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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 2018

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 2018 (the “**Period**”). The interim results for the Period are unaudited, but have been reviewed by the Company’s Audit Committee. The Board has approved the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2018.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

		Unaudited	
		Six months ended 30 June	
		2018	2017
	<i>Notes</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Loss from the sale of listed investments held for trading		(10,268)	(159,066)
Revenue	2	–	5
Changes in fair value of listed equity investments classified under investments held for trading		(901)	(368,392)
Changes in fair value of investment in equity instruments		(1,707)	–
Changes in fair value of unlisted convertible bonds designated as financial assets at fair value through profit or loss		–	(2,400)
Realised gain on disposal of an unlisted equity investment classified under held for sale		–	5,000
Share-based payments		(391)	(110)
Other operating expenses		(2,953)	(2,788)
Finance costs		(1,181)	(1,583)
Loss before tax	4	(17,401)	(529,334)
Income tax	5	–	–
Loss for the Period attributable to equity holders of the Company		(17,401)	(529,334)

	Unaudited	
	Six months ended 30 June	
	2018	2017
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive loss		
<i>Items that are or may be reclassified to profit or loss:</i>		
Changes in fair value of equity instruments	–	(7,317)
Realisation upon disposal of an unlisted equity investment classified under held for sale	–	(5,000)
	<u>–</u>	<u>(12,317)</u>
Other comprehensive loss for the Period	<u>–</u>	<u>(12,317)</u>
Total comprehensive loss for the Period attributable to equity holders of the Company	<u>(17,401)</u>	<u>(541,651)</u>
Loss per share		
Basic and Diluted	<u>6</u> <u>HK0.93 cent</u>	<u>HK30.18 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		Unaudited	Audited
		30 June	31 December
		2018	2017
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Investment in equity instruments	7	<u>244,385</u>	<u>246,092</u>
Current assets			
Financial assets held for trading	7	164,018	172,301
Deposits and prepayments		318	577
Due from securities brokers	8	33,958	30,770
Other receivable		23,250	46,250
Bank balances and cash		<u>4,901</u>	<u>1,295</u>
		<u>226,445</u>	<u>251,193</u>
Current liabilities			
Due to securities brokers	9	17,567	16,834
Other payables and accruals		531	831
Loan payables	10	–	10,175
Bonds payable	11	<u>10,981</u>	<u>10,684</u>
		<u>29,079</u>	<u>38,524</u>
Net current assets		<u>197,366</u>	<u>212,669</u>
NET ASSETS		<u>441,751</u>	<u>458,761</u>
Capital and reserves			
Share capital		186,232	186,232
Reserves		<u>255,519</u>	<u>272,529</u>
TOTAL EQUITY		<u>441,751</u>	<u>458,761</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

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 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 2017 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 2017.

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 2018. 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, except for HKFRS 9 as detailed below:

HKFRS 9 “Financial Instruments”

In the Period, the Group has adopted HKFRS 9 “Financial Instruments”, which becomes effective for accounting periods beginning on or after 1 January 2018. The Group applied the transition provisions set out in HKFRS 9 to adjust the retained profits or other reserves as at 1 January 2018, without restating comparative information retrospectively, for any adjustments to the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9. The principal effects resulting from the application of HKFRS 9 on the Group’s assets or liabilities are summarised below.

Classification and measurement of financial assets and financial liabilities

HKFRS 9 “Financial Instruments” introduces a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics, and the new requirements on accounting for financial liabilities that are designated at fair value through profit or loss.

Impairment of financial assets

HKFRS 9 replaces the “incurred loss” impairment model in HKAS 39 with a forward-looking “expected credit loss” model. The Group applies simplified approach to recognise lifetime expected losses for all debtors and other receivables, and expected losses for investments in securities. The credit losses calculated pursuant to the new requirements are not significantly different from the amount recognised under the current practices. Therefore, the Group considered no adjustment is necessary.

