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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)**

- (1) PROPOSED SHARE CONSOLIDATION;  
(2) CHANGE OF BOARD LOT SIZE;  
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
TEN RIGHTS SHARES FOR EVERY CONSOLIDATED SHARE HELD;  
(4) AMENDMENTS TO THE ARTICLES;  
AND  
(5) APPOINTMENT OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

**Financial Adviser**



**結好融資有限公司**  
**GET NICE CAPITAL LIMITED**

**Underwriter of the Rights Issue**



**結好投資有限公司**  
**GET NICE INVESTMENT LTD**

#### **PROPOSED SHARE CONSOLIDATION**

The Company proposes to effect the Share Consolidation pursuant to which every 10 issued Shares be consolidated into 1 Consolidated Share. The Share Consolidation is conditional upon, inter alia, the approval of the Shareholders at the EGM.

#### **CHANGE OF BOARD LOT SIZE**

It is also proposed that the Consolidated Shares will be traded in board lots of 20,000. Based on the closing price of HK\$0.027 per Share as at the date of this announcement, the value of each board lot of 20,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$5,400.

#### **PROPOSED RIGHTS ISSUE**

Subject to the Share Consolidation becoming effective, the Company proposes to raise approximately HK\$52.79 million before expenses (assuming no conversion of the Convertible Notes on or before the Record Date) to approximately HK\$92.79 million before expenses (assuming full conversion of the Convertible Notes on or before the Record Date) by way of the Rights Issue of issuing not less than 52,787,600 Rights Shares and not more than 92,787,600 Rights Shares at a price of HK\$0.1 per Rights Share payable in full on acceptance.

The Company will provisionally allot 10 Rights Shares in nil-paid form for every Consolidated Share held by the Qualifying Shareholders on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be between approximately HK\$50.5 million (assuming no conversion of the Convertible Notes on or before the Record Date) to HK\$90.1 (assuming full conversion of the Convertible Notes on or before the Record Date). The Company plans to apply the net proceeds as (i) approximately HK\$5 million for the general working capital of the Group; and (ii) the balance of between approximately HK\$45.5 million to HK\$85.1 million for further investments..

**The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out below under the section headed “Conditions of the Rights Issue”. In particular, the Rights Issue is subject to the Share Consolidation becoming effective and the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Consolidated Shares and/or nil-paid Rights Shares up to the date when the conditions of the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed.**

An independent board committee of the Company comprising the independent non-executive Directors will be appointed to make recommendations to the Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Shareholders in this regard.

#### **AMENDMENTS TO THE ARTICLES**

The Listing Rules have recently been amended by the Stock Exchange by replacing the Code of Best Practice in Appendix 14 by a new Code on Corporate Governance Practices and adding a new Appendix 23 on the requirements for a Corporate Governance Report to be included in annual reports of listed issuers. Subject to certain transitional arrangements, the amendments took effect on 1 January 2005. Following a review of the Company’s corporate governance practices with reference to the Code on Corporate Governance Practices, the Directors propose to amend the existing articles of association of the Company at the EGM to ensure compliance with the Code on Corporate Governance Practices. The Directors also propose to amend the existing articles of association of the Company so that the Board will consist of a maximum of 7 Directors.

#### **APPOINTMENT OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The Board is pleased to announce that Mr. Pang Shuen Wai, Nichols and Ms. Au Shuk Yee, Sue, the existing executive Directors, have been appointed as Chairman of the Board and Chief Executive Officer of the Company respectively with effect from 22 July 2005.

## **GENERAL**

A circular containing, among other things, (i) further details about the Share Consolidation, change of board lot size and the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Shareholders in respects of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Shareholders on the Rights Issue; (iv) information regarding amendments to the articles of association of the Company; and (v) the notice convening the EGM, will be dispatched to the Shareholders as soon as practicable. If the Shareholders approve the Share Consolidation and the Rights Issue at the EGM, the Company will then send the Prospectus to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders. PALs and EAFs will also be sent to the Qualifying Shareholders.

## **RESUMPTION IN TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 25 July 2005 pending the release of this announcement. Application will be made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on Wednesday, 27 July 2005.

