

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 disclaim 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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

The board of directors (the “**Board**”) of Unity Investments Holdings Limited (the “**Company**”) herein present their unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2020 (the “**Period**”). The interim results for the Period are unaudited, but have been reviewed by the Company’s audit committee (“**Audit Committee**”) of the Board. The Board has approved the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2020.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

		Unaudited	
		Six months ended 30 June	
		2020	2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross proceeds from disposal of trading securities		143	41,178
Loss from the sale of listed equity investments at fair value through profit or loss (“FVPL”)		(4)	(101,615)
Gain from the sale of unlisted investments at FVPL		1,725	–
Revenue	2	72	163
Changes in fair value of listed equity instruments at FVPL		(19,864)	95,296
Other operating expenses		(7,671)	(3,310)
Finance costs		(3)	(170)
Loss before tax	4	(25,745)	(9,636)
Income tax	5	–	–
Loss and total comprehensive loss for the Period attributable to equity holders of the Company		(25,745)	(9,636)
			(Restated)
Loss per share			
Basic and Diluted	6	HK13.44 cent	HK5.17 cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		Unaudited	Audited
		30 June	31 December
		2020	2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Equity investments at fair value through profit or loss	7	<u>142,044</u>	<u>148,319</u>
Current assets			
Equity investments at fair value through profit or loss	7	79,148	98,220
Deposits and prepayments		183	221
Due from securities brokers	8	7,465	3,909
Other receivable		13,394	15,394
Bank balances and cash		<u>4,230</u>	<u>297</u>
		<u>104,420</u>	<u>118,041</u>
Current liabilities			
Other payables and accruals		<u>348</u>	<u>1,291</u>
Net current assets		<u>104,072</u>	<u>116,750</u>
NET ASSETS		<u>246,116</u>	<u>265,069</u>
Capital and reserves			
Share capital	9	223	186,232
Reserves		<u>245,893</u>	<u>78,837</u>
TOTAL EQUITY		<u>246,116</u>	<u>265,069</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

1. BASIS OF PREPARATION

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

The Interim Financial Statements should be read in conjunction with the 2019 annual financial statements. The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2019.

The Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2019. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); HKAS; and Interpretations. The adoption of these new and revised HKFRSs does not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the Period and prior years/periods.

2. REVENUE

The Group is principally engaged in the investments in listed and unlisted securities. The details of revenue recognised during the six months ended 30 June 2020 are as follows:

	Unaudited Six months ended 30 June	
	2020	2019
	HK\$’000	HK\$’000
Dividend income	–	163
Government grants (<i>note</i>)	72	–
	<hr/>	<hr/>
	72	–
	<hr/> <hr/>	<hr/> <hr/>

Note: Government grants were mainly granted to the Group as subsidies to support the operation of the Group.

3. 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 turnover, 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 (excluding the Group’s investments) 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.

4. LOSS BEFORE TAX

	Unaudited	
	Six months ended 30 June	
	2020	2019
Notes	HK\$'000	HK\$'000
This is stated after charging:		
Staff cost, including directors' emoluments	878	892
Equity settled share option expenses	1,456	415
Operating lease charges in respect of: land and buildings	75	65

Disclosures pursuant to Rule 21.12(1)(c) of the Listing Rules

Realised loss on disposal of listed investments	(i)	4	101,615
Realised gain on disposal of unlisted investments		(1,725)	–
Unrealised loss/(gain) on listed investments	(ii)	19,864	(95,296)

Notes:

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

5. INCOME TAX

The Group did not derive any taxable profit for the Period and the six months ended 30 June 2019.

6. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the Group's loss attributable to the equity holders of the Company of approximately HK\$25,745,000 (2019: HK\$9,636,000) and the weighted average number of 191,551,680 (2019: 186,231,681 (note)) ordinary shares in issue during the Period.

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 the Period and the six months ended 30 June 2019.

Note: The weighted average number of ordinary shares in issue for the six months ended 30 June 2019 are restated retrospectively, to reflect the share consolidation effective on 20 February 2020. For details of the share consolidation, please refer to the Company's circular dated 21 October 2019.

7. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30 June 2020 HK\$'000	Audited 31 December 2019 HK\$'000
Current		
Listed equity investments in Hong Kong	<u>79,148</u>	<u>98,220</u>
Non-current		
Unlisted equity investments outside Hong Kong	<u>142,044</u>	<u>148,319</u>

As at 30 June 2020, the net fair value loss in respect of the Group's Hong Kong listed investments recognised in profit or loss amounted to approximately HK\$19,864,000, and a net loss of approximately HK\$4,000 was recognised upon disposal of the listed equity investments for the Period.

The Group's major investments as at 30 June 2020 were detailed below:

		As at 30 June 2020			For the six month ended 30 June 2020		
Notes	Stock code	Fair/ Market value HK\$'000	Approximate percentage of the Group's Investment portfolio	Approximate percentage of the Group's net assets	Fair value gain/(loss) HK\$'000		
Unlisted equity investments outside Hong Kong							
	Keen Champ Investments Limited	1	Unlisted	73,266	51.2%	29.8%	–
	Pure Power Holdings Limited	2	Unlisted	35,051	24.5%	14.2%	–
	Peak Zone Group Limited	3	Unlisted	33,727	23.6%	13.7%	–
Listed equity investments in Hong Kong							
	WLS Holdings Limited	4	8021	22,199	15.5%	9.0%	6,937
	Asia Grocery Distribution Limited	5	8413	13,478	9.4%	5.5%	(509)

Notes:

- Keen Champ Investments Limited (“**Keen Champ**”) is a private company and incorporated in the British Virgin Islands. The principal activity of Keen Champ is investment holding and the principal activities of its subsidiaries are holding of a bundle of forest trees in the People's Republic of China. For the financial year ended 31 December 2019, the unaudited consolidated net loss attributable to equity holders of Keen Champ was HK\$1,284,000. As at 31 December 2019, its unaudited consolidated net liabilities attributable to the equity holders was HK\$13,090,000.
- Pure Power Holdings Limited (“**Pure Power**”) is a private company and incorporated in the British Virgin Islands. The principal activity of Pure Power is investment holding and the principal activities of its subsidiary are the exploration and exploitation of natural resources in the United States of America. For the financial year ended 31 December 2019, the unaudited consolidated net loss attributable to equity holders of Pure Power was US\$493,000. As at 31 December 2019, its unaudited consolidated net asset attributable to the equity holders was US\$46,342,000.

3. Peak Zone Group Limited (“**Peak Zone**”) is a private company and incorporated in the British Virgin Islands. The principal activity of Peak Zone is investment holding and its subsidiaries are engaged in the electronic commerce industry specialising in the provision of integrated application. For the financial year ended 31 December 2019, the unaudited consolidated net profit attributable to equity holders of Peak Zone was HK\$4,967,000. As at 31 December 2019, its unaudited consolidated net assets attributable to the equity holders was HK\$15,069,000.
4. WLS Holdings Limited (“**WLS**”) is incorporated in the Cayman Islands as an exempted company and continued in Bermuda with limited liability and its shares are listed on GEM of the Stock Exchange (Stock code: 8021). WLS is principally engaged in the scaffolding and fitting out services, management contracting services and other services for construction and buildings work, money lending business, securities brokerage and margin financing and securities investment business. For the year ended 30 April 2020, the audited consolidated loss attributable to owners of WLS was HK\$108,888,000 with basic and diluted loss per share of HK\$0.758 cents. As at 30 April 2019, its audited consolidated net assets attributable to the owners was HK\$537,629,000.
5. Asia Grocery Distribution Limited (“**Asia Grocery**”) incorporated in Cayman Islands with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (Stock code: 8413). It is principally engaged in trading and distribution of food and beverage grocery products in Hong Kong. For the financial year ended 31 March 2020, the audited consolidated loss attributable to equity holders of Asia Grocery was HK\$3,573,000 with basic and diluted loss per share both of HK\$0.31 cents. As at 31 March 2020, its audited consolidated net assets attributable to the equity holder was HK\$102,751,000.

8. 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.

9. CHARGE OF ASSETS AND MARGIN FACILITIES

As at 30 June 2020 and 31 December 2019, margin facilities from several regulated securities brokers were granted to the Group which were secured by the Group’s equity instruments and investments held for trading. As at 30 June 2020 and 31 December 2019, the Group had not utilised against these facilities.

