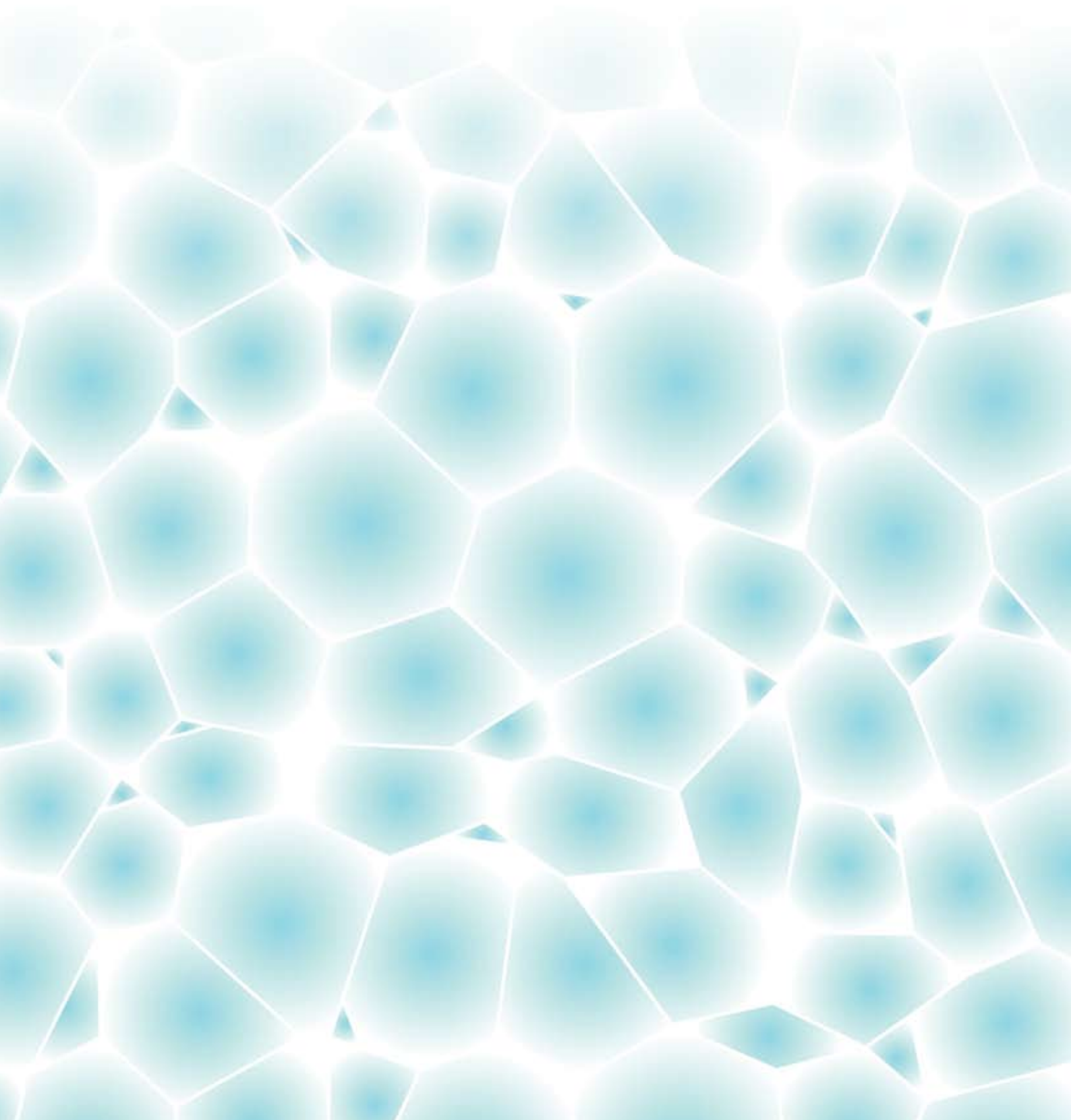




Unity Investments Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 913)