## **(1) SHARE CONSOLIDATION**

### **Background**

Reference is made to the announcement of the Company dated 20 May 2005. Pursuant to Rule 13.64 of the Listing Rules, the Company proposes to put forward for approval by the Shareholders the Share Consolidation pursuant to which every 10 issued Shares be consolidated into 1 Consolidated Share. As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 comprising 50,000,000,000 Shares of HK\$0.01 each, of which 527,876,005 Shares have been issued and fully paid. Upon the Share Consolidation taking effect and on the basis that the Company does not allot and issue any further Shares prior to, the authorised share capital of the Company will remain at HK\$500,000,000 but will comprise 5,000,000,000 Consolidated Shares of HK\$0.10 each of which 52,787,600 Consolidated Shares will be in issue. Fractional Consolidated Shares will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefits of the Company.

The issued Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, Consolidated Shares in issue upon the Share Consolidation taking effect.

### **Effects of the Share Consolidation**

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will they alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save that the Shareholders who are holding odd lots of Shares will not have any entitlement to fractions of the Consolidated Shares. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

## **Reasons for the Share Consolidation**

The proposed Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares currently in issue and is also required for the compliance with Rule 13.64 of the Listing Rules. As such, it is expected to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange, which, along with the change of board lot size as mentioned below, will reduce the overall transaction costs for dealings in the Consolidated Shares. Accordingly, the Board is of the view that the Share Consolidation and change of board lot size is beneficial to the Company and the Shareholders as a whole.

## **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following:

- (a) the passing by the Shareholders of the necessary resolutions at the EGM to approve the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares.

## **Expected effective date of the Share Consolidation**

Subject to the above conditions being fulfilled, the Share Consolidation is expected to become effective on 13 September 2005.

## **(2) CHANGE OF BOARD LOT SIZE**

As at the date of this announcement, Shares are traded in board lots of 2,000. It is proposed that the Consolidated Shares will be traded in board lots of 20,000.

Based on the closing price of HK\$0.027 per Share as at the date of this announcement, the value of each board lot of 20,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$5,400.

Details of the arrangement with regard to the parallel trading arrangements, Consolidated Shares odd lot matching service and the free exchange of Consolidated Share certificates, inter alia, will be included in the Circular.

## **(3) PROPOSED RIGHTS ISSUE**

The Rights Issue is proposed to take place after the Share Consolidation becoming effective.

### **Issue statistics**

Basis of the Rights Issue	:	10 Rights Shares for every Consolidated Share held on the Record Date
Number of Shares in issue	:	527,876,005 Shares as at the date of this announcement

Number of Consolidated Shares after completion of the Share Consolidation	:	52,787,600 Consolidated Shares (assuming no conversion of the outstanding Convertible Notes on or before the Record Date) or 92,787,600 Consolidated Shares (assuming full conversion of the outstanding Convertible Notes on or before the Record Date) ( <i>Note</i> )
Number of Rights Shares	:	not less than 527,876,000 Rights Shares (assuming no conversion of the outstanding Convertible Notes on or before the Record Date) and not more than 927,876,000 Rights Shares (assuming full conversion of the outstanding Convertible Notes on or before the Record Date) ( <i>Note</i> )
Subscription price per Rights Share	:	HK\$0.1 per Rights Share with nominal value of HK\$0.1 each

*Note:*

As at the date of this announcement, there are outstanding Convertible Notes with principal amount of HK\$20 million which are convertible into 400,000,000 Shares in aggregate at a conversion price of HK\$0.05 per Share, subject to adjustment. Assuming full conversion of the outstanding Convertible Notes on or before the Record Date, a total of 400,000,000 new Shares (equivalent to 40,000,000 Consolidated Shares) may fall to be issued and hence an additional 400,000,000 Rights Shares would be issued, in which event the maximum number of Rights Shares that may be issued by the Company will become 927,876,000.

