



Unity Investments Holdings Limited

合一投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 913)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

RESULTS

The Board of Directors (the “Board”) of Unity Investments Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2007 (the “Year”) as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	<i>Note</i>	2007 <i>HK\$</i>	2006 <i>HK\$</i>
Turnover	4	837,238,944	295,055,810
Other revenue	4	2,656,153	3,367,507
Cost of sales		(928,768,239)	(266,232,745)
Impairment loss on loan receivable		–	(12,500,000)
Unrealised gain (loss) on investments held for trading		40,037,652	(21,601,011)
Unrealised loss on derivative financial instruments		(5,257,813)	–
Realised (loss) gain on disposal of available-for-sale investments		(31,123,307)	25,012,199
Other operating expenses		(11,286,635)	(8,840,660)
Finance costs	6	(2,492,396)	(2,056,841)
(Loss) Profit before taxation	6	(98,995,641)	12,204,259
Taxation	7	–	–
(Loss) Profit for the year and attributable to equity holders	8	(98,995,641)	12,204,259
			<i>(Restated)</i>
(Loss) Earnings per share – Basic	9	(6.51 cents)	5.39 cents

CONSOLIDATED BALANCE SHEET

As at 31 December 2007

	2007	2006
	<i>HK\$</i>	<i>HK\$</i>
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	1,430,491	1,986,770
Available-for-sale investments	280,991,825	36,093,113
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	282,422,316	38,079,883
	<hr/>	<hr/>
Current assets		
Investments held for trading	150,549,641	186,108,664
Other receivables	5,220,030	529,529
Bank balances and cash	9,732,245	576,359
	<hr/>	<hr/>
	165,501,916	187,214,552
	<hr/>	<hr/>
Current liabilities		
Other payables and accruals	865,483	13,033,169
Short-term borrowings, unsecured	25,000,000	–
Derivative financial instruments	5,257,813	–
	<hr/>	<hr/>
	31,123,296	13,033,169
	<hr/>	<hr/>
Net current assets	134,378,620	174,181,383
	<hr/>	<hr/>
NET ASSETS	416,800,936	212,261,266
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Capital and reserves		
Share capital	313,159,563	112,229,116
Reserves	103,641,373	100,032,150
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TOTAL EQUITY	416,800,936	212,261,266
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Notes:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. During the Year, the Group has been engaged principally in the investment in listed and unlisted companies.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2006 financial statements except for the adoption of the following new/revised HKFRS that are effective from the current year.

Adoption of new/revised HKFRS

HKAS 1 (Amendment): Capital disclosures

The amendment requires financial statements to provide additional disclosures in relation to the Group’s objectives, policies and processes for managing capital.

HKFRS 7: Financial instruments: Disclosures

HKFRS 7 superseded *HKAS 30 Disclosures in the financial statements of banks and similar financial institution* and incorporated all the disclosure requirements previously in *HKAS 32*, while the presentation requirements in *HKAS 32* remain unchanged. *HKFRS 7* requires financial statements to disclose information for the purpose of evaluating the significance of the Group’s financial instruments, the nature and risks arising from those financial instruments to which the Group is exposed to and how the Group manages them.

HK(IFRIC)-Int 8: Scope of HKFRS 2

This interpretation clarifies the presumption under *HKFRS 2* that for transactions in which share-based payments are made to parties other than employees, the fair value of goods or services can be measured reliably even the entity cannot specifically identify some or all of the goods or services received. During the year, the Group had issued equity instruments to parties other than employees (“qualified allottees”) in accordance with share option schemes. The interpretation had been adopted and the fair value had been measured and accounted for in the financial statements.

3. FUTURE CHANGES IN HKFRS

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRS that are not yet effective for the current year, which the Group has not early adopted. The directors anticipate that the adoption of these new/revised HKFRS in the future periods will have no material impact on the result of the Group.

		Effective for annual periods beginning on or after
HK(IFRIC) – Int 11	HKFRS 2 – Group and treasury share transactions	1 March 2007
HKFRS 8	Operating segments	1 January 2009
HKAS 1 (Revised December 2007)	Presentation of Financial Statements	1 January 2009

4. TURNOVER AND REVENUE

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

	2007	2006
	<i>HK\$</i>	<i>HK\$</i>
Turnover		
Proceeds from sale of investments held for trading	837,238,944	295,055,810
Other revenue		
Other income	180,437	3,000
Interest income	695,548	306,263
Dividend income – listed investments	1,780,168	3,058,244
	2,656,153	3,367,507
Total revenue	839,895,097	298,423,317

5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group has determined not to present further business segment information as the Group's turnover, contribution to operating loss (2006: *operating profit*), assets and liabilities are attributable to the investments in listed and unlisted companies.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the markets, and assets are attributed to the segments based on the location of the assets.

