

*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 disclaims 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 2018**

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 2018 (the “**Year**”) with comparative figures for the corresponding period in 2017 as follows:

### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2018*

	<i>Notes</i>	<b>2018</b> <b>HK\$'000</b>	2017 <i>HK\$'000</i>
<b>Gross proceeds from disposal of trading securities</b>		<b>27,099</b>	74,358
<b>Loss from the sale of equity investments at fair value through profit or loss</b>		<b>(15,402)</b>	–
<b>Loss from the sale of listed investments held for trading</b>		–	(169,837)
Revenue	4	<b>46</b>	5
Changes in fair value of equity investments at fair value through profit or loss		<b>(99,619)</b>	–
Changes in fair value of listed equity investments classified as investments held for trading		–	(420,750)
Changes in fair value of unlisted convertible bonds designated as financial assets at fair value through profit or loss		–	(2,400)
Impairment of listed equity investments classified as available-for-sale investments		–	(7,317)
Impairment of unlisted equity investments classified as available-for-sale investments		–	(9,064)
Realised gain on disposal of unlisted equity investments classified as available-for-sale investments		–	5,000

	<i>Notes</i>	<b>2018</b> <b><i>HK\$'000</i></b>	2017 <i>HK\$'000</i>
Impairment of financial assets at amortised costs, net		<b>195</b>	–
Other operating expenses		<b>(6,347)</b>	(5,762)
Finance costs	6	<b>(2,143)</b>	(3,209)
<b>Loss before tax</b>	6	<b>(123,270)</b>	(613,334)
Income tax	7	–	–
<b>Loss for the year attributable to equity holders of the Company</b>		<b>(123,270)</b>	(613,334)
<b>Other comprehensive loss</b>			
<i>Items that are or may be reclassified to profit or loss:</i>			
Changes in fair value of available-for-sale investments		–	(61,898)
Reclassification upon disposal of available-for-sale investment		–	(5,000)
Reclassification upon impairment of available-for-sale investment		–	16,381
Other comprehensive loss for the year		–	(50,517)
<b>Total comprehensive loss for the year attributable to equity holders of the Company</b>		<b>(123,270)</b>	(663,851)
		<b><i>HK\$</i></b>	<b><i>HK\$</i></b>
<b>Loss per share</b>			
– Basic and Diluted	8	<b>(0.07)</b>	(0.34)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	<i>Notes</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Non-current assets</b>			
Available-for-sale investments	<i>9</i>	–	246,092
Equity investments at fair value through profit or loss	<i>10</i>	<b>181,251</b>	–
		<u>181,251</u>	<u>246,092</u>
<b>Current assets</b>			
Equity investments at fair value through profit or loss	<i>10</i>	<b>148,545</b>	–
Financial assets held for trading	<i>11</i>	–	172,301
Deposits and prepayments		<b>581</b>	577
Due from securities brokers	<i>12</i>	<b>10,466</b>	30,770
Other receivable		<b>22,854</b>	46,250
Bank balances and cash		<b>456</b>	1,295
		<u>182,902</u>	<u>251,193</u>
<b>Current liabilities</b>			
Due to securities brokers	<i>13</i>	<b>18,311</b>	16,834
Other payables and accruals		<b>551</b>	831
Loan payables		–	10,175
Bond payables		<b>10,000</b>	10,684
		<u>28,862</u>	<u>38,524</u>
<b>Net current assets</b>		<u>154,040</u>	212,669
<b>Total assets less current liabilities</b>		<u>335,291</u>	458,761
<b>NET ASSETS</b>		<u><u>335,291</u></u>	<u><u>458,761</u></u>

	<i>Notes</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Capital and reserves</b>			
Share capital		<b>186,232</b>	186,232
Reserves		<b>149,059</b>	272,529
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>335,291</b>	458,761
		<hr/>	<hr/>
		<i>HK\$</i>	<i>HK\$</i>
Net asset value per share	<i>14</i>	<b>0.18</b>	0.25
		<hr/> <hr/>	<hr/> <hr/>

*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 Company is investment holding and principal activities of its subsidiaries are detailed in note 4 to the consolidated financial statements.

## **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 2017 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.

The amendments relevant to the Group include the followings.

### ***HKFRS 9 Financial Instruments***

In the current year, the Group has adopted HKFRS 9 “Financial Instruments”, which becomes effective for accounting periods beginning on or after 1 January 2018. The Group applied the transition provisions set out in HKFRS 9 to adjust the retained profits or other reserves as at 1 January 2018, without restating comparative information retrospectively, for any adjustments to the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9. The principal effects resulting from the application of HKFRS 9 on the Group’s assets or liabilities are summarised below.