Save for the outstanding Convertible Notes, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

Assuming no conversion of the Convertible Notes on or before the Record Date, the 527,876,000 nil-paid Rights Shares proposed to be provisionally allotted represent (a) 10 times of the Company's issued share capital upon completion of the Share Consolidation; and (b) approximately 90.91% of the Company's issued share capital upon completion of the Share Consolidation and as enlarged by the issue of the Rights Shares.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. Shareholders having an address outside Hong Kong on the register of members of the Company at the close of business on the Record Date will be excluded from participating in the Rights Issue only if the Board, after making relevant enquiry pursuant to Rule 13.36(2)(a) of the Listing Rules, considers that such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch registrar in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 7 September 2005.

## **Closure of register of members**

The register of members of the Company will be closed from Thursday, 8 September 2005, to Tuesday, 13 September 2005, both dates inclusive. No transfers of Shares will be registered during this period.

## **Rights of Non-Qualifying Shareholders**

As at the date of this announcement, there are no Shareholders in the register of members of the Company with address outside Hong Kong. The Company will make enquiries regarding the feasibility of extending the Rights Issue to the Non-Qualifying Shareholders. If based on legal opinion provided by the legal adviser, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Non-Qualifying Shareholders on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to the Non-Qualifying Shareholders. The basis of exclusion of the Non-Qualifying Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any PAL and EAF to the Non-Qualifying Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

## **Subscription price**

The subscription price for the Rights Shares is HK\$0.1 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The subscription price represents:

- (a) a discount of about 62.96% to the closing price of HK\$0.27 per Consolidated Share (based on the closing price of HK\$0.027 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (b) a discount of about 13.04% to the theoretical ex-rights price of approximately HK\$0.115 per Consolidated Share (based on the closing price of HK\$0.027 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (c) a discount of about 65.52% to the average closing price of approximately HK\$0.29 per Consolidated Share (based on the average closing price of HK\$0.029 per Share for the ten trading days ended on the Last Trading Day and adjusted for the effect of the Share Consolidation); and

(d) a discount of approximately 95.24% to the net asset value per Consolidated Share of HK\$2.10 (based on the audited consolidated net asset value of the Group as at 31 December 2004 and the then issued Shares and adjusted for the effect of the Share Consolidation).

The subscription price for the Rights Shares was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Share prior to the Last Trading Day, market responses of the most recent placing of shares and the prevailing market conditions. The Directors consider that the prolonged thin trading volume of Shares mainly attributes to the resolution of setting the subscription price of the Rights Shares at a discount on the latest average closing price and net asset value. The enhancement in the Company's future profitability resulting from saving of interest expenses and reducing arrangement fees after the Rights Issue will recompense the dilution of the net asset value per Share from a long term prospective. The Directors therefore consider the terms of the Rights Issue, including the subscription price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be 10 Rights Shares for every Consolidated Share, being not less than 527,876,000 Rights Shares and not more than 927,876,000 Rights Shares at a price of HK\$0.1 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

### **Status of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Consolidated Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

### **Share certificates**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares will be posted on or before 4 October 2005 to those who have accepted and, where applicable, applied and paid for the Rights Shares by ordinary post at their own risk.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis but will give preference to the topping-up of odd lots to whole board lots.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, both in board lots of 20,000, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon, among other things, each of the following events being fulfilled:

1. the approval of the Share Consolidation by Shareholders at the EGM and the Share Consolidation becoming effective thereafter;
2. the approval of the Rights Issue by the Shareholders at the EGM;
3. the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the Prospectus Documents and not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the second Business Day after the Acceptance Date;
4. the delivery to the Stock Exchange and filing and registration of all documents relating to the Rights Issue required by law to be filed, with the Registrar of Companies in Hong Kong and the Registrar of Companies in Cayman Islands respectively; and
5. the compliance by the Company with all its obligations under the Underwriting Agreement and the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms.

In the event that the conditions of the Rights Issue are not fulfilled on or before the respective dates determined in the Underwriting Agreement (or such later date as the Company and the Underwriter may agree), none of the Underwriter or the Company shall have any rights or be subject to any obligations arising from the Underwriting Agreement. The Rights Issue will not proceed accordingly.

