated net asset value
Assets classified as held for sale	177,000	17.0%
Available-for-sale investments	202,744	19.4%
Financial assets at fair value through profit or loss	651,426	62.4%
	<u>1,031,170</u>	

The Group has held four unlisted investments with attractive potentials. These investee companies are Keen Champ Investments Limited (“**Keen Champ**”), Starfame Investments Limited (“**Starfame**”), Pure Power Holdings Limited (“**Pure Power**”) and Peak Zone Group Limited (“**Peak Zone**”).

The principal business of Keen Champ group is holding operating rights and forestry management of forest trees. Starfame group is a wholesale and distributing company for products encompassing various aspects of production and livelihood, and a trading company of petrochemical products. Pure Power group is running natural resources exploration and exploitation businesses in America. Peak Zone group principally engages in the electronic commerce industry specializing on the provision of integrated application, which can be deployed by its customers on a modular or selective basis, offering flexibility in budget and choice.

During the Year, the Group has entered into two sales and purchase agreements (the “**Disposal Agreements**”) to dispose of its interests in Peak Zone and Keen Champ at sales prices of HK\$108 million and HK\$105 million respectively. In addition, the Group has entered into another sales and purchase agreement to sell its investment in Sincere Smart International Limited (“**Sincere Smart**”) at HK\$92 million.

In the second half of the Year, the purchasers of the Disposal Agreements informed the Group that they would not continue to execute the Disposal Agreements. As a result, the Group recognized an income by forfeiting the deposits of HK\$7 million in aggregate, based on the Disposal Agreements. The Group maintained its intention to dispose of its equity interests in Peak Zone and Keen Champ as at the end of the Year. Based on the valuation reports, the valuation of the Group’s stake in Peak Zone and Keen Champ as at 31 December 2015 were approximately HK\$78.3 million and HK\$98.7 million. Accordingly, impairment losses on the corresponding investments of approximately HK\$11.7 million and HK\$6.3 million were recorded during the Year. In connection with Sincere Smart, the transaction was completed during the Year, and gain on disposal of Sincere Smart of HK\$2 million was recognized.

There was an unexpected shocking fall of crude price since the second half of 2014 (crude oil (Brent) dropped from approximately US\$109 per barrel in June 2014 to US\$56 per barrel in December 2014 and further below US\$40 per barrel in December 2015). The Board considered that the crude price level was attractive in long run, and acquired further 13.53% equity interest in Pure Power in December 2015. As at 31 December 2015, the Group held 24.53% equity stake in Pure Power, which was valued at approximately HK\$82.5 million, and the impairment loss on the investment in Pure Power of HK\$78.5 million was recognised during the Year.

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 2015, net current assets of the Group amounted to approximately HK\$873.7 million (2014: HK\$324.9 million) with cash and bank balances of approximately HK\$38.6 million (2014: HK\$5.1 million). The consolidated net asset value per share of the Company as at 31 December 2015 was HK\$0.36 (2014: HK\$0.10). The consolidated net asset value per share as at 31 December 2015 is calculated based on the net assets of the Group of HK\$1,043.4 million (2014: HK\$585.8 million) and 2,910,528,010 ordinary shares of the Company at par value of HK\$0.02 each in issue as at that date (2014: 5,821,056,025 shares (at par value of HK\$0.002 each)).

As at 31 December 2015, the Company had no outstanding bank borrowing (2014: Nil). The gearing ratio of the Group was 3.2% as at 31 December 2015 (2014: 0.2%), 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, the Group has sufficient financial resources to meet its ongoing operational requirements.

During the Year, the Company has adopted (i) share consolidation for every ten (10) shares of par value of HK\$0.002 each into one (1) consolidated shares of par value of HK\$0.02 each, and (ii) open offer to issue four offer shares for every one (1) consolidated share. Accordingly, the Company issued share capital changed from 5,821,056,025 shares of par value of HK\$0.002 each as at 31 December 2014 to 2,910,528,010 shares of HK\$0.02 each as at 31 December 2015. Approximately HK\$372.5 million (before expenses) was raised by the open offer.