Interim Report 2008



Corporate Information

DIRECTORS

Executive Directors

CHUNG Wilson

*(resigned as Executive Director &
Chairman on 16 January 2008)*

KITCHELL Osman Bin

*(Chairman and Chief Executive Officer)
(appointed as Chairman
on 16 January 2008)*

DAVIS Angela Hendricks

*(appointed as Executive Director
on 18 June 2008)*

CHOI Ka Wing

Independent Non-executive Directors

CHUNG Kong Fei, Stephen*

TSANG Wing Ki*

SWARTZ Kristi Lynn*

NGAI Wai Kin*

*(appointed as Independent
Non-executive Director on 23 July 2008)*

* Member of Audit Committee

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

LIU Tsui Fong

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2206, 22nd Floor

China United Centre

28 Marble Road, North Point

Hong Kong

INVESTMENT MANAGER

CU Investment Management Limited

Office B, 31st Floor

China United Centre

28 Marble Road, North Point

Hong Kong

AUDITORS

Mazars CPA Limited

Certified Public Accountants

34th Floor, The Lee Gardens

33 Hysan Avenue

Causeway Bay

Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

Chong Hing Bank Limited

CUSTODIAN

Chong Hing Bank Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

26th Floor

Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

STOCK CODE

00913

COMPANY WEBSITE

www.unity913.com



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 2008 (the "Period"), comprising the Group's consolidated balance sheet as at 30 June 2008 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the six months ended 30 June 2008, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 2 to 14 of this report. 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 2008

		Unaudited	
		Six months ended 30 June	
		2008	2007
	<i>Note</i>	HK\$'000	HK\$'000
Turnover	2	109,451	404,301
Other revenue	2	1,365	1,480
Cost of sales		(98,176)	(364,714)
Realised (loss) gain on disposal of available-for-sale investments		(48,242)	14,553
Unrealised (loss) gain on investments held for trading		(17,319)	64,315
Unrealised loss on derivative financial instruments		(3,600)	–
Other operating expenses, net		(5,084)	(4,210)
Finance costs		(989)	(635)
(Loss) Profit before taxation	4	(62,594)	115,090
Taxation	5	–	(15,000)
(Loss) Profit for the period		(62,594)	100,090
(Loss) Profit attributable to equity holders		(62,594)	100,090
			<i>(Restated)</i>
(Loss) Earnings per share – Basic	6	HK\$(0.43)	HK\$5.57
Earnings per share – Diluted	6	N/A	HK\$5.54



Condensed Consolidated Balance Sheet

As at 30 June 2008

		Unaudited	Audited
		At 30 June	At 31 December
		2008	2007
	<i>Note</i>	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		296	1,430
Available-for-sale investments	7	287,510	280,992
		287,806	282,422
Current assets			
Investments held for trading	7	83,033	150,550
Deposits, prepayments and other receivables	8	29,756	5,220
Bank balances and cash		7,108	9,732
		119,897	165,502
Current liabilities			
Other payables and accruals		387	865
Short-term borrowings, unsecured		–	25,000
Derivative financial instruments	9	8,858	5,258
		9,245	31,123
Net current assets		110,652	134,379
NET ASSETS		398,458	416,801
Capital and reserves			
Share capital	10	187,896	313,160
Reserves	11	210,562	103,641
TOTAL EQUITY		398,458	416,801



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2008

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Total equity at 1 January (audited)	416,801	212,261
Expense recognised directly in equity:		
Change in fair value of available-for-sale investments	(90,209)	(5,844)
Transfer to income statement on disposal of available-for-sale investments	(48,242)	(14,553)
	(138,451)	(20,397)
Recognised income and expense:		
(Loss) Profit for the period	(62,594)	100,090
Placements of shares	–	70,720
Issue of shares under share option scheme	–	37,370
Rights issue	187,896	119,499
Share issue expenses	(5,194)	(4,855)
Total equity at 30 June (unaudited)	398,458	514,688



Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2008

	Unaudited	
	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Net cash used in operating activities	(66,135)	(121,167)
Net cash used in investing activities	(94,191)	(151,744)
Net cash from financing activities	157,702	272,743
Net decrease in cash and cash equivalents	(2,624)	(168)
Cash and cash equivalents at beginning of period	9,732	576
Cash and cash equivalents at end of period, represented by bank balances and cash	7,108	408



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2008

1. BASIS OF PREPARATION

The unaudited interim financial statements for the six months ended 30 June 2008 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 2007. They have been prepared on the historical cost basis, except for available-for-sale investments, investments held for trading and derivative financial instruments, which are measured at fair value.