### **Underwriting arrangements**

#### *Underwriting agreement dated 25 July 2005*

The Underwriter has agreed to fully underwrite the Rights Shares, which will amount to a minimum of 527,876,000 Rights Shares and a maximum of 927,876,000 Rights Shares. The Underwriter and its ultimate controlling shareholder do not have any shareholding in the Company and are not connected persons (as defined in the Listing Rules) of the Company.

#### *Commission*

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate subscription price of the Rights Shares underwritten by it, out of which the Underwriter may pay sub-underwriting fees. The Directors believe that the underwriting commission accords with market rates.



### *Termination of the Underwriting Agreement*

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by the Underwriter to the Company at any time prior to 4:00 p.m. on the second Business Day following the Acceptance Date if:

1. (a) there occurs an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue; or

2. if, at or prior to 4:00 p.m. on the Settlement Day following the Acceptance Date:
  - (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
  - (b) the Underwriter receives the relevant notification pursuant to the Underwriting Agreement upon the Company becoming aware of any untrue or inaccurate representations or warranties contained in the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter, shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
  - (c) the Circular or the Prospectus Documents when published, contains information which would be untrue or inaccurate in any material respect and the Company has failed to promptly send out any announcements or circulars (after the despatch of the Circular or the Prospectus Documents), in such manner (and as appropriate with such contents), as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter such fees as may then be agreed by the relevant parties. If the Underwriter exercises such right, the Rights Issue will not proceed.

**WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES**

The Shares will be dealt in on an ex-rights basis from Tuesday, 6 September 2005. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 16 September 2005 to Friday, 23 September 2005 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares, the Consolidated Shares and Rights Shares in their nil-paid form during the period from Friday, 16 September 2005 to Friday, 23 September 2005 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares or the Consolidated Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Friday, 16 September 2005 to Friday, 23 September 2005 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

**Expected timetable**

The expected timetable for the Share Consolidation and Rights Issue is set out below:

2005

Last day of dealings in Shares on a cum-rights basis .....	Monday, 5 September
First day of dealings in Shares on an ex-rights basis .....	Tuesday, 6 September
Latest time for lodging transfers of Shares in order to qualify for Rights Issue .....	4:00 p.m., Wednesday, 7 September
Register of members to be closed .....	Thursday, 8 September to Tuesday, 13 September ..... (both dates inclusive)
Latest time for return of proxy form of EGM (not less than 48 hours) .....	9:00 a.m., Sunday, 11 September
Expected date of EGM .....	9:00 a.m., Tuesday, 13 September
Record Date .....	Tuesday, 13 September
Effective date of the Share Consolidation .....	4:00 p.m., Tuesday, 13 September
Register of members to be re-opened .....	Wednesday, 14 September
Prospectus Documents to be posted .....	Wednesday, 14 September
Commencement of dealings in Consolidated Shares .....	Wednesday, 14 September
Original counter for trading in Shares (in board lots of 2,000 Shares) to be closed .....	9:30 a.m., Wednesday, 14 September
Temporary counter for trading in Consolidated Shares in board lots of 200 Consolidated Shares (in form of existing share certificates) to be opened .....	9:30 a.m., Wednesday, 14 September
Free exchange of existing share certificates for new share certificates commences .....	Wednesday, 14 September

First day of dealings in nil-paid Rights Shares .....	Friday, 16 September
Latest time for splitting of nil-paid Rights Shares .....	4:00 p.m., Tuesday, 20 September
Last day of dealings in nil-paid Rights Shares .....	Friday, 23 September
Latest time for payment for and acceptance of Rights Shares .....	4:00 p.m., Wednesday, 28 September
Original counter for trading in Consolidated Shares (in board lots of 20,000 Shares) to be re-opened .....	9:30 a.m., Thursday, 29 September
Parallel trading in Consolidated Shares (in form of new and existing certificate) begins .....	9:30 a.m., Thursday, 29 September
Designated broker starts to stand in the market to provide matching services .....	Thursday, 29 September
Rights Issue expected to become unconditional .....	after 4:00 p.m., Friday, 30 September
Announcement of results of acceptance and excess application of the Rights Issue .....	Monday, 3 October
Despatch of refund cheques for wholly and partially unsuccessful excess applications .....	Tuesday, 4 October
Despatch of certificates for fully-paid Rights Shares .....	Tuesday, 4 October
First day of dealings in the fully-paid Rights Shares .....	Wednesday, 5 October
Temporary counter for trading in Consolidated Shares in board lots of 200 Consolidated Shares (in form of existing share certificates) to be closed .....	4:00 p.m., Friday, 21 October
Parallel trading in Consolidated Shares (in form of new and existing certificate) ends .....	4:00 p.m., Friday, 21 October
Designated broker ceases to stand in the market to provide matching services .....	4:00 p.m., Friday, 21 October
Free exchange of existing share certificates for new share certificates ends .....	Wednesday, 26 October

