UNITED POWER INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

PRELIMINARY ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009

FINAL RESULTS

The board of directors of United Power Investment Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009 with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$	2008 HK$
Continuing operations			
Turnover	3	**216,463,492**	159,300,655
Cost of sales		**(58,116,767)**	(45,113,050)
Gross profit		**158,346,725**	114,187,605
Other income and gains		**5,512,648**	15,931,923
Net operating expenses		**(382,450,837)**	(179,462,107)
Fair value (loss)/gain on investment properties		**(3,743,000)**	27,163,329
Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost		—	59,318,750
Finance costs	6	—	(35,761)
(Loss)/profit before income tax expense		**(222,334,464)**	37,103,739
Income tax credit/(expense)	7	**24,160,201**	(5,374,373)
(Loss)/profit for the year from continuing operations	4	**(198,174,263)**	31,729,366
Discontinued operations			
Profit for the year from discontinued operations	5	**1,682,682**	1,223,330
(Loss)/profit for the year		**(196,491,581)**	32,952,696
Attributable to:			
Equity holders of the Company		**(190,772,881)**	31,901,584
Minority interests		**(5,718,700)**	1,051,112
		(196,491,581)	32,952,696
Dividends	8	**Nil**	Nil
(Loss)/earnings per share	9		
From continuing operations			
Basic (HK cents)		**(5.64)**	1.07
Diluted (HK cents)		**(5.64)**	1.07
From discontinued operations			
Basic (HK cents)		**0.03**	0.02
Diluted (HK cents)		**0.03**	0.02
From continuing and discontinued operations			
Basic (HK cents)		**(5.61)**	1.09
Diluted (HK cents)		**(5.61)**	1.09

CONSOLIDATED BALANCE SHEET
As at 31 March 2009

	Note	2009 HK$	2008 HK$
Assets			
Non-current assets			
Property, plant and equipment		**194,699,327**	214,484,148
Investment properties		**176,899,000**	180,642,000
Payments for leasehold land held for own use under operating leases		**290,625,600**	398,799,949
Goodwill		—	560,000
Deferred expenditure		**6,987,783**	3,720,627
Interest in an associate		—	—
Held-to-maturity investment		—	—
Deferred tax assets		**3,458,132**	7,022,274
Total non-current assets		**672,669,842**	805,228,998
Current assets			
Inventories		**8,352,532**	36,037,072
Trade and other receivables	*10*	**61,093,968**	49,105,306
Deferred expenditure		**17,079,137**	45,267,624
Film and movie rights		**36,813,416**	42,058,227
Tax prepayment		**171,407**	—
Cash and cash equivalents		**218,370,788**	252,170,278
Total current assets		**341,881,248**	424,638,507
Total assets		**1,014,551,090**	1,229,867,505
Liabilities			
Current liabilities			
Trade and other payables	*11*	**54,396,113**	51,711,961
Amounts due to minority shareholders		**102,073,016**	117,378,195
Current tax liabilities		**74,138**	1,846,886
Total current liabilities		**156,543,267**	170,937,042
Net current assets		**185,337,981**	253,701,465
Total assets less current liabilities		**858,007,823**	1,058,930,463
Non-current liabilities			
Provision for long service payments		**2,159,770**	2,159,770
Deferred tax liabilities		**61,757,729**	90,764,658
Total non-current liabilities		**63,917,499**	92,924,428
Total liabilities		**220,460,766**	263,861,470
NET ASSETS		**794,090,324**	966,006,035
Capital and reserves attributable to equity holders of the Company			
Share capital		**169,911,570**	169,911,570
Reserves		**597,363,228**	780,783,788
		767,274,798	950,695,358
Minority interests		**26,815,526**	15,310,677
TOTAL EQUITY		**794,090,324**	966,006,035

NOTES

1. Principal accounting policies

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Pubic Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values.

(c) Use of estimate and judgments

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements will be disclosed in the annual report for the year ended 31 March 2009.

(d) Functional and presentation currency

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. Adoption of amendments and new HKFRSs

(a) In the current year, the Group has applied, for the first time, the following amendments and new interpretations issued by the HKICPA that are effective for the current accounting period of the Group:

Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets
HK(IFRIC) — Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) — Int 12	Service Concession Arrangements
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above amendments and new interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods and no prior period adjustment has been recognised.