### ***Classification and measurement of financial assets and financial liabilities***

HKFRS 9 “Financial Instruments” introduces a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics, and the new requirements on accounting for financial liabilities that are designated at fair value through profit or loss.

### ***Impairment of financial assets***

HKFRS 9 replaces the “incurred loss” impairment model in HKAS 39 with a forward-looking “expected credit loss” model. The Group applies simplified approach to recognise lifetime expected losses for all debtors and other receivables, and expected losses for investments in securities.

The following tables summarised the impact, of transition to HKFRS 9 on the opening balance of reserves, accumulated loss as of 1 January 2018 as follows:

	<b>Investment revaluation reserve HK\$'000</b>	<b>Accumulated loss HK\$'000</b>
<b>As at 31 December 2017</b>	32,958	(812,108)
Increase in expected credit losses (“ECLs”) in other receivable	–	(591)
Reclassification of investment revaluation reserve under HKFRS 9	(32,958)	32,958
	<hr/>	<hr/>
<b>Restated as at 1 January 2018</b>	<hr/> <b>–</b> <hr/>	<hr/> <b>(779,741)</b> <hr/>

The following table shows the effects of transition to HKFRS 9 on the carrying amounts of financial assets under HKAS 39 based on the measurement category under HKFRS 9 on 1 January 2018.

	<b>Carrying amount under HKAS 39 as at 31 December 2017 HK\$'000</b>	<b>Remeasurement on transition to HKFRS 9 HK\$'000</b>	<b>Carrying amount under HKFRS 9 as at 1 January 2018 HK\$'000</b>
<b>Amortised cost</b>			
Other receivable	46,250	(591)	45,659
	<hr/>	<hr/>	<hr/>

The change in the classification of financial assets under HKFRS 9 at the date of initial application on 1 January 2018 is that available-for-sale investments of approximately HK\$246,092,000 as at 31 December 2017 were classified as equity investments at fair value through profit or loss of HK\$246,092,000 as comparative figures in the consolidated statement of financial position. Based on the Group’s financial instruments policies, the equity securities classified as available-for-sale investments qualified for designation as measured at financial assets at fair value through other comprehensive income under HKFRS 9, however, the Group does not elect the option for designating these securities to be measured at financial assets at fair value through other comprehensive income and measures these securities at fair value with subsequent fair value gains or losses to be recognised in profit or loss. Upon initial application of HKFRS 9, investments revaluation reserve related to these available-for-sale investments currently accumulated in equity of HK\$32,958,000 were transferred to accumulated loss at 1 January 2018.

### 3. FUTURE CHANGES IN HKFRS

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.

HKFRS 16	<i>Leases<sup>1</sup></i>
HKFRS 17	<i>Insurance Contracts<sup>2</sup></i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments<sup>1</sup></i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement<sup>1</sup></i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures<sup>1</sup></i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2015-2017 Cycle<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### **HKFRS 16 Leases**

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale.

HKFRS 16 also includes requirements relating to subleases and lease modifications. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$129,000 as disclosed in note 6. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of approximately HK\$26,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

#### 4. REVENUE

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Revenue</b>		
Interest income	1	5
Dividend income from listed investments classified as held for trading	45	–
	<u>46</u>	<u>5</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. LOSS BEFORE TAX

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
This is stated after charging (crediting):		
<b>Finance costs</b>		
Interest on margin financing	1,477	1,023
Interest on loan payables	150	1,586
Interest on bond payables	516	600
	<u>2,143</u>	<u>3,209</u>
<b>Staff costs</b>		
Employee benefits expense, excluding directors' remuneration	416	529
Contributions to defined contribution plans	20	26
	<u>436</u>	<u>555</u>
<b>Other items</b>		
Auditor's remuneration	450	430
Operating leases in respect of: office premises	129	52
	<u>579</u>	<u>482</u>
<b>Disclosures pursuant to Rule 21.12(1)(c) of the Listing Rules</b>		
Realised loss on disposal of listed investments (i)	15,402	169,837
Realised gain on disposal of unlisted investments	–	(5,000)
Unrealised loss on listed investments (ii)	40,876	428,067
Unrealised loss on unlisted investments	58,743	56,981
	<u>115,021</u>	<u>649,885</u>

### Notes:

- (i) The amounts are calculated based on the sales proceeds less cost of those listed investments.
- (ii) The amounts represented changes in fair value of unrealised investments during the year and cumulative change in fair value of realised investments.

## 7. TAXATION

No provision for Hong Kong Profits Tax was made by the Group as the Group did not derive any assessable profits in Hong Kong for the year ended 31 December 2018 and 2017.

## 8. LOSS PER SHARE

The calculation of basic loss per share is based on the Group's loss attributable to the equity holders of the Company of HK\$123,270,000 (2017: HK\$613,334,000) and the weighted average number of 1,862,316,806 (2017: 1,808,289,409) ordinary shares in issue during the year.