Dates or deadlines specified in this announcement are indicative only and may be exercised or varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders appropriately.

## Shareholding in the Company

Assuming **there is no conversion of the Convertible Notes on or before the Record Date**, the shareholding in the Company immediately after the Share Consolidation but before completion of the Rights Issue and immediately after completion of the Rights Issue is as follows:

	Existing Shareholding		Immediately after the Share Consolidation but before completion of the Rights Issue		After completion of Rights Issue (assuming all Rights Shares are taken up by Qualifying Shareholders)		After completion of Rights Issue (assuming no Rights Shares are taken up by Qualifying Shareholders)	
	Shares	%	Consolidated Shares	%	Consolidated Shares	%	Consolidated Shares	%
Public Shareholders	527,876,005	100.00	52,787,600	100.00	580,663,600	100.00	52,787,600	9.09
Placees of the CN Placing Underwriter	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	527,876,000	90.91
<b>Total</b>	<b>527,876,005</b>	<b>100.00</b>	<b>52,787,600</b>	<b>100.00</b>	<b>580,663,600</b>	<b>100.00</b>	<b>580,663,600</b>	<b>100.00</b>

Assuming **full conversion of the Convertible Notes on or before the Record Date**, the shareholding in the Company immediately after the Share Consolidation but before completion of the Rights Issue and immediately after completion of the Rights Issue is as follows:

	Existing Shareholding		Immediately after the Share Consolidation but before completion of the Rights Issue		After completion of Rights Issue (assuming all Rights Shares are taken up by Qualifying Shareholders)		After completion of Rights Issue (assuming no Rights Shares are taken up by Qualifying Shareholders)	
	Shares	%	Consolidated Shares	%	Consolidated Shares	%	Consolidated Shares	%
Public Shareholders	527,876,005	56.89	52,787,600	56.89	580,663,600	56.89	52,787,600	5.17
Placees of the CN Placing Underwriter	400,000,000	43.11	40,000,000	43.11	440,000,000	43.11	40,000,000	3.92
	-	-	-	-	-	-	927,876,000	90.91
<b>Total</b>	<b>927,876,005</b>	<b>100.00</b>	<b>92,787,600</b>	<b>100.00</b>	<b>1,020,663,600</b>	<b>100.00</b>	<b>1,020,663,600</b>	<b>100.00</b>

The Underwriter has confirmed that it will sub-underwrite its underwriting obligations under the Rights Issue to sub-underwriters such that the each of the Underwriter and these sub-underwriters will not own more than 30% of the issued share capital of the Company after completion of the Rights Issue. Each of the Underwriter and the sub-underwriters is not a party acting in concert (as defined in the SFO) with each other. Each of the sub-underwriters and its ultimate beneficial owners do not have any shareholding in the Company and are not connected persons (as defined in the Listing Rules) of the Company.

In the event that the Underwriter or any of the sub-underwriters mentioned above is required to take up the Rights Shares pursuant to their underwriting obligations, the Underwriter or any of these sub-underwriters shall procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

## Reasons for the Rights Issue and use of proceeds

The Group is an investment holding company listed pursuant to Chapter 21 of the Listing Rules and principally engaged in investment in listed and unlisted companies in Hong Kong.

