



INTERIM REPORT 2007



Unity Investments Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 913)

CORPORATE INFORMATION

Directors

Executive Directors

CHUNG Wilson (*Chairman*)

KITCHELL Osman Bin
(*Chief Executive Officer*)

CHOI Ka Wing

Independent Non-executive Directors

CHUNG Kong Fei Stephen

TSANG Wing Ki

CHEN Henri Wei Hwa

Authorised Representatives

CHUNG Wilson

KITCHELL Osman Bin

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

Unit 2103, 21st Floor

China United Centre

28 Marble Road

North Point

Hong Kong

Investment Manager

CU Investment Management Limited

Office B, 31st Floor

China United Center

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 Banker

Chong Hing Bank Limited

Chong Hing Bank Centre

24 Des Voeux Road Central

Hong Kong

Custodian

Chong Hing Bank Limited

Chong Hing Bank Centre

24 Des Voeux Road Central

Hong Kong

Hong Kong Share Registrars and Transfer Office

Tricor Tengis Limited

26th Floor

Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

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 2007 (the "Period"), together with the comparative figures for the six months ended 30 June 2006. The results have been reviewed by the Company's auditors, Mazars CPA Limited and the Company's Audit Committee. The consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in equity of the Group for the six months ended 30 June 2007, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 2 to 17 of this report.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2007

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2007

	Six months ended	
	30 June	
	2007	2006
	HK\$'000	<i>HK\$'000</i>
Opening balance – Total equity		
at 1 January (audited)	212,261	136,408
Placements of shares	70,720	64,000
Issue of shares under share option scheme	37,370	–
Rights issue	119,499	–
Share issue expenses	(4,855)	(1,660)
Change in fair value of		
available-for-sale investments	(5,844)	16,105
Transfer to income statement on disposal of		
available-for-sale investments	(14,553)	(25,012)
Profit for the period	100,090	22,594
Closing balance – Total equity		
at 30 June (unaudited)	514,688	212,435

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2007

		Unaudited	Audited
		At 30 June	At 31 December
		2007	2006
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,878	1,987
Available-for-sale investments	7	183,166	36,093
		185,044	38,080
Current assets			
Investments held for trading	7	409,535	186,109
Deposits, prepayments and other receivables		722	529
Bank balances and cash		408	576
		410,665	187,214
Current liabilities			
Other payables and accruals	8	16,021	13,033
Short-term borrowings, unsecured	9	50,000	–
Provision for taxation		15,000	–
		81,021	13,033
Net current assets		329,644	174,181
NET ASSETS		514,688	212,261
CAPITAL AND RESERVES			
Share capital	10	170,883	112,229
Reserves	11	343,805	100,032
TOTAL EQUITY		514,688	212,261

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2007

	Unaudited	
	Six months ended	
	30 June	
	2007	2006
	HK\$'000	HK\$'000
Net cash used in operating activities	(121,167)	(95,299)
Net cash (used in)/from investing activities	(151,744)	38,186
Net cash from financing activities	272,743	57,340
Net (decrease)/increase in cash and cash equivalents	(168)	227
Cash and cash equivalents at beginning of period	576	61
Cash and cash equivalents at end of period, represented by bank balances and cash	408	288

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2007

1. BASIS OF PREPARATION

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

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

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

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

2. TURNOVER AND REVENUE

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

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

3. SEGMENT INFORMATION

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

4. PROFIT BEFORE TAXATION

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

5. TAXATION

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

6. EARNINGS PER SHARE

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

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

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

7. INVESTMENTS

	Unaudited	Audited
	At 30 June	At 31 December
	2007	2006
<i>Note</i>	HK\$'000	<i>HK\$'000</i>
Available-for-sale investments		
Equity investment:		
Listed in Hong Kong	177,926	30,882
Listed overseas	5,240	5,211
	183,166	36,093
Unlisted in Hong Kong	23,000	23,000
Impairment loss	(23,000)	(23,000)
	-	-
	183,166	36,093
Investments held for trading		
Equity investment:		
Listed in Hong Kong	323,084	133,363
Listed overseas (i)	86,451	41,746
Debt investment:		
Unlisted in Hong Kong	-	11,000
	409,535	186,109

7. INVESTMENTS (continued)

Note:

- (i) As at 30 June 2007, an amount of HK\$25,255,000 (As at 31 December 2006: HK\$22,771,000) included in investments held for trading represents the Group's shareholding in the following Taiwan company exceeded 20% of this Taiwan company's total issued share capital:

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 software and hardware	Ordinary share 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 has an option to purchase certain of these investments at a later date subject to conditions. In the opinion of the directors, it is pre-mature to determine whether the conditions will be satisfied and therefore, all of these investments are classified as held for trading.

8. OTHER PAYABLES AND ACCRUALS

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

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

9. SHORT-TERM BORROWINGS, UNSECURED

The amount represented a short-term loan which is unsecured, interest bearing at prime rate per annum and repayable within one year.

10. SHARE CAPITAL

	Unaudited		Audited	
	At 30 June 2007		At 31 December 2006	
	Number	Nominal	Number	Nominal
	of shares	value	of shares	value
		HK\$'000		HK\$'000
Authorised:				
Ordinary shares of				
HK\$0.1 each	5,000,000,000	500,000	5,000,000,000	500,000

	Note	Unaudited		Audited	
		At 30 June 2007		At 31 December 2006	
		Number	Nominal	Number	Nominal
		of shares	value	of shares	value
			HK\$'000		HK\$'000
Issued and fully paid:					
At beginning of					
period/year		1,122,291,163	112,229	727,291,163	72,729
Capital reduction	(i)(a)	-	(101,006)	-	-
Share consolidation	(i)(b)	(1,010,062,047)	-	-	-
Issue of shares under					
share option scheme	(ii) & (v)	138,710,000	13,871	-	-
Rights issue	(iii)	1,194,991,160	119,499	-	-
Placements of shares	(iv)	262,898,055	26,290	395,000,000	39,500
At balance sheet date		1,708,828,331	170,883	1,122,291,163	112,229

10. SHARE CAPITAL *(continued)*

Note:

- (i) At the extraordinary general meeting of the Company held on 17 November 2006, the resolutions 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 reorganisation was approved by the Grand Court of the Cayman Islands on 9 February 2007 and become effective after 4:00 p.m. on 13 February 2007 (the "Effective Date") and the effects of the capital reorganisation were as follows:
 - (a) the paid-up and nominal value of the issued shares was reduced by HK\$0.09 per share by cancelling an equivalent amount of paid-up capital per share so that the nominal value of each share was reduced from HK\$0.1 to HK\$0.01. Based upon the number of shares in issue as at the Effective Date, the issued share capital of the Company of HK\$112,229,000 consisting of 1,122,291,163 ordinary shares of HK\$0.1 each was reduced by HK\$101,006,000 to HK\$11,223,000 consisting of 1,122,291,163 ordinary shares of HK\$0.01 each (the "Reduced Shares");
 - (b) every 10 issued Reduced Shares of HK\$0.01 each were consolidated into one Consolidated Share of HK\$0.1. As a result, the adjusted share capital of the Company became HK\$11,223,000 consisting of 112,229,116 ordinary shares of HK\$0.1 each; and
 - (c) the credit amount of HK\$101,006,000 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.

10. SHARE CAPITAL *(continued)*

Note:

- (ii) On 15 February 2007, 7,270,000 share options were granted to the directors and qualified allottees under the share option scheme at an exercise price of HK\$0.53 per ordinary share of HK\$0.1 each. These share options were fully exercised on 2 March 2007.
- (iii) At the extraordinary general meeting held on 19 April 2007, a resolution was passed for the issue of 1,194,991,160 Rights Shares of HK\$0.1 each to qualifying shareholders on the basis of ten Rights Shares for every share held on 19 April 2007. The Rights Shares were issued on 17 May 2007.
- (iv) On 4 June 2007, the Company entered into a placing agreement with a placing agent to place 262,898,055 ordinary shares to independent investors at HK\$0.269 per share. The placing was completed on 12 June 2007.
- (v) On 31 May 2007, 131,440,000 share options were granted to qualified allottees under the share option scheme at an exercise price of HK\$0.255 per ordinary share of HK\$0.1 each. These share options were options were fully exercised on 20 June 2007.

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

11. RESERVES

	Share premium <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2006 (audited)	89,792	13,633	–	(39,746)	63,679
Placements of shares	24,500	–	–	–	24,500
Share issue expenses	(1,660)	–	–	–	(1,660)
Change in fair value of available-for-sale investments	–	16,105	–	–	16,105
Transfer to income statement on disposal of available-for-sale investments	–	(25,012)	–	–	(25,012)
Profit for the period	–	–	–	22,594	22,594
At 30 June 2006 (unaudited)	112,632	4,726	–	(17,152)	100,206
At 1 January 2007 (audited)	112,632	14,941	–	(27,541)	100,032
Creation of contributed surplus pursuant to the Capital Reorganisation (note 10(i)(c))	–	–	101,006	–	101,006
Contributed surplus set off against accumulated losses pursuant to the Capital Reorganisation (note i)	–	–	(11,421)	11,421	–
Placement 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)	175,706	(5,456)	89,585	83,970	343,805

Note:

- (i) A contributed surplus of approximately HK\$11,421,000 was utilised to eliminate the accumulated losses of the Company as at 30 June 2006.

12. SHARE OPTION SCHEME

(a) Movement in share option scheme during the period ended 30 June 2007

Name of category of participant	Date of grant	As at	Granted	Exercised	As at	Exercise price	Share price at	Share price at	
		1 January 2007	during the Period	during the Period	30 June 2007		the date of grant	the date of exercise	
							(note i)	(note ii)	
							HK\$	HK\$	HK\$
Directors in aggregate	15 February 2007	-	3,300,000	(3,300,000)	-	0.530	0.510	0.500	
Other in aggregate	15 February 2007	-	3,970,000	(3,970,000)	-	0.530	0.510	0.500	
	31 May 2007	-	131,440,000	(131,440,000)	-	0.255	0.233	0.275	
		-	138,710,000	(138,710,000)	-				

Note:

- (i) The share price at the date of grant is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options.
- (ii) The share price at the date of exercise is the weighted average closing price of the shares immediately before the dates on which the options were exercised.

(b) Fair value of share options

The directors assessed and considered that the fair value of share options granted under the share option scheme at the grant date is immaterial in the interim financial statements.

13. PLEDGE OF ASSETS

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

14. 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 Six months ended 30 June	
		2007 HK\$'000	2006 HK\$'000
Key management personnel, including directors	Salaries, allowances and benefits in kind	767	392
	Retirement scheme contributions	17	10
		784	402
The Company's investment manager (June 2006: and under common directorship (note i))	Investment management fee paid (note ii)	420	300

Note:

- (i) Dr. Pang Shuen Wai, Nichols, was a director of CU Investment Management Limited ("CUIM") until 30 June 2006 and resigned as an executive director of the Company on 12 June 2006.
- (ii) CUIM has been engaged in providing the Group with investment management services. Since 1 January 2007, the monthly management fee has been increased to HK\$70,000 per month.

15. POST BALANCE SHEET EVENTS

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

- (a) A placing agreement dated 12 July 2007 was entered into with a placing agent for the issue of 341,765,666 ordinary shares of the Company of HK\$0.1 each at the placing price of HK\$0.2 per share to independent investors. The placing was completed on 25 July 2007.
- (b) A subscription agreement dated 18 July 2007 and a supplemental agreement dated 20 August 2007 were entered into with an independent investor for the subscription of 500,000,000 ordinary shares of the Company of HK\$0.1 each at the subscription price of HK\$0.14 per share .The subscription was completed on 17 September 2007.

16. COMPARATIVE FIGURES

Certain comparative amounts regarding change in fair value and transfer to income statement upon disposal of available-for-sale investments have been restated to conform with the current Period's presentation.

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 17, comprising the condensed consolidated balance sheet as at 30 June 2007 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, 17 September 2007

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 (2006: Nil).

Business Review and Prospects

Results Review

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

The breakdown of the Group's portfolio of investment assets as at 30 June 2007 is as follows:

Item	Market value	Percentage of consolidated net assets value
	<i>HK\$'000</i>	
Bank balances and cash	408	0.08%
Investments held for trading	409,535	79.57%
Available-for-sale investments	183,166	35.59%

As at 30 June 2007, the Group had unsecured, interest bearing short-term borrowings amounted to HK\$50 million (2006: Nil), which, when related to the Group's total equity of HK\$515 million (2006: HK\$212 million), represented a gearing ratio of approximately 9.7% (2006: N/A).

Prospects

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

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

Liquidity and Capital Resources

During the Period under review, the Company completed a rights issue and a share placement to enhance its capital structure and to promote greater financial flexibility for seizing appropriate investment opportunities as they arise. By ordinary resolution passed on 19 April 2007 to issue 1,194,991,160 rights shares of HK\$0.1 each of the Company to qualifying shareholders on the basis of ten rights shares for every share held on 19 April 2007 at a price of HK\$0.1 per share and raised net proceeds of approximately HK\$116 million. On 4 June 2007, the Company entered into a placing agreement with a placing agent to place 262,898,055 ordinary shares to independent investors at HK\$0.269 per share. The placing was completed on 12 June 2007 and raised net proceeds of approximately HK\$68.7 million.

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

As at 30 June 2007, the Company's issued share capital was 1,708,828,331 ordinary shares. The Group's shareholders' funds amounted to approximately HK\$514,688,000 (2006: HK\$212,261,000) and the net asset value of was HK\$0.3 per share (2006: HK\$0.19 per share).

Two share placements were made after the balance sheet date. A placing agreement dated 12 July 2007 was entered with a placing agent to issue 341,765,666 ordinary shares of the Company of HK\$0.1 each at the placing price of HK\$0.2 per share to independent investors. The placing was completed on 25 July 2007. A subscription agreement dated 18 July 2007 and a supplemental agreement dated 20 August 2007 were entered into with an independent investor for the subscription of 500,000,000 ordinary shares of the Company of HK\$0.1 each at the subscription price of HK\$0.14 per share. The subscription was completed on 17 September 2007.

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

Contingent Liabilities

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

Pledge of Assets

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

Capital Commitments

As at 30 June 2007, the Group had no capital commitment (2006: Nil).

Directors' and Chief Executives' Interest in Equity or Debt Securities

Shares

As at 30 June 2007, none of Directors and the Chief Executive had in 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 positions 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 Companies 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 may grant 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. The following table discloses movement in the Company's share options under the Scheme during the Period.

Name of category of participant	Date of grant	Exercise price	As at 1 January 2007	Granted during the Period	Exercised during the Period	As at 30 June 2007
<i>HK\$</i>						
Directors						
CHUNG Wilson KITCHELL	15 February 2007	0.530	-	1,100,000	(1,100,000)	-
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 in aggregate	15 February 2007	0.530	-	3,970,000	(3,970,000)	-
	31 May 2007	0.255	-	131,440,000	(131,440,000)	-
			-	138,710,000	(138,710,000)	-

No share options were granted, lapsed, exercised or expired under the Scheme during the year ended 2006.

Substantial Shareholders

As at 30 June 2007, the register maintained by the Company pursuant to section 336 of the SFO recorded interests (as defined in the SFO) in the Company of the following corporations:

Name of shareholder	Capacity	Number of Shares	% of the relevant issued share capital
Radford Capital Investment Limited <i>(Note 1)</i>	Interest in controlled corporation	154,690,309	9.05
Winning Horsee Limited <i>(Note 1)</i>	Beneficial owner	154,690,309	9.05
Heritage International Holdings Limited <i>(Note 2)</i>	Interest in controlled corporation	199,928,000	11.70
Coupeville Limited <i>(Note 2)</i>	Interest in controlled corporation	199,928,000	11.70
Dollar Group Limited <i>(Note 2)</i>	Beneficial owner	199,928,000	11.70

Note: (1) Winning Horsee Limited is 100% owned by Radford Capital Investment Limited.

(2) Dollar Group Limited is 100% owned by Coupeville Limited, which in turn is 100% owned by Heritage International Holdings Limited.

All the interests stated above represent long positions. As at 30 June 2007, no short positions were recorded in the Register of Interests in Shares and Short Positions of Substantial Shareholders required to be kept under section 336 of the SFO.

Purchase, Sale or Redemption of Shares

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

Code on Corporate Governance Practices

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

None of the existing directors (including independent non-executive directors) of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all directors of the Company (both executive and non-executive directors) are subject to the retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to Article 157 in the Articles of Association of the Company amended on 13 September 2005. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

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

Employee and Remuneration Policies

As at 30 June 2007, the Group had 9 employees, including 3 executive directors and 3 independent non-executive directors. The remuneration package of the Group is generally periodically reviewed, marking reference to current legislation, performance appraisals and other relevant factors.

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

Model Code for Securities Transactions by Directors

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

Audit Committee

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial statements for the Period. At the request of the Directors, the Company's external auditors, Mazars CPA Limited, have carried out a review of the unaudited interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

Remuneration Committee

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

CHUNG Wilson

Chairman

Hong Kong, 17 September 2007