As exercise of share options of the Company would result in a decrease in loss per share, diluted loss per share is the same as basic loss per share in year ended 31 December 2018 and 2017.

## 9. AVAILABLE-FOR-SALE INVESTMENTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Equity investments, at fair value</b>		
Listed in Hong Kong	–	6,098
<b>Equity investments, at fair value</b>		
Unlisted outside Hong Kong	–	239,994
	<u>–</u>	<u>239,994</u>
<b>Total</b>	<u>–</u>	<u>246,092</u>

## 10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Current</b>		
Listed equity investments in Hong Kong	<u>148,545</u>	<u>–</u>
<b>Non-current</b>		
Unlisted equity investment outside Hong Kong	<u>181,251</u>	<u>–</u>

## 11. FINANCIAL ASSETS HELD FOR TRADING

The amount represented equity investments listed in Hong Kong held for trading.

## **12. 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.

## **13. DUE TO SECURITIES BROKERS**

Amounts due to securities brokers 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 brokers. 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.

## **14. NET ASSET VALUE PER SHARE**

Net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$335,291,000 (2017: approximately HK\$458,761,000) by the number of shares in issue at 31 December 2018, being 1,862,316,806 (2017: 1,862,316,806).

In the course of preparation of this results announcement, the value of the Group's unlisted investments decreased by net amount of approximately HK\$58.7 million, which was made with reference to independent valuation reports. As these valuation reports were obtained by the Company after 15 January 2019, the date of the Company's announcement titled "Net Asset Value" (the "**NAV Announcement**"), the net asset value per share of the Company as at 31 December 2018 decreased from HK\$0.212 as stated in the NAV Announcement to HK\$0.18 as stated in this results announcement.

## FINAL RESULTS AND FINAL DIVIDEND

The Group's audited consolidated net loss attributable to shareholders was approximately HK\$123.3 million for the Year which was mainly attributable to the changes in fair value of equity investments at fair value through profit or loss, while the loss from the sale of listed investments held for trading and changes in fair value of listed equity investments classified as investment held for tradings were the principal factors to the corresponding loss amount of approximately HK\$613.3 million for the year ended 31 December 2017. Loss per share for the Year was approximately HK\$0.07 (2017: HK\$0.34).

The Board does not recommend the payment of a final dividend for the Year (2017: 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.

Given continuous volatile market conditions, the listed investments of the Group during the Year has suffered. The listed equity investments has posted net realised loss of approximately HK\$15.4 million (2017: HK\$169.8 million) and unrealised loss of approximately HK\$40.9 million (2017: HK\$428.1 million). During the Year, the Board remained focus on listed equity 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, construction, mining, etc.

All the investments of the Group as at 31 December 2018 are equity investments as follows:

	<b>Market value HK\$'000</b>	<b>Approximate percentage of the Group's consolidated net asset value</b>
Listed investments	181,251	54.1%
Unlisted investments	148,545	44.3%
	<hr/> <hr/> <b>329,796</b>	

In connection with unlisted investments, the Group principally held three unlisted equity investment projects with attractive potentials. These three investee companies are Keen Champ Investments Limited (“**Keen Champ**”), Peak Zone Group Limited (“**Peak Zone**”) and Pure Power Holdings Limited (“**Pure Power**”).

The principal business of Keen Champ Group is holding operating rights and forestry management of forest trees. 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. Pure Power Group is running natural resources exploration and exploitation business in America.

Based on the valuation reports, the valuation of the Group’s stake in Peak Zone, Keen Champ and Pure Power as at 31 December 2018 were approximately HK\$42.8 million, HK\$66.0 million and HK\$72.5 million. Accordingly, there were decreases in the corresponding investments of approximately HK\$9.2 million, HK\$28.1 million and HK\$21.4 million during the Year.

The Group neither acquired nor disposed of any unlisted investments during the Year.

## **FINANCIAL REVIEW**

### **Liquidity, Financial Resource and Gearing Ratio**

The Group’s asset portfolio was mainly financed by internally generated cash resources and fund raising activities. As at 31 December 2018, net current assets of the Group amounted to approximately HK\$154.0 million (*2017: HK\$212.7 million*) with cash and bank balances of approximately HK\$0.5 million (*2017: HK\$1.3 million*). The consolidated net asset value per share of the Company as at 31 December 2018 was HK\$0.18 (*2017: HK\$0.25*). The consolidated net asset value per share as at 31 December 2018 is calculated based on the net assets of the Group of approximately HK\$335.3 million (*2017: HK\$458.8 million*) and 1,862,316,806 ordinary shares of the Company at par value of HK\$0.10 each in issue as at that date (*2017: 1,862,316,806 shares*).