The Directors consider that it is in the interests of the Company and the Shareholders to raise additional finance through the issue of additional equity, to enlarge the Company's capital base in view of the above strategy. Given the limited size of the Company's shareholders' equity, the Company does not have the financial flexibility to make timely investments even though investment opportunities arise. As illustrated by the recent fund raising exercise, the Company had to raise additional funds from the placing of shares and issue of convertible bonds in order to repay several interest-bearing loans. As most of the Company's investments are held for medium-term to long-term capital appreciation, the Directors consider that it is inappropriate to make unscheduled liquidation of its investments to generate additional cash for general working capital before the investments achieving the pre-determined targets.

The estimated net proceeds of the Rights Issue will be between HK\$50.5 million (assuming no conversion of the Convertible Notes on or before the Record Date) and HK\$90.1 million (assuming full conversion of the Convertible Notes on or before the Record Date). The Company plans to use the net proceeds as (i) approximately HK\$5 million for the general working capital of the Group; and (ii) the balance of between approximately HK\$45.5 million to HK\$85.1 million to make future possible investments, if opportunities arise. As at the date of this announcement, there is no specific investments identified by the Company. Notwithstanding the above, the Directors remain optimistic about the long-term prospects of the economy and stock markets in Hong Kong and the PRC.

As the Rights Issue will allow Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company, the Directors consider that it is an appropriate method to raise funds.

## Previous fund raising exercise of the Company

The Company had conducted the following fund raising exercises in the past 12 months from the date of this announcement.

Description	Announcement date	Net amount raised	Date of mandates granted	Intended use of proceeds as announced	Actual use of proceeds
Rights Issue	2 November 2004	HK\$12.2 million	N/A	Repayment of outstanding interest-bearing borrowings and future possible investments	Approximately HK\$7 million for repayment of outstanding interest-bearing borrowings and the remaining balance as investments
Placing of Shares	10 January 2005	HK\$2.18 million	30 April 2004	Used as the Group's general working capital	Fully utilized as intended
Placing of Shares	20 May 2005	HK\$3.44 million	25 April 2005	Repayment of outstanding interest bearing borrowings and general working capital	Fully utilized for repayment of outstanding interest-bearing borrowings

Placing of Convertible Notes	20 May 2005	HK\$19.6 million	N/A	Approximately HK\$18 million to repay the outstanding interest-bearing borrowings and the balance as general working capital	Fully utilized as intended
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The Directors are of the view that the Company has sufficient funds to meet its current working capital requirements after the Rights Issue and has no immediate intention to issue further new Consolidated Shares to raise funds. The Group may however raise further funds in future if there is such requirement, including if opportunities for new businesses or investments arise.

#### **(4) AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Listing Rules have recently been amended by the Stock Exchange by replacing the Code of Best Practice in Appendix 14 by a new Code on Corporate Governance Practices and adding a new Appendix 23 on the requirements for a Corporate Governance Report to be included in annual reports of listed issuers. Subject to certain transitional arrangements, the amendments took effect on 1 January 2005.

Following a review of the Company's corporate governance practices with reference to the Code on Corporate Governance Practices, the Directors proposed to amend the existing articles of association of the Company at the EGM to ensure compliance with the Code on Corporate Governance Practices. Pursuant to Code Provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, the articles of association of the Company will also be amended to specify that notwithstanding any other provisions in the existing articles of association of the Company, at each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than, instead of not greater than, one-third) shall retire from office by rotation. As a result of the said proposed amendment, every Director will be subject to retirement by rotation at least once every three years in compliance with the Code Provision A.4.2.

Code Provision A.4.2 also provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Accordingly, the articles of association of the Company will be amended to specify that any Director appointed to fill a casual vacancy shall hold office until the next following general meeting, instead of the next following annual general meeting.

The Directors also propose to amend the existing articles of association of the Company so that the Board will consist of a maximum of 7 Directors. Currently, the Board comprises of 7 Directors.

A circular containing, among other things, the full text of the proposed amendments to the articles of association will be dispatched to the Shareholders as soon as practicable.