The change in the classification of financial assets under HKFRS 9 at the date of initial application on 1 January 2018 is that available-for-sale investments of approximately HK\$246,092,000 as at 31 December 2017 were classified as investment in equity instruments of HK\$246,092,000 as comparative figures in the condensed consolidated statement of financial position. Based on the Group's financial instruments policies, the equity securities classified as available-for-sale investments qualified for designation as measured at financial assets at fair value through other comprehensive income under HKFRS 9, however, the Group elects the option for designating these securities to be measured at financial assets at fair value through other comprehensive income and measures these securities at fair value with subsequent fair value gains or losses to be recognised in profit or loss. Upon initial application of HKFRS 9, investments revaluation reserve related to these available-for-sale investments currently accumulated in equity of HK\$35,958,000 were transferred to accumulated loss at 1 January 2018.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

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 2018 are as follows:

	Unaudited	
	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income	–	5

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	
		2018	2017
	Notes	HK\$'000	HK\$'000
This is stated after charging:			
Staff cost, including directors' emoluments		901	707
Operating lease charges in respect of:			
land and buildings		62	11

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

Realised loss on disposal of listed investments	(i)	10,268	159,066
Realised gain on disposal of an unlisted investment	(i)	–	(5,000)
Unrealised loss on listed investments	(ii)	2,608	375,709
Unrealised loss on unlisted investments	(ii)	–	2,400

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 2017.

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\$17,401,000 (2017: HK\$529,334,000) and the weighted average number of 1,862,316,806 (2017: 1,753,366,530) ordinary shares in issue during the Period.

The computation of the diluted loss per share does not assume the exercise of share options as the exercise price of existing share options was higher than the average market price for shares. Since there are no dilutive potential ordinary shares, diluted loss per share is the same as basic loss per share in the six months ended 30 June 2018. 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 six months ended 30 June 2017.

7. INVESTMENTS

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
Equity instruments		
Equity investments, at fair value		
Listed in Hong Kong (<i>Note</i>)	4,391	6,098
Equity investments, at fair value		
Unlisted outside Hong Kong	239,994	239,994
	<u>244,385</u>	<u>246,092</u>
Financial assets held for trading		
Equity investments, at fair value		
Listed in Hong Kong	164,018	172,301

Note:

Equity instruments

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
Market value of equity securities listed in Hong Kong	4,391	6,098

The Group's major investments as at 30 June 2018 were detailed below:

			As at 30 June 2018			For the six month ended 30 June 2018
	<i>Notes</i>	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 HK\$'000
Equity instruments						
Pure Power Holdings Limited	1	Unlisted	93,938	23.0%	21.3%	–
Keen Champ Investments Limited	2	Unlisted	94,120	23.0%	21.3%	–
Peak Zone Group Limited	3	Unlisted	51,936	12.7%	11.8%	–
Financial assets held for trading						
China Kingstone Mining Holdings Limited	4	1380	25,312	6.2%	5.7%	4,574
WLS Holdings Limited	5	8021	41,211	10.1%	9.3%	4,907

Notes:

1. 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, 2017, the unaudited consolidated net loss attributable to equity holders of Pure Power was US\$270,000. As at 31 December, 2017, its unaudited consolidated net liability attributable to the equity holders was US\$837,000.
2. 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 2017, the unaudited consolidated net loss attributable to equity holders of Keen Champ was HK\$1,068,000. As at 31 December, 2017, its unaudited consolidated net liabilities attributable to the equity holders was HK\$11,353,000.
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, 2017, the unaudited consolidated net profit attributable to equity holders of Peak Zone was HK\$2,387,000. As at 31 December 2017, its unaudited consolidated net assets attributable to the equity holders was HK\$7,602,000.
4. China Kingstone Mining Holdings Limited (“**China Kingstone**”) is incorporated in Cayman Islands and continued in Bermuda with limited liability and its shares are listed on Stock Exchange of Hong Kong Limited (Stock code: 1380). China Kingstone is principally engaged in the production and sale of marble and marble related products, mainly in China. For the year ended 31 December 2017, the audited consolidated profit attributable to owners of China Kingstone was RMB\$7,797,000 with basic and diluted earnings per share of RMB0.5 cents. As 31 December 2017, its audited consolidated net assets attributable to the owners was RMB409,865,000.
5. 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 Stock Exchange of Hong Kong Limited (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 2018, the audited consolidated loss attributable to owners of WLS was HK\$109,788,000 with basic and diluted loss per share of HK\$0.848 cents. As at 30 April 2018, its audited consolidated net assets attributable to the owners was HK\$727,256,000.

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. DUE TO SECURITIES BROKERS

Amount due to securities brokers represent margin loans arising from the trading of listed investments which are repayable on demand.

10. LOAN PAYABLES

Loan payables from independent third parties as at 31 December 2017 were unsecured, bore interest ranging from 6% to 8.5% per annum, and were fully repaid during the Period.