Charge of Assets and Margin Facilities

As at 31 December 2015, 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 2015, approximately HK\$227,000 (2014: HK\$Nil) 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 approximately HK\$58,653,000 (2014: approximately HK\$80,020,000).

PROSPECTS

At long last, the Federal Reserve in mid-December 2015 raised interest rates and kicked off what is expected to be the first in a series of hikes that will likely extend into 2016 and beyond, bringing rates above their near-zero threshold for the first time since 2008.

But after months of liftoff delays and plenty of criticism from doves and hawks alike, Federal Reserve Chair Janet Yellen's long-awaited rate increase seems to be more symbolic than anything else. The actual adjustment will only boost rates about 0.25 percent. Moreover, the sharp falling of global stock markets and the introduction of negative interest rate by Japan in January 2016 will likely slow down the US interest rate normalization.

The eurozone's monetary policymakers have kept low interest rates, with the slump in oil prices not yet severe enough to push borrowing costs in the single currency area to fresh lows in the first three quarters of the Year. The governing council of the European Central Bank ("ECB") eventually decreased its benchmark main refinancing rate and deposit rate to 0.05 per cent and minus 0.3 per cent respectively, in December 2015, and subsequently further to 0 per cent and minus 0.4 per cent respectively on 16 March 2016.

While the above ECB'S decision was widely expected, some analysts believe it is only a matter of time before global economic conditions force the ECB to unleash another fresh round of monetary stimulus.

Worries about China's economic strength are at the heart of certain investors. After more than a decade of double-digit growth, during which it overtook Japan to become the world's second largest economy, things have inevitably slowed down. Last year China's GDP officially expanded by 6.9%, the slowest pace for 25 years. Other economic data from China has underscored the country's significant task of rebalancing the economy away from reliance on its vast manufacturing sector and exports to a more diverse mix. The move in China's currency is also another focus in the global economic and investment markets.

Although the Group has kept recording a satisfactory financial result in the Year, in view of the uncertainties mentioned above, the Board will continue to monitor the market dynamics closely and adopt a conservative approach on investments, so as to further enhance value for the shareholders of the Company.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is dedicated to an ongoing enhancement of effective and efficient corporate governance standards. The Board believes that high corporate governance standards are essential in providing framework for the Company safeguard the interests of the shareholders and to enhance corporate value and accountability. The Company has applied the principles set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules.

For the Year, the Company has complied with all code provisions set out in the CG Code, save and except for code provisions A.2.1 and A.6.7, details of which will be explained below.

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. NG Chi Hoi ("Mr. NG") took the role of chairman and chief executive officer of the Company. Mr. NG Chi Hoi possesses essential leadership skills and has extensive knowledge of the Group's business. The Board is of the view that currently vesting the roles of chairman and chief executive 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.

Pursuant to code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings. Certain independent non-executive directors of the Company could not attend all general meetings held in the Year due to other business commitments.

The practice of the corporate governance of the Company will be reviewed and updated from time to time in order to comply with the requirements of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARE

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

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. Upon specific enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards as set out in the Model Code for the Year.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) as at the date of this results announcement comprises all independent non-executive directors, namely Mr. CHAN Yik Pun, Mr. HUNG Cho Sing and Ms. CHUNG Fai Chun. Mr. CHAN Yik Pun is the chairman of the Audit Committee.

The Audit Committee, along with management, has reviewed accounting principles and practices adopted by the Group and also discussed matters such as internal controls, audit and financial reporting, including a review of the audited consolidated financial statements, continuing connected transactions, and the results announcement for the Year.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is published on the Company's website at www.unity913.com and the website of the Stock Exchange at www.hkexnews.hk. The 2015 annual report of the Company will be despatched to shareholders of the Company and published on the same websites above in due course.

APPRECIATION

On behalf of the Board, I 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 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
NG Chi Hoi
Chairman

Hong Kong, 23 March 2016

As at the date of this announcement, the Board comprises:

Executive directors:

Mr. NG Chi Hoi

(Chairman and Chief Executive Officer)

Ms. SHUM Kit Lan Anita

Independent non-executive directors:

Mr. HUNG Cho Sing

Mr. CHAN Yik Pun

Ms. CHUNG Fai Chun

The English text of this announcement shall prevail over its Chinese text in case of inconsistency.