(b) Potential impact arising on HKFRSs not yet effective

The Group has not yet applied the following new or revised HKFRSs that have been issued by the HKICPA but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards [3]
Amendments to HKAS 32 and HKAS 1	Puttable Financial Instruments and Obligations Arising on Liquidation [4]
Amendment to HKAS 39	Eligible Hedged Items [3]
Amendments to HKFRS 1 and HKAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [4]
Amendments to HKFRS 7	Improving Disclosures about Financial Instruments [2]
Amendments to HK(IFRIC) — Interpretation 9 and HKAS 39	Embedded Derivatives [5]
HKAS 1 (Revised)	Presentation of Financial Statements [4]
HKAS 23 (Revised)	Borrowing Costs [4]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [3]
HKFRS 2 Amendment	Share-based Payment — Vesting Conditions and Cancellations [4]
HKFRS 3 (Revised)	Business Combinations [3]
HKFRS 8	Operating Segments [4]
HK(IFRIC) — Interpretation 13	Customer Loyalty Programmes [6]
HK(IFRIC) — Interpretation 15	Agreements for the Construction of Real Estate [4]
HK(IFRIC) — Interpretation 16	Hedges of a Net Investment in a Foreign Operation [7]
HK(IFRIC) — Interpretation 17	Distributions of Non-cash Assets to Owners [3]
HK(IFRIC) — Interpretation 18	Transfer of Assets from Customers [8]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

[2] Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.

[3] Effective for annual periods beginning on or after 1 July 2009

[4] Effective for annual periods beginning on or after 1 January 2009

[5] Effective for annual periods ending on or after 30 June 2009

[6] Effective for annual periods beginning on or after 1 July 2008

[7] Effective for annual periods beginning on or after 1 October 2008

[8] Effective for transfers of assets from customers received on or after 1 July 2009

The Group is in the process of making an assessment of the potential impact of these standards, amendments or interpretations and the directors of the Company so far conclude that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. Turnover and segment information

An analysis of the Group's business segments is set out as follows:

	2009									
	Continuing operations								Discontinued operations	
	Restaurant operations *HK$*	Property investment *HK$*	Wedding services *HK$*	Entertainment business *HK$*	Licence fee collection business *HK$*	Hotel operations *HK$*	Eliminations *HK$*	Sub-total *HK$*	Retail operations *HK$*	Total *HK$*
TURNOVER										
External turnover	37,291,518	6,953,930	69,088,848	12,401,477	9,995,039	80,732,680	–	216,463,492	77,038,577	293,502,069
Inter-segment	–	5,360,000	–	–	–	–	(5,360,000)	–	–	–
	37,291,518	12,313,930	69,088,848	12,401,477	9,995,039	80,732,680	(5,360,000)	216,463,492	77,038,577	293,502,069
RESULT										
Segment results	188,092	7,641,861	(4,755,313)	(8,459,123)	(73,816,551)	(123,592,138)	–	(202,793,172)	1,677,524	(201,115,648)
Unallocated income								1,774,921	5,158	1,780,079
Unallocated costs								(21,316,213)	–	(21,316,213)
(Loss)/profit before income tax credit								(222,334,464)	1,682,682	(220,651,782)
Income tax credit								24,160,201	–	24,160,201
(Loss)/profit for the year								(198,174,263)	1,682,682	(196,491,581)
ASSETS										
Segment assets	111,730,479	206,634,112	15,640,215	64,334,704	69,130,516	385,168,676	–	852,638,702	–	852,638,702
Unallocated assets								161,912,388	–	161,912,388
Total assets								1,014,551,090	–	1,014,551,090
LIABILITIES										
Segment liabilities	(7,762,762)	(4,734,511)	(5,384,382)	(8,992,515)	(94,249,741)	(19,915,264)	–	(141,039,175)	–	(141,039,175)
Unallocated liabilities								(79,421,591)	–	(79,421,591)
Total liabilities								(220,460,766)	–	(220,460,766)