The accounting policies and methods of computation applied in preparation of these interim financial statements are consistent with those applied in preparing the Group's financial statements for the year ended 31 December 2007. 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 any new and revised HKFRS that have been issued but are not yet effective for the current accounting Period. The Group has already commenced an assessment of the impact of these new and revised HKFRS but is not yet in a position to reasonably estimate their 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 2008 are as follows:

	Unaudited	
	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Turnover		
Proceeds from sale of investments held for trading	109,451	404,301
Other revenue		
Dividend income – listed investments	1,144	1,049
Exchange gain	165	–
Interest income	46	431
Others	10	–
	1,365	1,480
Total revenue	110,816	405,781



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. (LOSS) PROFIT BEFORE TAXATION

Unaudited
Six months ended 30 June

	2008	2007
	HK\$'000	HK\$'000

This is stated after charging (crediting):

Depreciation	190	440
Gain on disposal of property, plant and equipment	(402)	–
Staff cost, including directors' emoluments	1,120	1,031
Operating lease charges in respect of land and buildings	236	215
	194	1,706

5. TAXATION

Hong Kong Profits Tax has not been provided in the current period as the Group incurred a taxation loss for the six months ended 30 June 2008. Hong Kong Profits Tax has been provided at the rate of 17.5% on the Group's estimated assessable profits for the corresponding period in 2007.

6. (LOSS) EARNINGS PER SHARE

The calculation of basic loss (*2007: earnings*) per share is based on the Group's loss attributable to equity holders for the Period of HK\$62,594,000 (*2007: profit of HK\$100,090,000*) and the weighted average number of ordinary shares of 145,198,327 (*2007 as restated: 17,974,768 shares*) in issue during the Period.

No diluted loss per share is presented for the current period of 2008 as there were no potential ordinary shares in issue. The calculation of diluted earnings per share for the period of 2007 is based on the profit attributable to equity holders of HK\$100,090,000 and 18,055,582 shares (restated) which is the weighted average number of ordinary shares in issue during the period of 2007 adjusted for the number of dilutive potential shares under the share option scheme.

The comparative amounts of the basic and diluted earnings per share for 2007 has been restated to reflect the impact of the share consolidation and the rights issue effected during the current Period.



7. INVESTMENTS

		Unaudited At 30 June 2008 HK\$'000	Audited At 31 December 2007 HK\$'000
	<i>Note</i>		
Available-for-sale investments			
Equity investments:			
Listed in Hong Kong	(i)	282,280	275,764
Listed overseas		5,230	5,228
		287,510	280,992
Unlisted in Hong Kong		23,000	23,000
Impairment loss		(23,000)	(23,000)
		–	–
		287,510	280,992
Investments held for trading			
Equity investments:			
Listed in Hong Kong		21,344	81,222
Listed overseas	(ii)	61,689	69,328
		83,033	150,550

Note:

- (i) As at 30 June 2008, the carrying amount of the Group's shareholding in the following Hong Kong listed company exceeded 10% of the total assets of the Group.

Name	Place of incorporation	Principal activities	Particulars of issued share capital	Interest held
eSun Holdings Ltd	Bermuda	Development and operation and investment in media, entertainment, music production and distribution, production, investment in and distribution of film and video format products, provision of advertising agency services and sale of cosmetic products	Ordinary shares of HK\$0.50 each	3.47%



7. INVESTMENTS (continued)

Note:

- (ii) As at 30 June 2008, the carrying amount of the Group's shareholding in the following Taiwan Company exceeded 20% of the total issued shares of the investee company.