	2007				
	Hong Kong HK\$	Taiwan HK\$	United States HK\$	Others HK\$	Total HK\$
Segment revenue	787,660,284	171	50,495,726	1,738,916	839,895,097
Segment assets	368,870,541	17,204,265	33,978,097	27,871,329	447,924,232
Capital expenditure	<u>339,678</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>339,678</u>

	2006				
	Hong Kong HK\$	Taiwan HK\$	United States HK\$	Others HK\$	Total HK\$
Segment revenue	298,423,067	250	–	–	298,423,317
Segment assets	197,129,816	22,953,105	–	5,211,514	225,294,435
Capital expenditure	<u>2,925,703</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,925,703</u>

6. (LOSS) PROFIT BEFORE TAXATION

	2007	2006
	<i>HK\$</i>	<i>HK\$</i>
This is stated after charging:		
Finance costs		
Other borrowings wholly repayable within five years	<u>2,492,396</u>	<u>2,056,841</u>
Staff costs		
Employee benefits expense, excluding directors' remuneration	545,204	620,632
Contributions to defined contribution plans	<u>18,720</u>	<u>24,935</u>
	<u>563,924</u>	<u>645,567</u>
Other items		
Auditors' remuneration		
– understatement in last year	30,000	8,000
– current year	370,000	320,000
Depreciation	895,957	568,240
Exchange loss	131,615	316,520
Impairment loss on deposit paid for the acquisition of equity interest in an investee company	–	1,500,000
Loss on disposal of property, plant and equipment	–	426,256
Operating leases in respect of:		
– land and buildings	309,600	171,995
– hire of machinery	58,744	48,569
Equity-settled share-based payment	<u>2,383,617</u>	<u>–</u>

7. TAXATION

Hong Kong Profits Tax has not been provided in the financial statements as companies within the Group incurred a loss for the year. No provision was made for the year of 2006 as the Group either incurred a loss or their estimated assessable profits for the year of 2006 were wholly absorbed by unrelieved tax losses brought forward from previous years.

8. (LOSS) PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

The (loss) profit attributable to equity holders dealt with in the financial statements of the Company is HK\$137,726,609 (2006: profit of HK\$12,204,332).

9. (LOSS) EARNINGS PER SHARE

The calculation of basic loss (2006: earnings) per share is based on the Group's loss (2006: profit) attributable to the equity holders of HK\$98,995,641 (2006: profit of HK\$12,204,259) and the weighted average number of 1,521,380,506 (2006 as restated: 226,603,782) ordinary shares in issue during the year.

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 year.

No diluted loss per share is presented for the year of 2007 as conversion of the Company's share options, which are fully exercised during the year, has an anti-dilutive effect. No diluted earnings per share were presented for the year of 2006 as there were no potential ordinary shares in issue.

DIVIDEND

No interim dividend was paid by the Company during the Year (2006: Nil) and the Board does not recommend the payment of a final dividend for the Year (2006: Nil).

BUSINESS REVIEW

For the Year under review, the Group was principally engaged in the investment in listed and unlisted companies. Turnover recognised by the Group during the Year was the proceeds from sale of investments held for trading, amounted HK\$837,238,944 (2006: HK\$295,055,810) which represented an increase of 184% as compared to last year.

In terms of diversification, the Group's current investment portfolio covers a wide range of industries and sectors, including, not limit to, securities investment companies but also companies engaged in the businesses of infrastructure, trading, information technologies, media, energy and property investment etc.

FINANCIAL REVIEW

Liquidity, Financial Resource and Capital Structure

As at 31 December 2007, the net current assets of the Group amounted to HK\$134,378,620 (2006: HK\$174,181,383). The bank balances and cash were HK\$9,732,245 (2006: HK\$576,359).

The Group's asset portfolio is mainly financed by its shareholders' funds. As at 31 December 2007, the Group had total equity of HK\$416,800,936 (2006: HK\$212,261,266). The increase in total equity was mainly from the net proceeds of approximately HK\$367 million raised by the Company through rights issue and several placements and totally 2,709,773,680 new shares were issued. A total of 309,592,833 share options were granted and exercised by the directors and qualified allottees under the Share Option Scheme with the net proceeds of approximately HK\$58 million.

The Company had HK\$132,142 (2006: HK\$12,202,326) margin financing payable and HK\$25,000,000 (2006: Nil) unsecured interest bearing short-term borrowings as at 31 December 2007. HK\$20,000,000 had been settled after balance sheet date and leaving HK\$5,000,000 due in July 2008. The Group's gearing ratio, representing the total debt divided by equity attributable to equity holders, was 6.03% (2006: 5.75%).

The Group has no material capital commitment at the Year end. Taking into account of liquid assets on hand and available short-term or margin loan facilities, the Directors are of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

During the Year, the Company had undergone a capital reorganisation pursuant to which the nominal values of the shares of the Company was reduced from HK\$0.10 each to HK\$0.01 each (the "Reduced Share") by cancelling HK\$0.09 paid-up capital on each Reduced Share. Every ten issued Reduced Shares of HK\$0.01 each were consolidated into one consolidated share of HK\$0.10 each. The credit arising from the reduction was transferred to the contributed surplus account of the Company. The amount 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. During the Year, contributed surplus of HK\$11,421,407 had been applied to set off against accumulated loss pursuant to the capital reorganisation.