	2009									
	Continuing operations								Discontinued operations	
	Restaurant operations *HK$*	Property investment *HK$*	Wedding services *HK$*	Entertainment business *HK$*	Licence fee collection business *HK$*	Hotel operations *HK$*	Eliminations *HK$*	Sub-total *HK$*	Retail operations *HK$*	Total *HK$*
OTHER INFORMATION										
Capital expenditure										
— segment	243,008	—	4,535,996	13,888,236	740,664	3,693,990	—	23,101,894	28,000	23,129,894
Impairment loss on goodwill										
— segment	—	—	—	5,560,000	—	—	—	5,560,000	—	5,560,000
Impairment loss on property, plant and equipment										
— unallocated	—	—	—	—	—	—	—	—	—	9,267,900
Impairment loss on payments for leasehold land held for own use under operating leases										
— segment	—	—	—	—	—	109,614,786	—	109,614,786	—	109,614,786
Impairment loss on an amount due from a related company										
— segment	—	—	—	—	21,200,000	—	—	21,200,000	—	21,200,000
(Gain)/loss on disposal of property, plant and equipment										
— segment	—	—	(867,929)	—	—	105,351	—	(762,578)	939,263	176,685
Amortisation of deferred expenditure										
— segment	—	—	—	—	54,333,274	—	—	54,333,274	—	54,333,274
Amortisation of films and movies costs										
— segment	—	—	—	3,500,000	—	—	—	3,500,000	—	3,500,000
Amortisation of payments for leasehold land held for own use under operating leases										
— segment	—	—	—	—	—	7,145,874	—	7,145,874	—	7,145,874
Depreciation										
— segment	2,640,343	339,892	1,956,246	1,490,067	171,278	20,367,852	—	26,965,678	284,199	27,249,877
— unallocated								31,342	—	31,342
								26,997,020	284,199	27,281,219

An analysis of the Group's business segments is set out as follows:

	2008									
	Continuing operations								Discontinued operations	
	Restaurant operations HK$	Property investment HK$	Wedding services HK$	Entertainment business HK$	Licence fee collection business HK$	Hotel operations HK$	Eliminations HK$	Sub-total HK$	Retail operations HK$	Total HK$
TURNOVER										
External turnover	41,238,230	5,845,600	75,020,902	3,140,375	3,948,346	30,107,202	—	159,300,655	116,715,459	276,016,114
Inter-segment	—	5,256,000	—	—	—	—	(5,256,000)	—	—	—
	41,238,230	11,101,600	75,020,902	3,140,375	3,948,346	30,107,202	(5,256,000)	159,300,655	116,715,459	276,016,114
RESULT										
Segment results	2,680,317	34,978,588	(5,399,931)	(6,158,358)	(55,982,898)	(610,933)	—	(30,493,215)	1,817,935	(28,675,280)
Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost						59,318,750		59,318,750	—	59,318,750
Unallocated income								12,333,316	69,580	12,402,896
Unallocated costs								(4,055,112)	—	(4,055,112)
Profit before income tax expense								37,103,739	1,887,515	38,991,254
Income tax expense								(5,374,373)	(664,185)	(6,038,558)
Profit for the year								31,729,366	1,223,330	32,952,696
ASSETS										
Segment assets	116,644,725	181,253,333	9,143,736	39,642,161	63,649,906	513,619,346	—	923,953,207	38,252,719	962,205,926
Unallocated assets										267,661,579
Total assets										1,229,867,505
LIABILITIES										
Segment liabilities	(7,855,679)	(2,269,631)	(8,351,759)	(9,067,255)	(71,880,133)	(22,996,772)	—	(122,421,229)	(21,552,287)	(143,973,516)
Unallocated liabilities										(119,887,954)
Total liabilities										(263,861,470)

	2008									
	Continuing operations								Discontinued operations	
	Restaurant operations	Property investment	Wedding services	Entertainment business	Licence fee collection business	Hotel operations	Eliminations	Sub-total	Retail operations	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
OTHER INFORMATION										
Capital expenditure										
— segment	372,636	49,056,671	1,118,645	3,810,507	192,275	1,605,896	—	56,156,630	336,812	56,493,442
— unallocated										291,795
										56,785,237
Impairment of goodwill										
— segment	—	—	—	4,277,660	—	—	—	4,277,660	—	4,277,660
Loss on disposal of property, plant and equipment										
— segment	—	—	17,060	—	—	445,347	—	462,407	—	462,407
Recovery of bad debt										
— unallocated	—	—	—	—	—	—	—	—	—	(2,876,855)
Amortisation of deferred expenditure										
— segment	—	—	—	—	45,267,624	—	—	45,267,624	—	45,267,624
Amortisation of prepaid land lease										
— segment	—	—	—	—	—	1,850,245	—	1,850,245	—	1,850,245
Depreciation										
— segment	2,178,050	129,297	2,577,909	252,412	71,776	5,765,593	—	10,975,037	671,193	11,646,230
— unallocated								37,407	—	37,407
								11,012,444	671,193	11,683,637