Name	Place of incorporation	Principal activities	Particulars of issued share capital	Interest held
Universal Technology Systems Inc. ("Universal")	Taiwan	System solutions and integrations, sourcing of computer softwares and hardwares	Ordinary shares of NTD10 each	29.96%

- (a) Universal is not considered as an associate of the Group as the Group has no significant influence over its financial and operating policy decision.

- (b) A director of Universal had an option to purchase certain of these investments subject to certain conditions. However, the option had not been exercised during the 5 days' exercisable period and was lapsed in January 2008.

8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Unaudited At 30 June 2008 HK\$'000	Audited At 31 December 2007 HK\$'000
Deposits and prepayments	1,775	530
Other receivables	27,981	4,690
	<u>29,756</u>	<u>5,220</u>

9. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited At 30 June 2008 HK\$'000	Audited At 31 December 2007 HK\$'000
Forward contracts:		
Listed equity investments	8,858	5,173
Foreign currencies	–	85
	<u>8,858</u>	<u>5,258</u>

Note:

The fair value of derivative financial instruments is measured by reference to open market value at the balance sheet date provided by a securities broker.



10. SHARE CAPITAL

	Unaudited		Audited	
	At 30 June 2008		At 31 December 2007	
	Number of shares	Nominal value HK\$'000	Number of shares	Nominal value HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	20,000,000,000	2,000,000	5,000,000,000	500,000
Increase by the creation of additional 15,000,000,000 shares of HK\$0.10 each	-	-	15,000,000,000	1,500,000
At balance sheet date	<u>20,000,000,000</u>	<u>2,000,000</u>	<u>20,000,000,000</u>	<u>2,000,000</u>

	Note	Unaudited		Audited	
		At 30 June 2008		At 31 December 2007	
		Number of shares	Nominal value HK\$'000	Number of shares	Nominal value HK\$'000
Issued and fully paid:					
At beginning of period/year		3,131,595,629	313,160	1,122,291,163	112,229
Capital reduction	(i)(a)	-	(281,844)	-	(101,006)
Share consolidation	(i)(b)	(2,818,436,058)	-	(1,010,062,047)	-
Issue of shares under share option scheme		-	-	309,592,833	30,960
Rights issue	(ii)	1,565,797,810	156,580	1,194,991,160	119,499
Placements of shares		-	-	1,514,782,520	151,478
Share repurchase	(iii) & (iv)	(11)	-	-	-
At balance sheet date		<u>1,878,957,370</u>	<u>187,896</u>	<u>3,131,595,629</u>	<u>313,160</u>



10. SHARE CAPITAL (continued)

Note:

- (i) At the extraordinary general meeting of the Company held on 30 January 2008, a resolution in respect of the capital reorganisation, including capital reduction, adjustment of nominal value of the issued shares and share consolidation, were approved by the shareholders. The capital reduction was approved by the Grand Court of the Cayman Islands on 9 May 2008 and became effective after 4:00 p.m. on 14 May 2008, details of which are as follows:
- (a) the nominal value of all the issued shares be reduced from HK\$0.10 each to HK\$0.01 each ("Reduced Share") by cancelling HK\$0.09 paid-up capital on each issued shares by way of a reduction of capital;
 - (b) every ten issued Reduced Shares of HK\$0.01 each were consolidated into one consolidated share of HK\$0.10 each ("Adjusted Share"). As a result, the adjusted share capital of the Company became HK\$31,315,956 consisting of 313,159,562 ordinary shares of HK\$0.10 each; and
 - (c) the credit amount of approximately HK\$281,844,000 arising from the capital reduction referred to in note (i)(a) was credited to the contributed surplus account of the Company. The amounts in the contributed surplus account can be applied to a distributable reserve of the Company at the discretion of the directors of the Company in accordance with the articles of association of the Company and all applicable laws, including elimination against the accumulated losses of the Company.
- (ii) At the extraordinary general meeting of the Company held on 30 January 2008, a resolution was passed for the issue of 1,565,797,810 rights shares at a price of HK\$0.12 each to qualifying shareholders on the basis of five rights shares for every Adjusted Share held on 14 May 2008. The rights shares were issued on 2 June 2008.
- (iii) On 25 February 2008, the Company repurchased 9 shares at a market price of HK\$0.048 per share. The title documents of all repurchased shares were cancelled and destroyed on 28 February 2008.
- (iv) On 20 June 2008, the Company repurchased 2 shares at a market price of HK\$0.065 per share. The title documents of all repurchased shares were cancelled and destroyed on 24 June 2008.