10. CONTINGENT LIABILITIES

Financial guarantee issued

The Company had corporate guarantee for securities trading account maintained by one of its subsidiaries with a broker, which was unutilised at 30 June 2020 and 31 December 2019.

The directors of the Company do not consider probable that a claim will be made against the Company under any of the guarantee at 30 June 2020 and 31 December 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period (*six months ended 30 June 2019: Nil*).

RESULTS

The Group recorded a net loss of approximately HK\$25.7 million for the Period, with an increase in the net loss as compared to a net loss of approximately HK\$16.1 million in the corresponding period of last year. The net loss incurred by the Group for the Period was mainly attributable to fair value loss of equity instruments at fair value through profit or loss during the Period. Loss per share of the Company for the Period was HK13.44 cent as compared to loss per share of HK5.17 cents (restated) for the same period in 2019.

BUSINESS REVIEW

The Company is an investment company and its shares are listed on the Main Board of 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 period under review, the Group remains principally engaged in listed investments in Hong Kong, other major stock markets around the world, and in unlisted companies to achieve medium-term or long-term capital appreciation.

Given the continuous volatile market condition, the listed equity investments classified under investments held for trading has posted net realised loss of approximately HK\$4,000 (*2019: HK\$101.6 million*) and unrealised loss of approximately HK\$19.9 million (*2019: Gain of HK\$95.3 million*). During the Period, the Board remains focus on listed equity investments in Hong Kong. The Company continues to be 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 consumer services, media, manufacturing etc.

The investment portfolio of the Group as at 30 June 2020 mainly comprises of a portfolio of listed shares in 26 companies of HK\$79.1 million and investments in 3 direct investments in unlisted equities securities of HK\$142.0 million which represent approximately 32.2% and 57.7% of the Group’s consolidated net asset value respectively.

Significant Investments

Significant investments of the Group are the principal equity instruments and listed investments included in the equity investments at fair value through profit or loss as detailed in note 7 to the condensed consolidated financial statements. Save for those principal investments, the Group has not held any investment, the value of which was over 5% of the value of the Group’s total assets as at 30 June 2020.

Segment Information

There is no material change in the Group's investment segment, principally investment in listed and unlisted securities, during the Period.

Performance of the Group's Listed Securities

The net loss on listed securities of approximately HK\$19.9 million for the Period represented net realised loss in disposal of listed securities of approximately HK\$4,000 and net unrealised loss of listed securities of approximately HK\$19.9 million. Set out below are further information of these net realised and unrealised losses:

Net Realised Loss on Disposal of Listed Securities

The net realised loss on disposal of listed securities of approximately HK\$4,000 represented the realised loss of approximately HK\$8,000 net of realised gain of approximately HK\$4,000.

Net Unrealised Loss of Listed Securities

The net unrealised loss of approximately HK\$19.9 million represented the unrealised gain of approximately HK\$9.6 million net of unrealised loss of approximately HK\$29.5 million.

The unrealised gain principally represented:

Company name	Stock code	Unrealised gain HK\$ million
WLS Holding Limited	8021	<u>6.9</u>

The unrealised loss principally represented:

Company name	Stock code	Unrealised loss HK\$ million
China National Culture Group Limited	745	4.6
China e-Wallet Payment Group Limited	802	<u>4.2</u>

In addition to China National Culture Group Limited and China e-Wallet Payment Group Limited, there is no stock which incurred unrealised loss over HK\$4 million to the Group during the Period.

Performance of the Group's Unlisted Securities

During the Period, the Group disposed approximately 3.7% or 314 shares of Pure Power Holdings Limited at a consideration of HK\$8 million. Gain on disposal of unlisted investments amounting HK\$1.7 million was recorded during the Period. Upon completion of the disposal, the Group held approximately 20.6% or 1,754 shares of Pure Power Holdings Limited.

PROSPECTS

Year 2020 is the most challenging period since bankruptcy of the Lehman Brothers in Year 2008. The outbreak of COVID-19 has killed over 800,000 people and infected more than 22 million people globally. Business activities were suspended in a large extent over the world. The investment sentiment has once dropped to the bottom since the last decade, but rebounded sharply along with QE Infinity.