4. (Loss)/profit before income tax expense

(Loss)/profit before income tax expense is arrived at after charging/(crediting):

	2009	2008
	HK$	*HK$*
Cost of inventories recognised as an expense	**44,653,275**	41,318,431
Staff costs	**68,477,342**	53,778,295
Depreciation of property, plant and equipment	**26,997,020**	11,012,444
Direct operating expenses from investment properties that generated rental income during the year	**206,215**	163,102
Impairment loss on goodwill (recognised in net operating expenses)	**5,560,000**	4,277,660
Impairment loss on property, plant and equipment	**9,267,900**	—
Impairment loss on payments for leasehold land held for own use under operating leases	**109,614,786**	—
Impairment loss on an amount due from a related company	**21,200,000**	—
(Gain)/loss on disposal of property, plant and equipment	**(762,578)**	462,407
Amortisation of deferred expenditure	**54,333,274**	45,267,624
Amortisation of films and movies costs	**3,500,000**	—
Amortisation for payments for leasehold held land for own use under operating leases	**7,145,874**	1,850,245
Auditor's remuneration	**1,889,000**	1,765,400

5. Discontinued operations

The retail operations of wine were discontinued subsequent to the closure of retail outlet in Macau. The retail operation of watches ceased upon the disposal of interests in subsidiaries, Witty Ventures Limited and HMS Watches Company Limited (collective referred as "WV Group"). On 30 September 2008, the Group signed an agreement with the minority shareholder of WV Group to dispose of the Group's 51% interests in WV Group and the benefit of loans of HK$5,941,241 advanced to WV Group at a total consideration of HK$9,870,982. The disposal was completed on 10 November 2008. The profit from discontinued operations of HK$1,682,682 (2008: HK$1,223,330) included the gain on disposal of HK$1,385,682.

6. Finance costs

	Continuing operations		**Discontinued operations**		**Total**	
	2009	2008	**2009**	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Interest on other borrowings	—	—	**119,630**	481,368	**119,630**	481,368
Others	—	35,761	—	—	—	35,761
	—	35,761	**119,630**	481,368	**119,630**	517,129

7. Income tax (credit)/expense

The amount of income tax (credit)/expense in the consolidated income statement represents:

	Continuing operations		Discontinued operations		Total	
	2009	2008	**2009**	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Current tax — Hong Kong profits tax						
— tax for the year	**32,471**	225,565	**—**	660,770	**32,471**	886,335
— over provision in respect of prior years	**(133,469)**	—	**—**	—	**(133,469)**	—
	(100,998)	225,565	**—**	660,770	**(100,998)**	886,335
Current tax — Macau Complementary Income Tax						
— tax for the year	**—**	—	**—**	3,415	**—**	3,415
Current tax — People's Republic of China ("PRC") Enterprise Income Tax						
— tax for the year	**74,138**	1,023,387	**—**	—	**74,138**	1,023,387
Deferred tax						
— current year	**(24,454,836)**	4,125,421	**—**	—	**(24,454,836)**	4,125,421
— attributable to decrease in tax rate	**321,495**	—	**—**	—	**321,495**	—
	(24,133,341)	4,125,421	**—**	—	**(24,133,341)**	4,125,421
	(24,160,201)	5,374,373	**—**	664,185	**(24,160,201)**	6,038,558

Hong Kong profits tax has been provided for certain subsidiaries within the Group and is calculated at 16.5% (2008: 17.5%) on the estimated assessable profits for the year.

No provision for Hong Kong profits tax has been made for other subsidiaries within the Group as those subsidiaries have sufficient tax losses brought forward to offset against the estimated profits for the year on an individual basis. The Macau Complementary Income Tax rate is set at 12% (2008: 12%) on the estimated assessable profits for the year.

PRC subsidiaries are subject to PRC Enterprise Income Tax at rates ranging from 18% to 25% (2008: 15% to 33%).

8. Dividends

No dividend was paid or proposed in respect of the year ended 31 March 2009, nor has any dividend been proposed since the balance sheet date (2008: Nil).

9. (Loss)/earnings per share

The calculation of the basic and diluted (loss)/earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2009	2008
	HK$	*HK$*
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share		
(Loss)/profit for the year attributable to equity holders of the Company		
— from continuing operations	**(191,627,761)**	31,277,686
— from discontinued operations	**854,880**	623,898
— from continuing and discontinued operations	**(190,772,881)**	31,901,584
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**3,398,231,392**	2,925,058,004
Effect of dilutive potential ordinary shares:		
— Share options *(note)*	**—**	6,930,534
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**3,398,231,392**	2,931,988,538

Note:

There is no dilutive effect of the share options granted as they are anti-dilutive for the year ended 31 March 2009.

10. Trade and other receivables

Included in trade and other receivables are trade debtors with the following ageing analysis as of the balance sheet date:

	2009 *HK$*	2008 *HK$*
Current *(note i)*	**8,985,081**	—
Less than 1 month past due	**4,624,273**	8,678,299
1 to 3 months past due	**3,035,694**	888,035
More than 12 months past due	**762,580**	—
Amount past due at balance sheet date but not impaired *(note ii)*	**8,422,547**	9,566,334
	17,407,628	9,566,334

Notes:

(i) The balances that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

(ii) The balances that were past due but not impaired relate to a number of customers who have a good track record with the Group. Based on past experience, the management estimated that the carrying amounts could be fully recovered.

11. Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2009 *HK$*	2008 *HK$*
Current or within 30 days	**6,110,827**	4,446,536
31 to 60 days	**571,153**	1,637,205
61 to 90 days	**601,380**	41,170
Over 90 days	**632,584**	921,908
	7,915,944	7,046,819

Trade and other payables are expected to be settled within one year.

12. Post balance sheet events

Subsequent to 31 March 2009, the Group completed the acquisition of the entire interests in Hua Rong Sheng Shi Holding Limited, its subsidiary and jointly controlled entities and the loans due to the vendors for total gross consideration of HK$1,290,000,000 (as adjusted for the fair value of shares issued at the date of completion).

The consideration was satisfied by the issuance of 1,431,818,182 convertible preference shares, 4,568,181,818 ordinary shares and cash of HK$90,000,000.

Details of the transaction were disclosed in the Company's circular date 6 March 2009.

FINAL DIVIDEND

The directors have resolved not to pay a final dividend for the year ended 31 March 2009 (2008: Nil)

BUSINESS REVIEW AND OUTLOOK

Financial review

Consolidated results

The turnover of the Group from continuing operations for the year ended 31 March 2009 was about HK$216.5 million, representing an increase of about 35.9% as compared to that of last year. The increase was mainly contributed by an increase of about HK$50.6 million in revenue of Dynasty Hotel in Zhaoqing, the PRC, which was acquired in November 2007, an increase of about HK$1.2 million in property investment, an increase of about HK$9.3 million in entertainment business and an increase of about HK$6.0 million in licence fee collection business. However there was a decrease of about HK$6.0 million in the turnover of wedding services and a decrease of about HK$3.9 million in restaurant operations. The Group has incurred a loss of about HK$196.5 million this year. The loss was mainly due to the impairment loss on payment for leasehold land held for own use under operating leases of Dynasty Hotel of about HK$109.6 million, an amortisation of payment for leasehold land held for own use under operating leases of Dynasty Hotel of about HK$7.1 million, an amortisation of deferred expenditure from the business of collection of fees for licensing of copyright to karaoke music products to karaoke operators in the PRC of about HK$54.3 million, an impairment loss on property, plant and equipment of an entertainment business of about HK$9.3 million, the impairment loss on goodwill on an entertainment business of about HK$5.6 million and the impairment loss on an amount due from a related company of about HK$21.2 million.

Review

Hotel operations

The Group owns 94% interest in 肇慶星湖俱樂部 (Star-Lake Club Zhaoqing) which owns and operates the hotel under the business name of Dynasty Hotel in Zhaoqing, the PRC. The business suffered a loss of about HK$123.6 million, which was mainly due to impairment loss on payment for leasehold land held for own use under operating leases of approximately HK$109.6 million, the amortisation for payment for leasehold land held for own use under operating leases of about HK$7.1 million and the depreciation of about HK$20.4 million.

Wedding services

The Group provides wedding services under the trade names of “Cite Du Louvre” and “Wonderful Arts Wedding Services” in Hong Kong. The business suffered loss of about HK$4.8 million as it was adversely affected by keen competition from local and Taiwan wedding services companies and the economic downturn in Hong Kong.

Investment properties

The investment properties contributed steady rental income to the Group. The investment property located at the commercial districts of Guangzhou, the PRC has been leased for ten years from 9 October 2008. Turnover grew this year due to rental received from the investment property at Guangzhou and increase in rental of the investment property at Carnarvon Road, Kowloon.

Restaurant operations

The business of the Group's Chiu Chow restaurant at Star House was adversely affected by the economic downside. It contributed operating profit of about HK$0.2 million to the Group.

Watch retail operations

The Group entered into an agreement on 30 September 2008 for the disposal of its interests in watch retail operations for an aggregate consideration of HK$9,870,982 in cash. The transaction was completed on 10 November 2008 and the business was reported as discontinued operations in the consolidated financial statements.

Wine retail operations

The retail operations of wine were discontinued subsequent to the closure of retail outlet in Macau around December 2008 and were reported as discontinued operations in the consolidated financial statements.

Entertainment operations

A 60% subsidiary, 北京金英馬國際文化交流有限公司 (Beijing Jingyingma International Cultural Exchange Company Limited), established in Beijing, the PRC and engaged in movie and television series production business, entered into two agreements relating to television series production. The investment is approximately RMB22 million. A wholly-owned subsidiary, Win Sea Group Limited, has entered into an agreement relating to television series productions. The investment is approximately RMB15 million. Production of three television series has been completed. It incurred a loss of about HK$0.9 million.

Baron Production and Artiste Management Company Limited, a 51% owned subsidiary engaged in providing services relating to production and artist management in the entertainment industry, incurred a loss of about HK$1.7 million.

Chance Music Limited, a 60% owned subsidiary engaged in entertainment and related business and owns intellectual property rights to lyrics of various songs, incurred a loss of about HK$5.9 million mainly due to impairment loss on goodwill of about HK$5.6 million.

Collection of fees for licensing of karaoke music products

The Group entered into various agreements relating to collection of fees for licensing of copyright to karaoke music products to karaoke operators in PRC. It incurred a loss of approximately HK$73.8 million, which was mainly due to an amortisation of deferred expenditure of approximately HK$54.3 million and impairment loss on an amount due from a related company of HK$21.2 million. The Group is entitled to receive portion of fee payment from karaoke operators in the PRC.

Prospects

The Group acquired in April 2009 Hua Rong Sheng Shi Holding Limited, its subsidiary and jointly controlled entities (the "HR Group"), which are principally engaged in the provision of copyright licence fees settlement and collection services in respect of karaoke music products and videos in the PRC.

The directors are optimistic about the future prospects of the entertainment industry in the PRC. The Group's business relating to collection of fees for licensing of copyright to karaoke music products to karaoke operators in the PRC for content distribution is gradually yielding income to the Group. After its initial set up period, the operation of the HR Group has started to yield income. The directors consider that the acquisition of the HR Group will enable the Group to quickly scale up and become a platform to consolidate operations for collection of copyright fees for both content distribution and infrastructure in respect of karaoke music products in the PRC, and income from these operations is expected to grow. The directors believe the operations relating to collection of fees for licensing of copyright to karaoke music products to karaoke operators in the PRC will broaden the income source of the Group and facilitate the Group to build up a distribution network of karaoke operators in the PRC for future expansion of its business.

The Group will continue its current principal activities of hotel operations, provision of wedding services, property investment, restaurant operations, collection of copyright fees for both content distribution and infrastructure in respect of karaoke music products in the PRC and entertainment business. The Group's financial position is strong with a net asset value of about HK$794.1 million.

The management will look for suitable investment opportunities to expand the business of the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2009.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company complied with the code provisions in the Code of Corporate Governance Practices set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 31 March 2009, save that the non-executive directors were not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management of the Group the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including the above annual results.

By Order of the Board
United Power Investment Limited
Yeung Chi Hang
Chief Executive Officer

Hong Kong, 8 July 2009

As at the date of this announcement, the non-executive chairperson and director of the Company is Madam Ma Shuk Kam, the executive directors are Mr. Yeung Chi Hang, Mr. Liu Yu Mo and Mr. Au Edmond Wah and the independent non-executive directors are Ms. Chan Lai Mei, Mr. Lee Wai Loun and Mr. Lee Yuk Sang, Angus.