All the shares issued during the Period rank *pari passu* in all respects with the then existing shares.



11. RESERVES

	Share premium	Investment revaluation reserve	Contributed surplus	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2007 (audited)	112,632	14,941	–	(27,541)	100,032
Creation of contributed surplus pursuant to the capital reorganisation	–	–	101,006	–	101,006
Contributed surplus set off against accumulated losses pursuant to the capital reorganisation	–	–	(11,421)	11,421	–
Placements of shares	44,430	–	–	–	44,430
Issue of shares under share option scheme	23,499	–	–	–	23,499
Share issue expenses	(4,855)	–	–	–	(4,855)
Change in fair value of available-for-sale investments	–	(5,844)	–	–	(5,844)
Transfer to income statement on disposal of available-for-sale investments	–	(14,553)	–	–	(14,553)
Profit for the period	–	–	–	100,090	100,090
At 30 June 2007 (unaudited)	<u>175,706</u>	<u>(5,456)</u>	<u>89,585</u>	<u>83,970</u>	<u>343,805</u>
At 1 January 2008 (audited)	238,378	(109,206)	89,585	(115,116)	103,641
Creation of contributed surplus pursuant to the capital reorganisation (<i>note 10(i)(c)</i>)	–	–	281,844	–	281,844
Contributed surplus set off against accumulated losses pursuant to the capital reorganisation (<i>note(i)</i>)	–	–	(153,847)	153,847	–
Issue of shares under rights issue	31,316	–	–	–	31,316
Share issue expenses	(5,194)	–	–	–	(5,194)
Change in fair value of available-for-sale investments	–	(90,209)	–	–	(90,209)
Transfer to income statement on disposal of available-for-sale investments	–	(48,242)	–	–	(48,242)
Loss for the Period	–	–	–	(62,594)	(62,594)
At 30 June 2008 (unaudited)	<u>264,500</u>	<u>(247,657)</u>	<u>217,582</u>	<u>(23,863)</u>	<u>210,562</u>

Note:

- (i) A contributed surplus of approximately HK\$153,847,000 was utilised to eliminate the accumulated losses of the Company as at 31 December 2007.



12. PLEDGE OF ASSETS

As at 30 June 2008, margin facilities from 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 30 June 2008, nil amount (*As at 31 December 2007: HK\$131,142*) had been utilised against these facilities and the total carrying amount of the available-for-sale investments and investments held for trading pledged to the securities brokers was HK\$291,696,548 (*As at 31 December 2007: HK\$265,520,798*).

13. CONNECTED AND RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the interim financial statements, the following connected and related party transactions were transacted by the Group during the Period.

Relationship with the Group	Nature of transaction	Unaudited	
		2008	2007
		HK\$'000	HK\$'000
Key management personnel, including directors	Salaries, allowances and benefits in kind	741	767
	Retirement scheme contributions	13	17
		<u>754</u>	<u>784</u>
The Company's investment manager	Investment management fee paid	<u>420</u>	<u>420</u>

14. COMMITMENTS

(i) Capital expenditure commitments

	Unaudited	Audited
	At 30 June	At 31 December
	2008	2007
	HK\$'000	HK\$'000
Contracted but not provided for net of deposits paid in financial statements	<u>2,107</u>	<u>-</u>



14. COMMITMENTS (continued)

(ii) Commitments under operating leases

At the period end date, the Group has total future aggregate minimum lease payments under non-cancellable operating leases, which are payable as follows:

	Unaudited At 30 June 2008 HK\$'000	Audited At 31 December 2007 HK\$'000
Within one year	940	261
In the second to fifth years inclusive	678	90
	1,618	351

15. POST BALANCE SHEET EVENTS

Other than disclose elsewhere in the interim financial statements, the following post balance sheet events were conducted:

(i) Capital reorganisation

At the extraordinary general meeting of the Company held on 25 July 2008, a resolution in respect of the capital reorganisation, including reduction of capital, adjustment of nominal value of the issued shares and share consolidation of the Company, were approved by the shareholders. The capital reduction was approved by the Grand Court of the Cayman Islands on 12 September 2008 and became effective after 4:10 p.m. on 16 September 2008, details of which are as follows:

- (a) the nominal value of all the issued shares be reduced from HK\$0.10 each to HK\$0.02 each by cancelling HK\$0.08 paid-up capital on each issued shares by way of a reduction of capital;
- (b) the credit amount arising from the capital reduction was applied to cancel the accumulated losses of the Company (if any) and for the entire amount or the balance (as the case may be) to be transferred to the distributable capital reduction reserve account of the Company; and
- (c) every five issued reduced shares of HK\$0.02 each were consolidated into one adjusted share of HK\$0.10 each.



Report on Review of Interim Financial Statements



MAZARS CPA LIMITED
馬賽會計師事務所有限公司
34th Floor, The Lee Gardens,
33 Hysan Avenue, Causeway Bay, Hong Kong
香港銅鑼灣希慎道33號利園廣場34樓

To the Board of Directors of
Unity Investments Holdings Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial statements of Unity Investments Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 2 to 14, comprising the condensed consolidated balance sheet as at 30 June 2008 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these interim financial statements based on our review and report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 19 September 2008

Fung Shiu Hang

Practising Certificate number: P04793



Management Discussion and Analysis

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2007: Nil).

BUSINESS REVIEW AND PROSPECTS

Operation Review

The Company is an investment company under Chapter 21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Its principal activities remain engaging in the investments in listed securities in Hong Kong and other main stock market around the world and also in unlisted companies.

Results Review

The Group reported a net loss of approximately HK\$62,594,000 resulting from realised and unrealised losses of its listed available-for-sale investments and investments held for trading, respectively, for the six months ended 30 June 2008 as compared to the net profit of approximately HK\$100,090,000 arising from such fair value changes recorded by the Group for the corresponding period ended 30 June 2007. Such loss is a result of the recent downturn of the equity market, most of the Group's listed share investments have followed the market corrections and have undergone a downward adjustment.

The proceeds from sale of trading securities decreased to approximately HK\$109,451,000, representing a 72.93% decrease compared to that of the corresponding period in 2007.

The Group's portfolio of investment assets as at 30 June 2008 comprises securities in Hong Kong, Singapore, Taiwan, United Kingdom and United States and the breakdown are as follows:

	Market Value					Total	Percentage of consolidated net assets value
	Hong Kong	Singapore	Taiwan	United Kingdom	United States		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Available-for-sale investments	282,280	-	-	5,230	-	287,510	72.16%
Investments held for trading	21,344	21,830	12,316	-	27,543	83,033	20.84%



Liquidity and Capital Resources

As at 30 June 2008, the Group's gearing ratio was 2.27% (As at 31 December 2007: 6.95%), which is calculated on the Group's total liabilities divided by its total assets. As at 30 June 2008, the Group had no unsecured, interest bearing short-term borrowings (As at 31 December 2007: HK\$25 million), which, when related to the Group's total equity of HK\$398 million (As at 31 December 2007: HK\$417 million). The Board believed that the Company has sufficient working capital for its operations.

The consolidated net asset value per share of the Group as at 30 June 2008 was HK\$0.21 (As at 31 December 2007: HK\$0.13). The consolidated net asset value per share is calculated based on the net assets of the Group as at 30 June 2008 of HK\$398,458,000 (As at 31 December 2007: HK\$416,801,000) and the total number of 1,878,957,370 shares (As at 31 December 2007: 3,131,595,629 shares) in issue as at that date.