In the U.S., Dow Jones Industrial Average Index experienced cliff diving from over 29,500 points in mid February 2020 to below 19,000 points in March 2020. On 3 March 2020, the central bank cut interest rates by half a percentage point, its biggest single cut in more than a decade, as a pre-emptive move to protect the economy from the coronavirus. On 15 March 2020, the Federal Reserve further slashed its benchmark interest rate by 1% to a range of 0% to 0.25% and pledged to buy US\$700 billion worth of government debt and mortgage-backed securities. Subsequently, the Federal Reserve announced a series of huge measures on 25 March 2020 in response to the continuing fallout tied to the coronavirus pandemic. This includes unlimited asset purchases and its first-ever entry into corporate bonds via the purchase of investment-grade securities, including exchange-traded funds. This is commonly named as "QE Infinity" in the market. The Federal Reserve, in its own words, launched its aggressive effort to offset the extraordinary economical turmoil caused by the coronavirus outbreak by rolling out its biggest weapon. After adoption of QE Infinity, Dow Jones Industrial Average Index bounced back to around 27,000 points in early June 2020, in less than a quarter period, and further to nearly 28,000 points in August 2020.

In Europe, the situation is far more complicated than that in U.S. In early 2020, Europe has been bothered with Brexit. After the wide spreading of COVID-19 in Europe in March 2020, the economy of Europe is hit much harder. Based on the European Economic Forecast – Summer 2020 (Interim) issued by European Commission in July 2020, the European economy entered a sudden recession in the first half of this year with the deepest output contraction since World War II. To counter the spread of COVID-19, major containment measures were introduced around the world, voluntarily shutting down large parts of the economy. A string of indicators suggests that the euro area economy has operated at between 25% to 30% below its capacity during the period of the strictest confinement. Overall, the euro area economy is forecast to contract by about 8 ¾% in 2020 before recovering at an annual growth rate of 6% next year.

China is the country where COVID-19 firstly appeared. It is also the first country adopting stringent lockdown policy in its largely infected area, i.e. Wuhan and quarantine policy in its major cities. After a couple of months of coronavirus quarantine, China is slowly emerging from its shutdowns by restarting production at factories and resuming some flights. A recovery in the world's second-largest economy provides some relief for global manufacturers in the months ahead as the outbreak continues to wreak havoc in Europe and U.S.

President Xi Jinping expressed that China would meet its economic and social developments goals this year, including eradicating poverty and building up a “moderately well-off society”, despite the virus outbreak sending the economy into free fall in the first two months of the year and increasing evidence of a global recession.

In view of uncertain political and economical environment, especially the trade war between the United States and China and the 2020 United States presidential election to be scheduled in November 2020, which may affect the global investment atmosphere, 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. There is no important event affecting the Group, which has been occurred since the end of the Period, and there has been no material changes in the strategies of future business developments of the Group, which continues to focus on the businesses of equity and debt investments, since the publication of the 2019 annual report of the Company.

Future Plans for Material Investments or Capital Assets and Their Expected of Funding in Twelve Months

As at 30 June 2020 and up to the date of this results announcement approved, the Company does not have any concrete plan for material investments or capital assets.

FINANCIAL REVIEW

Liquidity, Financial Resources, Capital Structure and Gearing Ratio

The Group’s asset portfolio was mainly financed by internally generated cash resources. As at 30 June 2020, net current assets of the Group amounted to approximately HK\$104.1 million (As at 31 December 2019: approximately HK\$116.8 million) with cash and bank balances of approximately HK\$4.2 million (As at 31 December 2019: approximately HK\$0.3 million).

As the Group held current assets of approximately HK\$104.4 million as at 30 June 2020 (31 December 2019: HK\$118.0 million) and it only has non-interest bearing current liabilities of approximately HK\$0.3 million (31 December 2019: HK\$1.3 million), which is denominated in Hong Kong Dollars, the Company considers its liquidity is healthy and there is no currency and interest rate risks exposure of its debt and obligation.

The unaudited consolidated net asset value per share of the Company as at 30 June 2020 was HK\$1.101 (As at 31 December 2019: audited HK\$0.14). The consolidated net asset value per share is calculated based on the net assets of the Group as at 30 June 2020 of approximately HK\$246.1 million (As at 31 December 2019: approximately HK\$265.1 million) and the total number of 223,471,680 shares ordinary shares of the Company at par value of HK\$0.001 each (As at 31 December 2019: 1,862,316,806 ordinary shares of the Company at par value of HK\$0.10 each) in issue as at that date.