As at 31 December 2018, the Company had no outstanding bank borrowing (*2017: Nil*). The gearing ratio of the Group was 7.9% as at 31 December 2018 (*2017: 7.7%*), 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.

## **Charge of Assets and Margin Facilities**

As at 31 December 2018 and 2017, margin facilities from several regulated securities brokers were granted to the Group which were secured by the Group's listed investments. As at 31 December 2018 and 2017, the Group had not utilised against these facilities.

## **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. Gradually, the federal funds rate increased to 2.25% to 2.50% currently. Economic activity is seen expanding at a solid pace, albeit somewhat slower than in 2018, and the job market is expected to remain strong. Recent declines in energy prices will likely push headline inflation further below the FOMC longer-run goal of 2% for a time, Fed Chair Powell said in his Semiannual Monetary Policy Report to the Congress. Fed Chair added that over the past few months some crosscurrents and conflicting signals were observed. Financial markets became more volatile and financial conditions are now less supportive of growth. Growth has slowed in some major foreign economies, particularly China and Europe. And uncertainty is elevated around several unresolved government policy issues, including Brexit and ongoing trade negotiations. The Fed held the target range for the federal funds rate at 2.25-2.5% on 30 January 2019.

However, the Federal Reserve, in its meeting in March 2019, has signalled it will refrain from raising interest rates for the rest of the year in the face of waning economic momentum in the US and other areas, cementing a sharp, dovish shift in monetary policy led by Fed Chair Powell.

At the end of a two-day meeting in Washington, US monetary policymakers decided unanimously to keep the target range for the Federal Funds rate between 2.25 per cent and 2.5 per cent, where it has been since December, as widely expected by economists.

Whereas late last year the median interest rate forecast of Fed officials implied two additional rises in 2019, it now implies none, as US central bankers downgraded their expectations for US economic growth this year to 2.1 per cent from 2.3 per cent in December.

The outcome of the meeting suggested Fed officials have grown increasingly sceptical of the economy's ability to sustain the nearly 3 per cent growth rate achieved last year while it benefited from the Trump administration's tax cut-driven fiscal stimulus. The decision to hold rates steady for the foreseeable future also exposed their lingering – and possibly rising – concerns about risks associated with the UK's withdrawal from the European Union (“EU”) and the US-China trade dispute.

According to the European Commission, economic activity in the EU and the euro area moderated last year on the back of a combination of internal and external factors. While a moderation of growth was already in the cards, the slowdown in the second half of 2018 turned out to be more pronounced than expected. Growth in the euro area slipped to 0.2% in the last two quarters of 2018 and the latest high frequency data suggest that this weak momentum continued in January 2019. Over the next two years, the economy is expected to continue growing but at a slower pace.

After nine successive years of growth, the economy of Germany, the biggest economy in Europe, is facing trade conflicts between the United States and both China and the EU as well as weakening economic activity in the euro zone.

IHS Markit's flash composite Purchasing Managers' Index measuring activity in services and manufacturing, which together account for more than two-thirds of the economy, fell to 51.5 in March 2019, its lowest reading since June 2013. The fall was mainly driven by the weakest activity in manufacturing since August 2012. That sub-index fell to 44.7, remaining below the 50.0 mark separating growth from contraction for a third straight month.

Based on the PRC's statistics bureau, China's economy grew 6.6 percent in 2018. Certain analysts have made gloomy forecasts that economic growth in China will slow to less than 6.5% in the coming year, the slowest since official data began more than two decades ago.

In view of more uncertainties appeared in the global investment markets in late 2018 and early 2019, the Board will continue to monitor the market dynamics and adopt a conservative approach on investment, so as to further enhance value for the Shareholders.

## **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 to 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, except for code provisions A.2.1 and A.4.1, details of which will be explained below.

Based on Code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company has no Chairman and Chief Executive Officer since the resignation of Mr. NG Chi Hoi on 1 August 2016. The Board's current significant decisions are made in Board meetings. Every Board member has the rights and responsibility to propose Board meetings to discuss significant issues he/she concerns, and has the power to make the decisions among other Board members.

Code provision A.4.1 requires that non-executive directors should be appointed for a specific term and subject to re-election. Ms. HU Xiaoting, the non-executive Director, has no specific term of appointment but she is subject to retirement by rotation in accordance with the Company's articles of association. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision.

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 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 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, risk management, audit and financial reporting, including a review of the audited consolidated financial statements, for the financial year ended 31 December 2018.



## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This final results announcement is published on the Company's website at [www.unity913.com](http://www.unity913.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2018 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  
**SHUM Kit Lan Anita**  
*Executive Director*

Hong Kong, 28 March 2019

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

*Executive director:*

Ms. SHUM Kit Lan Anita

*Non-executive director:*

Ms. HU Xiaoting

*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.*