As at 30 June 2008, the Company had retained cash of approximately HK\$7,108,000 (As at 31 December 2007: HK\$9,732,000). As most of the retained cash was placed in Hong Kong dollars with the banks in Hong Kong, exposure to exchange fluctuation is considered not significant.

During the Period under review, the Company completed a rights issue in June 2008. With the funds generated from successful rights issue, the Board continues to seize appropriate investment opportunities not only in Hong Kong, United States, but also the market around the world.

Capital Structure

As a result of the capital reorganisation, rights issue and share repurchase conducted during the Period and disclosed in note 10 to the condensed consolidated financial statements, the total number of shares in issue as at 30 June 2008 was 1,878,957,370 (As at 31 December 2007: 3,131,595,629 shares).

Contingent Liabilities

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

Pledge of Assets

Details of pledge of assets of the Group are set out in the note 12 to the condensed consolidated financial statements.

Capital Commitments

Details of capital expenditure commitments of the Group are set out in the note 14(i) to the condensed consolidated financial statements.



Prospects

2008 is shaping up as a challenging year for Asia and the rest of the world. Activity in most economies remains fairly buoyant, but growth in the United States (“US”) and, to a lesser extent, Europe is slowing sharply. The slowdown has been greatest in the advanced economies, particularly in the US, where the sub-prime crisis and the housing market correction has materially affected the financial stability and the strength of the financial sector in the US. As a result, the US economy is projected to tip into mild recession in 2008, despite the substantial monetary and fiscal support that is now in train. Financial market conditions around the world are likely to remain extremely difficult until there is greater clarity about the extent and distribution of losses on structured securities, until core financial institutions are able to rebuild capital and strengthen their balance sheets, until the framework for structured finance and related investment vehicles is made more robust, and until the risk of widespread deleveraging and associated asset declines is more clearly contained.

Despite of slowing economic growth, central banks’ abilities in cutting interest rates to stimulate the global economy have been capped by higher oil price fueling inflation. Even though oil price has since weakened in July due to less speculative trading in the commodities market and possible increase in daily production of the OPEC countries; we consider that the softer oil price is a temporary phenomenon. Meanwhile, issues relating to the uncertain political environment in the Middle East and the potential increase in consumption for heating oil as the Northern hemisphere approaches Winter have re-surfaced, halting the recent drop in the oil price. Oil price should therefore remain at high level and continue to be a key factor influencing the global capital market. As for China, the continuation of the austerity measures and the non-tradable A-share reform has cast a shadow over China’s A-share market, which has in turn influence the sentiment of the Hong Kong stock market.

In view of the captioned factors, the Group believes the second half of 2008 will continue to be challenging for us, we will continue to explore different fundraising opportunities in order to maintain our strong financial flexibility and investment ability, look for appropriate investment opportunities to expand and diversify our portfolio.

FOREIGN EXCHANGE EXPOSURE

As at 30 June 2008, the majority of the Group’s investments were either denominated in Hong Kong dollars or United States dollars. The Group considers its exposure to foreign exchange risk was not significant, therefore, no financial instruments was made to hedge such exposures.



DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN EQUITY OR DEBT SECURITIES

Shares

As at 30 June 2008, none of directors and the chief executive of the Company had or was deemed to have any interests and short position in shares, underlying shares or debt securities of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO (including interests or short position which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

Share Option Scheme

In light of the requirements of Chapter 17 of the Listing Rules, the Company adopted a new share option scheme (the "Scheme") on 2 May 2003. Under the Scheme, the directors of the Company may grant share options to those participants who, in the opinion of the Board, have contributed or may contribute to the development and growth of the Group and any entity in which the Group holds any equity interest.

No share options were granted, lapsed, exercised or expired under the Scheme during the Period.

The movement of the Company's share options under the Scheme during the year ended 2007 are disclosed as the following table.