11. BONDS PAYABLE

In November 2016, the Company issued bonds to an independent third party with an aggregate principal amount of HK\$10,000,000 at 6% coupon rate per annum with a maturity date on 11 November 2018, the second anniversary of the date of issue of the bonds. Related interest payables were also included with the bonds payable in the consolidated statement of financial position as at 30 June 2018 and 31 December 2017. The proceeds from issuance of bonds are used for investment opportunity and general working capital of the Group.

12. CHARGE OF ASSETS AND MARGIN FACILITIES

As at 30 June 2018 and 31 December 2017, 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 2018 and 31 December 2017, the Group had not utilised against these facilities.

13. 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 2018 and 31 December 2017.

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 2018 and 31 December 2017.

14. EVENT AFTER THE REPORTING PERIOD

On 8 May 2018, the Company entered into service agreements (the "Service Agreements") with eight (8) advisers (the "Advisers") of the Company. Pursuant to the Service Agreements, the Advisers shall provide services on referring unlisted projects for the Group, and referring potential investors to purchase the unlisted investments held by the Group or to participate in developing the unlisted projects of the Group, and the follow-up services for the two years commencing from 8 May 2018 (the "Service Period"). 17,000,000 share options ("Share Options") with exercise price of HK\$0.1 per share and exercisable period of two years from 8 May 2018 were granted to each Adviser, and the Advisers are entitled a cash bonus on a successful basis.

On 15 August 2018, the Company and each of the Advisers entered into a supplemental agreement amending the Service Agreements and the terms of grant of the Share Options in the following manner:

- (a) the Share Options shall only be vested into the Advisers and become exercisable by three stages subject to the following conditions:
 - (i) 5,666,666 Share Options shall become vested upon the Company having received sales proceeds (in respect of referral of investors) and/or the gain on disposal of the referred projects and/or the dividend received from the referred projects after acquisition which in aggregate is no less than HK\$805,000, during the Service Period;
 - (ii) 5,666,666 Share Options shall become vested upon the Company having received sales proceeds (in respect of referral of investors) and/or the gain on disposal of the referred projects and/or the dividend received from the referred projects after acquisition which in aggregate is no less than HK\$1,610,000, during the Service Period;
 - (iii) the balance of 5,666,668 Share Options shall become vested upon the Company having received sales proceeds (in respect of referral of investors) and/or the gain on disposal of the referred projects and/or the dividend received from the referred projects after acquisition which in aggregate is no less than HK\$2,415,000, during the Service Period;
- (b) no successful cash bonus will be payable to the Advisers.

Save as set out above, all other terms of the grant of Share Options to the Advisers and the Service Agreements shall remain unchanged.

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 2017: Nil*).

RESULTS

The Group recorded a net loss of approximately HK\$17.4 million for the Period, with a significant decrease in the net loss as compared to a net loss of approximately HK\$529.3 million in the corresponding period of last year. The net loss incurred by the Group for the Period was mainly attributable to loss on listed investments recognised during the Period. Loss per share of the Company for the Period was HK0.93 cent as compared to loss per share of HK30.18 cents as restated for the same period in 2017.

BUSINESS REVIEW AND PROSPECTS

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\$10.3 million (*2017: HK\$159.1 million*) and unrealised loss of approximately HK\$0.9 million (*2017: HK\$368.4 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 classification of investment portfolio of the Group as at 30 June 2018 are as follows:

	Market value/ Cost HK\$'000	Approximate percentage of the Group's consolidated net asset value
Equity instruments	244,385	55.3%
Financial assets held for trading	164,018	37.1%

In connection with unlisted investments, the Group principally held three unlisted equity investment projects with attractive potentials. These three investee companies are Keen Champ Investments Limited (“**Keen Champ**”), Peak Zone Group Limited (“**Peak Zone**”) and Pure Power Holdings Limited (“**Pure Power**”).

The principal business of Keen Champ Group is holding operating rights and forestry management of forest trees. Peak Zone Group principally engages in the electronic commerce industry specializing on the provision of integrated application, which can be deployed by its customers on a modular or selective basis, offering flexibility in budget and choice. Pure Power Group is running natural resources exploration and exploitation business in America.

