



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 2007

INTERIM RESULTS

The Board of Directors (the “Board”) of Unity Investments Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2007 (the “Period”), together with the comparative figures for the six months ended 30 June 2006. The results have been reviewed by the Company’s auditors, Mazars CPA Limited and the Company’s Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2007

		Unaudited	
		Six months ended 30 June	
		2007	2006
	Note	HK\$'000	HK\$'000
Turnover	2	404,301	112,200
Other revenue	2	1,480	2,190
Cost of sales		(364,714)	(106,142)
Realised gain on disposal of available-for-sale investments		14,553	25,012
Unrealised gain (loss) on investments held for trading		64,315	(5,301)
Other operating expenses		(4,210)	(4,024)
Finance costs		(635)	(1,341)
Profit before taxation	4	115,090	22,594
Taxation	5	(15,000)	–
Profit for the period		100,090	22,594
Profit attributable to equity holders		100,090	22,594
Earnings per share – Basic	6	18.05 cents	<i>Restated</i> 10.97 cents
Earnings per share – Diluted	6	17.97 cents	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2007 and 31 December 2006

		Unaudited	Audited
		At 30 June	At 31 December
		2007	2006
	<i>Note</i>	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,878	1,987
Available-for-sale investments		183,166	36,093
		<hr/> 185,044	<hr/> 38,080
Current assets			
Investments held for trading		409,535	186,109
Deposits, prepayments and other receivables		722	529
Bank balances and cash		408	576
		<hr/> 410,665	<hr/> 187,214
Current liabilities			
Other payables and accruals	7	16,021	13,033
Short-term borrowings, unsecured		50,000	–
Provision for taxation		15,000	–
		<hr/> 81,021	<hr/> 13,033
Net current assets		<hr/> 329,644	<hr/> 174,181
NET ASSETS		<hr/> 514,688	<hr/> 212,261
CAPITAL AND RESERVES			
Share capital		170,883	112,229
Reserves		343,805	100,032
TOTAL EQUITY		<hr/> 514,688	<hr/> 212,261

Notes:

1. BASIS OF PREPARATION

The unaudited interim financial statements for the six months ended 30 June 2007 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2006. They have been prepared on the historical cost basis, except for available-for-sale investments and investments held for trading, which are measured at fair value.

The accounting policies applied in preparing these interim financial statements are consistent with those applied in preparing the Group’s financial statements for the year ended 31 December 2006. The adoption of the new/revised Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA that are relevant to the Group and effective from the current period, did not have any significant effect on the financial position or performance of the Group.

The Group has not early adopted the new/revised HKFRS issued by the HKICPA that are not yet effective for the current period. The Group has already commenced an assessment of impact of these new/revised HKFRS but is not yet in a position to state whether they would have any significant impact on its results of operations and financial position.

2. TURNOVER AND REVENUE

The Group is principally engaged in the investments in listed and unlisted companies. Turnover and revenue recognised during the six months ended 30 June 2007 are as follows:

	Unaudited	
	Six months ended 30 June	
	2007	2006
	HK\$'000	HK\$'000
Turnover		
Proceeds from sale of investments held for trading	<u>404,301</u>	<u>112,200</u>
Other revenue		
Dividend income – listed investments	<u>1,049</u>	<u>2,045</u>
Interest income	<u>431</u>	<u>145</u>
	<u>1,480</u>	<u>2,190</u>
Total revenue	<u>405,781</u>	<u>114,390</u>

3. SEGMENT INFORMATION

Business segment information, which is the Group's primary basis of segment reporting, is not required as the Group's turnover, contribution to operating profit, assets and liabilities are attributable to the investments in listed and unlisted companies.

4. PROFIT BEFORE TAXATION

	Unaudited	
	Six months ended 30 June	
	2007	2006
	HK\$'000	HK\$'000
This is stated after charging:		
Depreciation	<u>440</u>	<u>70</u>
Staff cost, including directors' remuneration	<u>1,031</u>	<u>778</u>
Operating lease charges in respect of land and buildings	<u>215</u>	<u>78</u>

5. TAXATION

Hong Kong Profits Tax has been provided at the rate of 17.5% on the Group's estimated assessable profits for the six months ended 30 June 2007. No provision was made for the corresponding period in 2006 as the Group's estimated assessable profit for the six months ended 30 June 2006 was wholly absorbed by unrelieved tax losses brought forward from previous years.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders for the period of HK\$100,090,000 (2006: HK\$22,594,000) and the weighted average number of ordinary shares of 554,626,857 (2006 as restated: 205,967,040 shares) in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to equity holders for the period of HK\$100,090,000 and 557,120,447 shares which is the weighted average number of ordinary shares in issue during the period adjusted for the number of dilutive potential shares under the share option scheme. No diluted earnings per share for 2006 was presented as there were no potential ordinary shares in issue.

The comparative amount of the basic earnings per share for 2006 has been adjusted to reflect the impact of the share consolidation and the rights issue effected during the period.

7. OTHER PAYABLES AND ACCRUALS

Included in other payables and accruals is an amount of HK\$15,281,000 payable to a securities broker (As at 31 December 2006: HK\$12,202,000 payable to securities brokers) of which the aging is as follow:—

	Unaudited At 30 June 2007 <i>HK\$'000</i>	Audited At 31 December 2006 <i>HK\$'000</i>
Not yet due	—	370
Overdue:—		
– Within 30 days	15,281	2,021
– 31-90 days	—	9,543
– 91-180 days	—	8
– over 180 days	—	260
	<hr/> 15,281 <hr/>	<hr/> 12,202 <hr/>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2006: Nil).