Name of category of participant	Date of grant	Exercise price HK\$	As at 1 January 2007	Granted during the year	Exercised during the year	As at 31 December 2007
Directors						
CHUNG Wilson	15 February 2007	0.530	-	1,100,000	(1,100,000)	-
KITCHELL Osman Bin	15 February 2007	0.530	-	1,100,000	(1,100,000)	-
CHOI Ka Wing	15 February 2007	0.530	-	1,100,000	(1,100,000)	-
Qualified allottees	15 February 2007	0.530	-	3,970,000	(3,970,000)	-
in aggregate	31 May 2007	0.255	-	131,440,000	(131,440,000)	-
	31 October 2007	0.123	-	170,882,833	(170,882,833)	-
			-	309,592,833	(309,592,833)	-



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any associated corporations.

DISCLOSURE OF INTERESTS AND SHORT POSITION OF THE SUBSTANTIAL SHAREHOLDERS

The register of interest in shares and short position of the substantial shareholders maintained by the Company pursuant to section 336 of the SFO showed that as at 30 June 2008, the Company had been notified of the following interest in shares representing 5% or more of the Company's issued share capital:

Name of substantial shareholder	Capacity in which such interest is held	Number of shares held	Percentage of nominal value of the Company's issued share capital
Willie International Holdings Limited <i>(Note 1)</i>	Interest in controlled corporation	205,059,399	10.91%
Radford Capital Investment Limited <i>(Note 2)</i>	Interest in controlled corporation	130,611,780	6.95%
Heritage International Holdings Limited <i>(Note 3)</i>	Interest in controlled corporation	99,964,000	5.32%

Note: (1) Willie International Holdings Limited (stock code: 273) is deemed to be interested in 205,059,399 shares held by Pearl Decade Limited, its indirect wholly owned subsidiary, for the purpose of the SFO.

(2) Radford Capital Investment Limited (stock code: 901) is deemed to be interested in 130,611,780 shares held by Winning Horsee Limited, its direct wholly owned subsidiary, for the purpose of the SFO.

(3) Heritage International Holdings Limited (stock code: 412) is deemed to be interested in 99,964,000 shares held by Dollar Group Limited, its indirect wholly owned subsidiary, for the purpose of the SFO.

All the interests stated above represent long position.



Save as disclosed above, no other shareholders of the Company had notified the Company of an interest or short position in the shares or underlying shares of the Company as at 30 June 2008 that was required to be recorded in the register of interest in shares and short position of the substantial shareholders of the Company pursuant to section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the Period under review, 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
		Highest HK\$	Lowest HK\$	
25 February 2008	9	0.048	0.048	0.43
20 June 2008	2	0.065	0.065	0.13

Save as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's ordinary shares during the Period (2007: Nil).

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the "Code Provision") stipulated in Appendix 14 of the Listing Rules throughout the Period, with deviations from A.2.1 and A.4.1 of the Code Provision as summaries 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 appointed as chairman and took the role of the chairman and chief executive officer of the Company following the resignation of Mr. CHUNG Wilson as an executive director and chairman of the Company on 16 January 2008. 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 the 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 stipulated that non-executive directors should be appointed for a specific term and be subject to re-election. The Company has not fixed the terms of appointment for non-executive directors, which constitutes a deviation from A.4.1 of the Code Provision. However, all non-executive directors of the Company 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 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 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 Code Provision.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2008, 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\$1,120,000 (2007: HK\$1,031,000).

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 accounts 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"*.

As at the date of this report, the Audit Committee of the Company comprises four independent non-executive directors, namely, Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki, Ms. SWARTZ Kristi Lynn and Mr. NGAI Wai Kin.



REMUNERATION COMMITTEE

As at the date of this report, the Remuneration Committee of the Company comprises three independent non-executive directors, namely, Mr. TSANG Wing Ki, Ms. SWARTZ Kristi Lynn and Mr. NGAI Wai Kin and one executive director, namely, Mr. KITCHELL Osman Bin. The major roles and functions of the Remuneration Committee are to formulate remuneration policy and to determine the remuneration of the Directors.

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
KITCHELL Osman Bin
Chairman

Hong Kong, 19 September 2008