Pledge of Assets

As at 31 December 2007, available-for-sale investments and investments held for trading with carrying amount of HK\$265,520,798 (2006: HK\$163,844,749) were pledged to securities brokers to secure margin financing facilities to the Group.

Contingent Liabilities

At the balance sheet date, the Company had contingent liabilities not provided for in the financial statements in respect of corporate guarantees for securities trading account maintained by one of its subsidiaries with a broker. At the balance sheet date, the securities trading accounts maintained by the subsidiary with the broker is zero.

Foreign Currency Management

As a result of overseas investments denominated in United States Dollars (“USD”), Singapore Dollars (“SGD”), and New Taiwan Dollars (“NTD”), the Group is exposed to the movement in the HKD/USD, HKD/SGD and HKD/NTD exchange rates. The Group’s exposure to foreign exchange risk was not significant, therefore, no financial instruments was made to hedge such exposures.

PROSPECTS

The global economy had enjoyed a good year in 2007 with major international stock markets going up and bond market developed stably; despite the constraints of record-high oil prices and a credit squeeze that from August 2007 significantly slowed the pace of investments. The value of RMB appreciation had benefited from the rapid economic growth and had attracted more international fund flow into Hong Kong and China. However, the negative impact of the sub-prime crisis in the United States (“US”) gradually emerged in the 4th quarter of 2007 which will become a concern for the future development of the financial industry.

Since September 2007, the US Federal Reserve began to loosen its rates policy; which move was considered too late to prevent an economic recession in the US to spread to a global scale, hence accelerated global economy downturn since the 4th quarter of 2007. Moreover, China has noticeably retained its tightening stance in the face of a fast-growing economy with escalating inflation. In the global economy, volatile oil prices, fluctuating financial markets and continued inflation are to be the major threats in 2008 market. Global financial markets are expected to remain turmoil and directionless.

We believe 2008 will be a challenging year for us, we will make continuous efforts to improve our asset and liability structure. In our upcoming efforts, the Group will continue to look for appropriate investment opportunities to expand and diversify its portfolio and emphasis will be placed on the financial risk in the context of economic globalisation to ensure our development can withstand the challenge of a complete economic cycle.

We will uphold the sincere and solid business attitude in the years to come to achieve the optimal business performance for the best interest to the shareholders. We will also continue to enhance corporate governance, strengthen capital capability and achieve maximum long-term sustainable value for shareholders.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2007, the Group had eight employees, including three executive directors, three independent non-executive directors and two staff. They are remunerated based on their performance, working experience and prevailing market standards. For the Year, the total staff costs paid/payable amounted to HK\$2,365,949 (2006: HK\$1,733,973) and there has been no significant change in the Group's remuneration policy.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is dedicated to an ongoing enhancement of effective and efficient corporate governance practice in compliance with the principles set out in the Code on Corporate Governance Practice contained in Appendix 14 (the "Code Provision") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

For the financial year ended 31 December 2007 and up to the date of this announcement, the Company, in the opinion of the Board, has complied with the Code Provision with deviations from the Code Provision A.2.1, A.4.1 and E.1.2 as summarised 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. Following the resignation of Mr. CHUNG Wilson as a executive director and chairman of the Company on 16 January 2008, Mr. KITCHELL Osman Bin was appointed as chairman and took the role of chairman and chief executive officer of the Company. 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 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 stipulates that non-executive directors should be appointed for a specific term and be subject to re-election. The Company has not fixed the term of appointment for non-executive directors, which constitutes a deviation from Code Provision of A.4.1. However, all non-executive directors 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 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 those in the Code Provision.

Code Provision E.1.2 stipulates that chairman of the audit and remuneration committees or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the general meeting. Neither of the Chairman nor the members of the board committees has attended and been available to answer questions at the general meeting. However, opinions of independent non-executive directors had been expressed in the letters from the Independent Board Committee which were included in circulars for the extraordinary general meetings held on 19 April 2007, 11 July 2007, 27 August 2007, 5 December 2007 and 30 January 2008.

The current practices of the corporate governance of the Company will be reviewed and updated in a timely manner in order to comply with the requirements of the Code Provision.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls, auditing and financial reporting matters, including a review of audited financial statements for the year ended 31 December 2007.

AUDITORS' REPORT

The auditors' report of the Group's financial statements for the year ended 31 December 2007 is unqualified.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 10 June 2008 to Thursday, 12 June 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for voting in Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by not later than 4:30 p.m. on Friday, 6 June 2008.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is published on website of the HKExnews (www.hkexnews.hk) and the Company (www.unity913.com). The annual report for the year ended 31 December 2007 of the Company will be despatched to shareholders of the Company and be published on the above websites 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 Year 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
Executive Director

Hong Kong, 23 April 2008

As at the date of this announcement, the Executive Directors of the Company are Mr. KITCHELL Osman Bin (Chairman and 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 Ms. SWARTZ Kristi Lynn.