At long last, the Federal Reserve in mid-December 2015 raised interest rates and kicked off what is expected to be the first in a series of hikes that will likely extend into 2016 and beyond, bringing rates above their near-zero threshold for the first time since 2008. Gradually, the federal funds rate increased to 1.75% to 2.00% currently. The Federal Open Market Committee indicated that even though it was stepping up the pace of interest-rate hikes, economic growth should continue apace. The committee expects that further gradual increases in the target range for the federal funds rate will be consistent with sustained expansion of economic activity, strong labor market conditions, and inflation near the committee's symmetric 2 percent objective over the medium term.

The Eurozone economy decelerated sharply in the first quarter of the year, ending the spell of robust growth that was seen in 2017. A slower global recovery and strong euro caused exports to plunge in Q1 and GDP growth to slide to a seasonally-adjusted 0.4% over the previous quarter (Q4 2017: +0.7% quarter-on-quarter). While GDP data for the second quarter is still outstanding, monthly economic indicators suggest that the economy remained in a soft patch at the start of the period but stabilized towards June. Industrial production shrank in April and economic sentiment fell throughout the quarter. However, industrial output rebounded solidly in May and the composite PMI recovered some lost ground in June.

All-in-all, certain analysts expect that activity picked up slightly in the second quarter from the first quarter's slump, although growth remained weaker compared to last year's highs. Tailwinds from a healthy labor market, ultra-accommodative monetary policy and high sentiment are buttressing momentum. However, a stronger euro has taken a bite out of export growth, while rising inflation is likely starting to weigh on household spending. GDP is expected to have grown 0.5% quarter-on-quarter in the second quarter. Looking ahead, the EU's economic trajectory is likely to remain the same, with healthy, if moderate, growth. GDP is seen again expanding 0.5% in the third quarter.

There are signs that the Chinese economy may be decelerating. The government reported several indicators, including a sharp slowdown in retail sales and fixed asset investment. This comes at a time when credit expansion is decelerating. Meanwhile, United States had announced that it would impose tariffs on US\$50 billion worth of imports from China. China promptly retaliated by imposing 25% tariffs on a similar volume of imports from the United States. The United States then threatened to impose a 10% tariff on additional US\$200 billion worth of Chinese imports. Beijing has said it would fire back with new tariffs on US\$60 billion of US goods. This would likely have a negative impact on growth of Chinese economy, as well as United State's one.

In view of uncertain economy, especially the trade war between the United States and China, 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.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's asset portfolio was mainly financed by internally generated cash resources. As at 30 June 2018, net current assets of the Group amounted to approximately HK\$197.4 million (*As at 31 December 2017: approximately HK\$212.7 million*) with cash and bank balances of approximately HK\$4.9 million (*As at 31 December 2017: approximately HK\$1.3 million*).

The unaudited consolidated net asset value per share of the Company as at 30 June 2018 was HK\$0.24 (*As at 31 December 2017: audited HK\$0.25*). The consolidated net asset value per share is calculated based on the net assets of the Group as at 30 June 2018 of approximately HK\$441.8 million (*As at 31 December 2017: approximately HK\$458.8 million*) and the total number of 1,862.3 million shares (*As at 31 December 2017: 1,862.3 million shares*) in issue as at that date.

There was no material change in available credit facilities when compared to the financial year ended 31 December 2017. The gearing ratio of the Group was 6.2% as at 30 June 2018 (*As at 31 December 2017: 7.7%*), 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.

Capital Commitments

As at 30 June 2018, the Group had no material capital commitment.

FOREIGN EXCHANGE EXPOSURE

As at 30 June 2018, 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.

SIGNIFICANT INVESTMENTS

Significant investments of the Group are the principal equity instruments and listed investments included in the financial assets held for trading as detailed in note 7 to the condensed consolidated financial statements in this announcement.

Save for those principal investments, the Group has not held any investment, the value of which was over 5% of the Group's net asset value as at 30 June 2018.

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, A.4.1 and A.6.7, 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.

Pursuant to Code provision A.6.7, non-executive directors should attend general meetings. The non-executive director and an independent non-executive director of the Company could not attend the annual general meeting held during the Period due to other business commitments.

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 2018, the Group had 7 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 has been no significant change in the Group’s remuneration policy.

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. CHAN Yik Pun, Mr. HUNG Cho Sing and Ms. CHUNG Fai Chun. Mr. CHAN Yik Pun 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, 23 August 2018

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

Mr. CHAN Yik Pun

Ms. CHUNG Fai Chun

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