There was no material change in available credit facilities when compared to the financial year ended 31 December 2019. The gearing ratio of the Group was 0.1% as at 30 June 2020 (As at 31 December 2019: 0.1%), which is calculated based on the Group’s total liabilities divided by its total assets. Considering the amount of liquid assets on hand and available short-term or margin loan facilities, the Group has sufficient working capital to meet its ongoing operational requirements.

The Board has been actively seeking fund raising opportunities to strengthen the Company's financial position. On 5 June 2020, the Company completed a placing and has successfully raised approximately HK\$5.6 million (before expenses), which are detailed below.

On 19 May 2020 (after trading hours), the Company and Astrum Capital Management Limited (the "**Placing Agent**") entered into a placing agreement (the "**Placing Agreement**") pursuant to which the Placing Agent agreed to place, on a best endeavour basis, to not less than six independent places for up to 37,246,336 new shares at a price (the "**Placing Price**") of HK\$0.150 per placing share (the "**Placing**"). These new shares rank pari passu in all respect with the then existing Shares. The Placing was completed on 5 June 2020.

The Placing Price of HK\$0.150 per placing share represents: (i) a premium of approximately 3.4% to the closing price of HK\$0.145 per share of the Company as quoted on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 19 May 2020, being the date of the Placing Agreement; and (ii) a discount of approximately 7.3% to the average of the closing prices of HK\$0.1618 per share of the Company as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are securities trading and investment holding. The Board considered that the Placing represented a good opportunity for the Company to raise additional funds and to widen the Company's shareholder base, and the terms of the Placing Agreement are on normal commercial terms. Accordingly, the Directors considered that the terms of the Placing were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate gross proceeds of the Placing were approximately HK\$5.6 million and the aggregate net proceeds of the Placing, after deduction of expenses, were approximately HK\$5.2 million, representing a net issue price of approximately HK\$0.141 per placing share. The net proceeds from the Placing were intended to be used for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company. As of 30 June 2020, the amount of approximately HK\$1.3 million were used for working capital and listed investments as intended, and the remaining net proceeds of approximately HK\$3.9 million remains unused.

Save as the Placing, the Group did not have run any capital exercise during the Period.

Capital Commitments

As at 30 June 2020, the Group had no material capital commitment.

Foreign Exchange Exposure

As at 30 June 2020, the majority of the Group's investments were either denominated in Hong Kong dollars. The Board considers its exposure to foreign exchange risk was not significant, therefore, no financial instruments was made to hedge such exposures.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors of the Company. Upon specific enquiry by the Company, all directors of the Company have confirmed that they complied with the required standards as set out in the Model Code throughout the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") stipulated in Appendix 14 of the Listing Rules throughout the Period, save and except for code provision A.2.1 and A.4.1, details of which are summarised and 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 currently. 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 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company has not fixed the term of appointment for non-executive directors, which constitutes a deviation from code provision A.4.1. 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 of the articles of association of the Company which was amended on 13 September 2005. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

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

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2020, the Group had 14 employees, including directors of the Company. They are remunerated based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, a defined contribution Mandatory Provident Fund retirement benefits scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance and share option scheme. There was no significant change in the Group's remuneration policy during the Period.

AUDIT COMMITTEE

The Audit Committee and management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters, including a review of the unaudited interim accounts for the Period.

As at the date of this announcement, the Audit Committee of the Company is comprised of all independent non-executive directors, namely, Mr. YU Tat Chi Michael, Mr. HUNG Cho Sing and Ms. CHUNG Fai Chun. Mr. YU Tat Chi Michael is the chairman of the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to the Group's management team and staff for their contribution during the Period. I would also like to give our sincere gratitude to all our shareholders for their continuous support.

By Order of the Board
Unity Investments Holdings Limited
SHUM Kit Lan Anita
Executive Director

Hong Kong, 28 August 2020

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

Ms. CHUNG Fai Chun

Mr. YU Tat Chi Michael

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese.