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**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 2010**

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 2010 (the “**Period**”). The interim results have been reviewed by the Company’s auditor, Mazars CPA Limited, and the Company’s Audit Committee. The Board has approved the unaudited condensed consolidated financial statements of the Group for the six months interim period ended 30 June 2010.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2010*

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2010</b>	<b>2009</b>
	<i>Note</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
<b>Turnover</b>	2	<b>(5,785)</b>	(715)
Other revenue	2	<b>914</b>	4,884
Change in fair value of listed investments classified under investments held for trading		<b>(17,439)</b>	9,546
Realised gain/(loss) on disposal of listed investments classified under available-for-sale investments		<b>10,335</b>	(35,792)
Impairment of unlisted equity investments classified under available-for-sale investments		–	(4,402)
Other operating expenses		<b>(5,578)</b>	(10,605)
Finance costs		<b>(352)</b>	(1,188)
<b>Loss before taxation</b>	4	<b>(17,905)</b>	(38,272)
Taxation	5	–	–
<b>Loss for the period attributable to equity holders of the Company</b>		<b>(17,905)</b>	(38,272)

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2010</b>	<b>2009</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Other comprehensive (loss) income</b>			
Change in fair value of available-for-sale investments		(40,695)	82,143
Realisation upon disposal of available-for-sale investments		<u>(11,795)</u>	<u>34,655</u>
<b>Other comprehensive (loss) income for the period</b>		<u>(52,490)</u>	<u>116,798</u>
<b>Total comprehensive (loss) income for the period attributable to equity holders of the Company</b>		<u><u>(70,395)</u></u>	<u><u>78,526</u></u>
			<i>(Restated)</i>
<b>Loss per share</b>			
<b>Basic and Diluted</b>	6	<u><u>HK\$(0.04)</u></u>	<u><u>HK\$(0.40)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2010</b>	2009
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		3,439	4,408
Available-for-sale investments	7	<u>345,077</u>	<u>258,798</u>
		<u>348,516</u>	<u>263,206</u>
<b>Current assets</b>			
Investments held for trading	7	42,033	29,149
Other receivables		158	377
Bank balances and cash		<u>1,151</u>	<u>6,359</u>
		<u>43,342</u>	<u>35,885</u>
<b>Current liabilities</b>			
Trade and other payables	8	<u>31,541</u>	<u>2,576</u>
<b>Net current assets</b>		<u>11,801</u>	<u>33,309</u>
<b>NET ASSETS</b>		<u><u>360,317</u></u>	<u><u>296,515</u></u>
<b>Capital and reserves</b>			
Share capital		85,392	14,387
Reserves		<u>274,925</u>	<u>282,128</u>
<b>TOTAL EQUITY</b>		<u><u>360,317</u></u>	<u><u>296,515</u></u>

*Notes:*

**1. BASIS OF PREPARATION**

The unaudited interim financial statements for the six months ended 30 June 2010 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 with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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 2009. 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 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 2009. 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 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 whether these new and revised HKFRS would have a significant impact on the Group’s 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 2010 are as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2010</b>	<b>2009</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
<b>Turnover</b>		
Results from the sale of listed investments held for trading	<u>(5,785)</u>	<u>(715)</u>
<b>Other revenue</b>		
Dividend income – listed investments	<b>883</b>	4,853
Interest income	<u>31</u>	<u>31</u>
	<b>914</b>	4,884
<b>Total revenue</b>	<b><u>(4,871)</u></b>	<b><u>4,169</u></b>

### 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 following table sets out information about the geographical location of (i) the Group's revenue; and (ii) the Group's non-current assets other than financial instruments ("specified non-current assets"). 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 is based on the physical location of the asset.

	Revenues		Specified non-current assets	
	Unaudited Six months ended 30 June 2010 HK\$'000	2009 HK\$'000	Unaudited 30 June 2010 HK\$'000	Audited 31 December 2009 HK\$'000
Hong Kong	(5,594)	(635)	3,439	4,408
Others	723	4,804	–	–
	<u>(4,871)</u>	<u>4,169</u>	<u>3,439</u>	<u>4,408</u>

### 4. LOSS BEFORE TAXATION

	Unaudited Six months ended 30 June	
	2010 HK\$'000	2009 HK\$'000

This is stated after charging (crediting):

Depreciation	1,091	689
Donation	30	–
Loss on disposal of a subsidiary	–	5,677
Staff cost, including directors' emoluments	1,518	1,407
Share-based payment in respect of share options granted	145	–
Operating lease charges in respect of:		
land and buildings	431	346
hire of machinery	33	27
	<u>1,091</u>	<u>689</u>

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

Realised gain (loss) on disposal of listed investments	4,550	(36,507)
Unrealised loss (surplus) on listed investments	17,439	(9,546)
Unrealised loss on unlisted investments	–	4,402
	<u>4,550</u>	<u>(36,507)</u>

## 5. TAXATION

Hong Kong Profits Tax has not been provided in the financial statements as the Group incurred losses for taxation purposes for the six months ended 30 June 2010 and 2009.

## 6. LOSS PER SHARE

The calculation of basic loss per share is based on the Group's loss attributable to equity holders for the Period of HK\$17,905,000 (2009: HK\$38,272,000) and the weighted average number of ordinary shares of 418,818,501 (2009: restated 94,658,433 shares) in issue during the Period. The comparative amount of the basic loss per share for 2009 has been adjusted to reflect the impact of the rights issue effected during the Period.

As there were no dilutive potential ordinary shares, diluted loss per share for the Period was the same as basic loss per share. In 2009, as there was an anti-dilutive effect after adjusting for the effects of all dilutive potential ordinary shares, diluted loss per share was the same as basic loss per share.

## 7. INVESTMENTS

		<b>Unaudited 30 June 2010 HK\$'000</b>	<b>Audited 31 December 2009 HK\$'000</b>
	<i>Note</i>		
<b>Available-for-sale investments</b>			
Equity investments, at fair value			
Listed in Hong Kong	7(i)	<b>300,836</b>	214,557
Equity investments, at cost			
Unlisted in Hong Kong		<b>36,058</b>	36,058
Impairment loss		<b>(30,058)</b>	(30,058)
		<b>6,000</b>	6,000
Unlisted overseas		<b>11,641</b>	11,641
Debt investments, unlisted in Hong Kong at fair value			
Loan and receivable portion		<b>24,023</b>	24,023
Embedded derivative		<b>2,577</b>	2,577
		<b>26,600</b>	26,600
Total		<b>345,077</b>	258,798
<b>Investments held for trading</b>			
Equity investments, at fair value			
Listed in Hong Kong		<b>31,485</b>	18,341
Listed overseas		<b>10,548</b>	10,808
Total		<b>42,033</b>	29,149

- (i) As at 30 June 2010, the carrying amount of the Group's interest in the shares or underlying shares 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	Proportion of nominal value of issued capital held by the Group
China Public Healthcare (Holding) Limited	Cayman Islands	Hospital data evaluation analytics, hospital information technology system for medical data acquisition, processing and application system, mining of mineral resources and accessories in the People's Republic of China ("PRC"), radio trunking systems integration and provision of telemedia-related and other value-added telecommunication-related technical services	Ordinary shares of HK\$0.01 each	2.65%
Chinese Estates Holdings Limited	Bermuda	Property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading	Ordinary shares of HK\$0.10 each	0.19%

## 8. TRADE AND OTHER PAYABLES

	<b>Unaudited 30 June 2010 HK\$'000</b>	Audited 31 December 2009 HK\$'000
Due to securities brokers	<b>31,284</b>	2,251
Accruals and other payables	<b>257</b>	325
	<b><u>31,541</u></b>	<b><u>2,576</u></b>

Trade payables due to securities brokers represent margin loans arising from the trading of listed investments which are repayable on demand. No ageing analysis is disclosed as in the opinion of the directors, an ageing analysis does not give additional value in view of the Group's business nature.

## 9. EVENTS AFTER THE INTERIM PERIOD END

Pursuant to the Company's announcement dated 27 July 2010, the Company announced that:

- (i) the Company proposed to put forward to the shareholders the capital reorganisation (the "Capital Reorganisation") which will comprise: (a) the consolidation of every twenty issued shares of HK\$0.10 each into one consolidated share of HK\$2.00 each ("Consolidated Share"); (b) the reduction in paid-up capital of each Consolidated Share from HK\$2.00 each to HK\$0.01 each by cancelling paid-up capital to the extent of HK\$1.99 on each Consolidated Share so as to form an adjusted share of HK\$0.01 each ("Adjusted Share"); (c) the application of the credit arising from such reduction to cancel the accumulated deficit of the Company with the balance (if any) to be transferred to the distributable capital reduction reserve account of the Company; and (d) the sub-division of each of the authorised but unissued shares of HK\$0.10 each into ten Adjusted Shares of HK\$0.01 each; and
- (ii) the Company proposed, subject to the Capital Reorganisation becoming effective, by issuing not less than 341,567,856 new Adjusted Shares and not more than 444,038,208 new Adjusted Shares to the qualifying shareholders by way of the rights issue at a price of HK\$0.36 per rights share on the basis of eight rights shares for every Adjusted Share held on the record date.



## MANAGEMENT DISCUSSION AND ANALYSIS

### INTERIM DIVIDEND

The Board does not recommend any interim dividend for the Period (2009: *Nil*).

### RESULTS

The Group recorded a net loss of approximately HK\$17,905,000 for the Period, representing a decrease of 53.22% as compared to net loss of approximately HK\$38,272,000 in the corresponding period of last year. The net loss incurred by the Group for the Period was mainly attributable to realised loss on disposal of its listed investments held for trading and unrealised loss on revaluation of its listed investments held for trading. Loss per share of the Company for the Period was HK\$0.04 as compared to HK\$0.40 restated for 2009.

### BUSINESS REVIEW AND PROSPECTS

The Company is an investment company and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (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 principal activities of the Group remains engaged in the investments in listed companies in Hong Kong and other main stock markets around the world and also in unlisted companies.

While the fundamentals of the China economy remain strong, Hong Kong equity markets and for that matter fund flows into the domestic financial system are dependent on the developments in the global economy and general risk appetite to a large extent. Though the global economy has recovered at a much faster pace than expected, the current recovery is still at an initial stage and concerns still remain that the global economy could possibly witness a ‘W’ shaped recovery pattern. The effects of fiscal stimulus measures are likely to eventually fade resulting in lower growth rates, especially if private demand does not recover at a rapid pace. Weaker than anticipated recovery in the global economy could result in another bout of risk aversion in the global markets sometime during the second half of this financial year which in turn could have an impact.

The other risk stems from the prospect of tighter global monetary policy during the middle of calendar year 2010. While the U.S. Federal Reserve may not hike its operational fed funds rate any time soon, it seems to be giving indications that it could wind down its quantitative easing program. Market expects the U.S. Federal Reserve to slowly start draining USD liquidity from the financial system starting sometime around the 4th quarter of 2010. As this happens, global equity markets could correct as investors price in the prospect of a reduction in liquidity in the global financial system. The China economy is likely to continue to outperform its global counterparts in the year ahead, her investment and domestic consumption will be a crucial link in driving the recovery forward; buoyant domestic demand should help it absorb headwinds from rising inflation.

The increasing uncertainty around the condition of the global financial sector and economy significantly increased investors' risk aversion and resulted in unprecedented volatility in global equity markets. Economic conditions in Hong Kong, China and globally are likely to remain slow recovery pace in the medium term. Upcoming year, the Board believes that the stock market will continue to provide opportunities but will also be volatile and unpredictable. The Board will take cautious approach to invest with the difficult market conditions which will come across throughout the year and will adjust its investment portfolio continuously and raise fund as and when the opportunity arise.

## **FINANCIAL REVIEW**

### **Liquidity, Financial Resources and Capital Structure**

The Group financed its asset portfolio by internal generated cash resources and fund raising exercises. As at 30 June 2010, the net current assets of the Group amounted to approximately HK\$11,801,000 (*As at 31 December 2009: approximately HK\$33,309,000*) with cash and bank balances of approximately HK\$1,151,000 (*As at 31 December 2009: approximately HK\$6,359,000*).

There was no material change in available credit facilities when compared with the financial year ended 31 December 2009. As at 30 June 2010, the Group did not have unsecured, interest bearing short-term borrowings (*As at 31 December 2009: HK\$Nil*). The gearing ratio of the Group was significantly increased to 8.05% as compared to 0.86% as at 31 December 2009 (calculated on basis of total liabilities divided by total assets), which was resulted from utilisation of margin facilities from regulated securities brokers amounted to approximately HK\$31,284,000 (*As at 31 December 2009: approximately HK\$2,251,000*). The Board believed that the use of margin facilities maintains flexibility and continuity of funding. Taking into account of the amount of assets on hand and available credit facilities, the Group has sufficient working capital for its ongoing operational requirements.

During the Period under review, the Company completed a rights issue on a two for one basis and two share placements for 569,279,762 rights shares and aggregate of 128,770,000 placing shares and approximately HK\$81.55 million and HK\$46.7 million net proceeds were received, respectively. The net proceeds were used for listed securities investments in Hong Kong and general working capital of the Group. The Board has been actively seeking fund raising opportunities to strengthen the Company's financial position.

The unaudited consolidated net asset value per share of the Company as at 30 June 2010 was HK\$0.42 (*As at 31 December 2009: audited HK\$2.06*). The consolidated net assets value per share is calculated based on the net assets of the Group as at 30 June 2010 of approximately HK\$360,317,000 (*As at 31 December 2009: approximately HK\$296,515,000*) and the total number of 853,919,643 shares (*As at 31 December 2009: 143,874,881 shares*) in issue as at that date.

### **Charge of Assets**

As at 30 June 2010, margin facilities from several regulated 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 2010, approximate amount of HK\$31,284,000 (*As at 31 December 2009: approximately HK\$2,251,000*) had been utilised against these facilities and the total carrying amount of the available-for-sale investments and investments held for trading charged to the securities brokers was approximately HK\$369,469,000 (*As at 31 December 2009: approximately HK\$270,306,000*).

### **Contingent Liabilities and Capital Commitments**

As at 30 June 2010, the Group has no material contingent liabilities and capital commitments.

### **FOREIGN EXCHANGE EXPOSURE**

As at 30 June 2010, the majority of the Group's investments were either denominated in Hong Kong dollars or Singapore dollars. The Board considers its exposure to foreign exchange risk was not significant, therefore, no financial instruments was made to hedge such exposures.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

During the Period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

### **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 separated and should not be performed by the same individual. Mr. KITCHELL Osman Bin was appointed as chairman on 16 January 2008 and took the role of the 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 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 of the articles of association of the Company which was 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.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as 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.

### **EMPLOYEE AND REMUNERATION POLICIES**

As at 30 June 2010, the Group had ten employees, including three executive directors and three independent non-executive directors. The remuneration package of the Group is generally periodically reviewed, making reference to current legislation, performance appraisals and other relevant factors. The total remuneration cost incurred by the Group for the Period was approximately HK\$1,518,000 (2009: approximately HK\$1,407,000).

### **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 auditor, Mazars CPA Limited, has 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 announcement, the Audit Committee of the Company comprises three independent non-executive directors, namely, Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki and Mr. NGAI Wai Kin.

### **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.unity913.com](http://www.unity913.com)). The 2010 interim report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the aforesaid websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express our appreciation to the management team and staff 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, 5 August 2010

*As at the date of this announcement, the executive directors of the Company are Mr. KITCHELL Osman Bin (Chairman and Chief Executive Officer), Ms. DAVIS Angela Hendricks and Ms. CHOI Ka Wing; and the independent non-executive directors of the Company are Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki and Mr. NGAI Wai Kin.*