BUSINESS REVIEW AND PROSPECTS

Results Review

The Group reported a net profit of approximately HK\$100,090,000 for the six months ended 30 June 2007, comparing to the net profit of approximately HK\$22,594,000 recorded for the corresponding period of last year. The proceeds from sale of trading securities increased to approximately HK\$404,301,000, representing a 260% increase compared to that of the corresponding period of last year.

Prospects

While the Group had achieved a most satisfying result in the first six months, making an after tax profit of approximately HK\$100,090,000, aided by a robust and surging Hong Kong and world-wide equity markets, the Group's prospects in the second half are much less encouraging. Investment sentiment internationally has drastically turned sour as a result of the credit liquidity problems that had arisen following the crash in the Sub-prime market in the United States. The Liquidity crisis is felt not only in the banking sector but also in consumer confidence/perception and spending. This wide range effect has affected almost all sectors of the world economy. As redemption in mutual funds rises, equity markets had not only seen significant sell-off, but also had become markedly more turbulent experiencing violent swings. This significantly increases the inherent risks to investors and market participants. The Group, as an Investment Company with the sole business being investment, had been greatly adversely affected by this negative market sentiment. The Group's focus of investments in mostly small to medium size listed companies had suffered particularly with several investee companies recording steep price drops.

While the immediate prospects had deteriorated and risks increased as a result of sentiment and volatility, the Board also sees good investment opportunities may arise as the market may overly downgrade potentials. The Board has been actively looking for fund raising opportunities both to ensure the Group's finance remains healthy and to enhance the Group's investment capabilities as advantageous situations arise.

Liquidity and Capital Resources

During the Period under review, the Company completed a rights issue and a share placement to enhance its capital structure and to promote greater financial flexibility for seizing appropriate investment opportunities as they arise. By ordinary resolution passed on 19 April 2007 to issue 1,194,991,160 rights shares of HK\$0.10 each of the Company to qualifying shareholders on the basis of ten rights shares for every share held on 19 April 2007 at a price of HK\$0.10 per share and raised net proceeds of approximately HK\$116 million. On 4 June 2007, the Company entered into a placing agreement to place 262,898,055 ordinary shares to independent investors at HK\$0.269 per share. The placing was completed on 12 June 2007 and raised net proceeds of approximately HK\$68.7 million.

During the Period under review, the Company had twice granted share options totaling 138,710,000 ordinary shares on 15 February 2007 and 31 May 2007 respectively to 17 allottees including 3 executive directors. The options had been fully exercised within the Period.

Two share placements were made after the balance sheet date. A placing agreement dated 12 July 2007 was entered with placing agent to issue 341,765,666 ordinary shares of the Company of HK\$0.10 each at the placing price of HK\$0.20 per share to independent investors. The placing was completed on 25 July 2007. A subscription agreement dated 18 July 2007 and a supplemental agreement dated 20 August 2007 were entered into with an independent investor for the subscription of 500,000,000 ordinary shares of the Company of HK\$0.10 each at the subscription price of HK\$0.14 each. The subscription was completed on 17 September 2007.

As most of the Group's transactions, investments and bank deposits were denominated in Hong Kong dollars, the Group's exposure to foreign exchange risk was not significant.

Contingent Liabilities

The Group has no material contingent liabilities as at the balance sheet date.

Pledge of assets

As at 30 June 2007, margin facilities from a securities broker were granted to the Company which were secured by the Company's available-for-sale investments and investments held for trading. As at 30 June 2007, a total amount of HK\$15,281,000 (*As at 31 December 2006: HK\$12,202,000*) was utilised against these facilities and the total carrying amount of the available-for-sale investments and investments held for trading pledged to the securities broker is HK\$501,010,000 (*As at 31 December 2006: HK\$163,844,000*).

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 non-executive directors of the Company 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 2007, the Group had 9 employees, including 3 executive directors and 3 independent non-executive directors. The remuneration package of the Group is generally periodically reviewed, marking reference to current legislation, performance appraisals and other relevant factors.

The total remuneration cost incurred by the Group for the Period was HK\$1,031,000 (2006: HK\$778,000).

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 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 financial statements for the Period. At the request of the Directors, the Company’s external auditors, Mazars CPA Limited, have carried out a review of the unaudited interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

The Audit Committee of the Company comprises three independent non-executive directors, namely, Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki and Mr. CHEN Henri Wei Hwa.

PUBLICATION OF INTERIM REPORT

The details results of the Group for the Period (including all the information required by Paragraphs 46(1) to 46(9) of Appendix 16 of the Listing Rules) will be published on the website of The Stock Exchange of Hong Kong Limited and the Company (www.unity913.com) in due course.

APPRECIATION

The Board would like to take this opportunity to express our appreciation to the staff and management team of the Group for their contribution during the Period 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
CHUNG Wilson
Chairman

Hong Kong, 17 September 2007

As at the date of this announcement, the Executive Directors of the Company are Mr. CHUNG Wilson (Chairman), Mr. KITCHELL Osman Bin (Chief Executive Officer) 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. CHEN Henri Wei Hwa.