



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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

RESULTS

The Board of Directors (the “Board”) of Unity Investments Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2006 (the “Period”).

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2006

		Unaudited	
		Six months ended 30 June	
		2006	2005
	Note	HK\$'000	HK\$'000
Turnover	2	112,200	101,312
Other revenue	2	2,190	1,774
Cost of sales		(106,142)	(111,083)
Realised gain on disposal of available-for-sale investments		25,012	—
Unrealised holding (loss) gain on investments held for trading		(5,301)	3,419
Impairment loss on available-for-sale investments		—	(3,000)
Change in fair value of loan receivables		—	(4,846)
Administrative expenses		(4,024)	(2,244)
Finance costs	3	(1,341)	(1,371)
Profit (Loss) before taxation	3	22,594	(16,039)
Taxation	4	—	—
Profit (Loss) attributable to shareholders		22,594	(16,039)
Earnings (Loss) per share — Basic	5	2.41 cents	(3.73) cents

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2006 and 31 December 2005

	Unaudited At 30 June 2006 HK\$'000	Audited At 31 December 2005 HK\$'000
Non-current assets		
Property, plant and equipment	689	56
Available-for-sale investments	20,820	43,481
Loan receivable	12,500	12,500
	<u>34,009</u>	<u>56,037</u>
Current assets		
Investments held for trading	200,648	114,156
Deposits, prepayments and other receivables	2,356	4,281
Bank balances and cash	288	61
	<u>203,292</u>	<u>118,498</u>
Current liabilities		
Other payables and accruals	9,498	17,749
Short-term borrowings, unsecured	15,368	20,378
	<u>24,866</u>	<u>38,127</u>
Net current assets	<u>178,426</u>	<u>80,371</u>
Net assets	<u><u>212,435</u></u>	<u><u>136,408</u></u>
Capital and reserves		
Share capital	112,229	72,729
Reserves	100,206	63,679
	<u><u>212,435</u></u>	<u><u>136,408</u></u>

Notes:

1. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of the Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed financial statements have been prepared under the historical cost basis except for available-for-sale investments and investments held for trading, which are measured at fair values.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2005.

2. TURNOVER AND REVENUE

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

	Unaudited	
	Six months ended 30 June	
	2006	2005
	HK\$'000	HK\$'000
Turnover		
Proceeds from sale of investments held for trading	<u>112,200</u>	<u>101,312</u>
Other revenue		
Dividend income — listed investment	2,045	1,592
Interest income	145	—
Amortisation of fair value of loan receivable	<u>—</u>	<u>182</u>
	<u>2,190</u>	<u>1,774</u>
Total revenue	<u><u>114,390</u></u>	<u><u>103,086</u></u>

3. PROFIT (LOSS) BEFORE TAXATION

	Unaudited	
	Six months ended 30 June	
	2006	2005
	HK\$'000	HK\$'000
This is stated after charging:		
(a) Finance costs		
Interest on other borrowings	657	240
Interest on short-term borrowings	<u>684</u>	<u>1,131</u>
	<u><u>1,341</u></u>	<u><u>1,371</u></u>
(b) Other items		
Depreciation	70	82
Staff cost, including directors' remuneration	778	296
Operating lease charges in respect of office premises	<u>78</u>	<u>300</u>

4. TAXATION

Hong Kong Profits Tax has not been provided as the Group's estimated assessable profit for the Period is wholly absorbed by unrelieved tax losses brought forward from previous years.

Hong Kong Profits Tax has not been provided as the Group has no estimated assessable profit for the six months ended 30 June 2005.

5. EARNINGS (LOSS) PER SHARE

The calculation of the earnings (loss) per share is based on the profit (loss) for the Period of HK\$22,594,000 (2005: loss of HK\$16,039,000) and on the weighted average number of 936,213,815 shares (2005: 429,688,580 shares) in issue during the Period.

No diluted earnings per share has been disclosed as the Company had no potential ordinary shares to be issued.

6. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2005: Nil).

BUSINESS REVIEW AND PROSPECTS

The Group reported a net profit of approximately HK\$22,594,000 for the Period, comparing to the net loss of approximately HK\$16,039,000 recorded for the corresponding period last year. The proceeds from sale of trading securities increased to approximately HK\$112,200,000, representing a 11% increase compared to that of the corresponding period of last year, which is arising from Group's strategy of rebalancing its investment portfolio.

The Group has entered into a Share Subscription Agreement to invest in a copper mine project in China on 30 June 2006, the details of the transaction have been referred to the Company's announcement dated 30 June 2006. The Directors believe that it will be an excellent investment opportunity for the Group to participate in the growing copper mining industry in China and to diversify the investment portfolio of the Group.

During the Period under review, the Company completed two share placements to enhance its capital structure and to promote greater financial flexibility for seizing appropriate investment opportunities as they arise. On 1 December 2005, the Company entered into a placing agreement to place 250,000,000 ordinary shares at HK\$0.14 per share raised net proceeds of approximately HK\$34.3 million. On 2 May 2006, the Company entered into a placing agreement to place, on a best-effort basis, 145,000,000 ordinary shares at HK\$0.2 per share raised net proceeds of approximately HK\$28.27 million.

As at 30 June 2006, the Company's issued share capital was 1,122,291,163 ordinary shares. The Group's shareholders' funds amounted to approximately HK\$212,435,000 (2005: HK\$136,408,000) and the net asset value was HK\$0.19 per share (2005: HK\$0.19 per share).

Although the local stock market in 2006 has experienced steady growth and surging the year high, instability in the international economy as a result of global political influences and other uncertain factors such as the movement of global interest rate, oil price as well as the corporate earnings are still the concern to management on the Group's securities trading and investment business. For the immediate and medium term future, the Group's investment objective and strategy will continue to target at mid and small-cap local listed companies with quality management and good business prospects. However, in view of the uncertainty of macro environments at above, the management are uncertain that the second half of 2006 can achieve similar result as the first half.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its ordinary shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's ordinary shares during the Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the "Code") stipulated in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Period, with deviations from code provisions A.4.1 of the Code only in respect of the service term of directors.

None of the existing non-executive directors (including independent non-executive directors) of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all directors of the Company (both executive and non-executive directors) are subject to the retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to Article 157 in the Articles of Association of the Company 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 than those in the Code.

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 Code.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2006, the Group had 10 employees, including 2 executive directors, 1 non-executive director and 3 independent non-executive directors. The remuneration package of the Group is generally periodically reviewed, making reference to current legislation, performance appraisals and other relevant factors.

The total remuneration cost incurred by the Group for the Period was HK\$778,000 (2005: HK\$296,000).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the Period. At the request of the Directors, the Company's external auditors, Messrs. Moores Rowland Mazars, have carried out a review of the unaudited interim financial statements in accordance with the Statement of Auditing Standards 700 "Engagement to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS ON THE WEB-SITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED ("SEHK")

The detailed results of the Group for the Period (including all the information required by Paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules) will be published on the web-site of the SEHK in due course.

By Order of the Board
CHUNG Wilson
Chairman

Hong Kong 15 September 2006

As at the date of this announcement, the Executive Directors of the Company are Mr CHUNG Wilson and Mr KITCHELL Osman Bin; the Non-executive Director of the Company is Mr WONG Man Hon, Frederick; and the Independent Non-executive Directors of the Company are Mr CHUNG Kong Fei, Stephen, Mr TSANG Wing Ki and Mr CHEN Henri Wei Hwa.