#### **(5) APPOINTMENT OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The Board is pleased to announce that Mr. Pang Shuen Wai, Nichols and Ms. Au Shuk Yee, Sue, the existing executive Directors, have been newly appointed as Chairman of the Board and Chief Executive Officer of the Company respectively with effect from 22 July 2005. Chairman of the Board and Chief Executive Officer of the Company are new positions in the senior management of the Company and the positions will be performed by Mr. Pang and Ms. Au separately so as to comply with the Code Provision A.2.1.

Mr. Pang Shuen Wai, Nichols, aged 46, has more than 15 years of experience in investment. Mr. Pang is a director of CU Investment Management Limited, the investment manager of the Company and of Radford Capital Investment Limited. He obtained a master's degree in applied finance from Macquaire University, Sydney, and a Ph.D. degree from the University of South Australia, Adelaide. Mr. Pang is an investment adviser registered under the Securities Ordinance. He has been appointed as an executive director of the Company with effect from 1 September 2002.

Mr. Pang will receive director's fee as approved from time to time by shareholders at the annual general meeting of the Company. There is no service contract between the Company and Mr. Pang. Mr. Pang is not appointed for a specific term with no director's fee. The director's fee to Mr. Pang is determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

Mr. Pang was appointed as an independent non-executive director of Willie International Holdings Limited, which is listed on the main board of the Stock Exchange, on 22 April 2005 in which the Company was interested approximately 7% shareholding interest. Mr. Pang does not have any relationships with any other directors, senior management, substantial or controlling shareholders of the Company. As at the date hereof, Mr. Pang does not hold any share options in the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no other matters concerning Mr. Pang that need to be brought to the attention of the Shareholders.

Ms. Au Shuk Yee, Sue, aged 40, has more than 9 years of experience in business administration and accounting. Ms. Au was the managing director of a telecommunication equipment manufacturing and trading company where she has successfully developed an internal accounting control system. Ms. Au gained her experience in the financial services industry from working with several licensed foreign exchange dealing companies. Ms. Au obtained a bachelor's degree of science in accounting from Liberty University, Virginia. She joined the Company as an executive director on 25 September 2002.

Ms. Au will receive director's fee as approved from time to time by shareholders at the annual general meeting of the Company. There is no service contract between the Company and Ms. Au. Ms. Au is not appointed for a specific term with a monthly director's fee of HK\$26,000. The director's fee to Ms. Au is determined by reference to her duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

Ms. Au does not have any relationships with any other directors, senior management, substantial or controlling shareholders of the Company. As at the date hereof, Ms. Au does not hold any share options in the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no other matters concerning Ms. Au that need to be brought to the attention of the Shareholders.

## **GENERAL**

In accordance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on approval by Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour. As at the date of this announcement, to the best knowledge of the Directors, the Company does not have any substantial shareholder (as defined in the Listing Rules) and none of the Directors and their respective associates hold any Shares. Accordingly, no Shareholders will abstain from voting on the resolution(s) to approve the Rights Issue at the EGM.

An independent board committee of the Company comprising the independent non-executive Directors will be appointed to make recommendations to the Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Shareholders in this regard.

A circular containing, among other things, (i) further details about the Share Consolidation, change of board lot size and the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Shareholders in respects of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Shareholders on the Rights Issue; (iv) information regarding amendments to the articles of association of the Company; and (v) the notice convening the EGM, will be dispatched to the Shareholders as soon as practicable. If the Shareholders approve the Share Consolidation and the Rights Issue at the EGM, the Company will then send the Prospectus to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders. PALs and EAFs will also be sent to the Qualifying Shareholders.

As at the date of this announcement, the Board comprises Ms. Au Shuk Yee, Sue, Mr. Kitchell, Osman Bin and Mr. Pang Shuen Wai, Nichols as executive Directors and Mr. Lam Ping Cheung, Mr. Wong Ying Seung, Asiong, Mr. Chung Kong Fei, Stephen and Mr. Tsang Wing Ki as independent non-executive Directors.

## **RESUMPTION IN TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 25 July 2005 pending the release of this announcement. Application will be made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on Wednesday, 27 July 2005.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	28 September 2005 (or such other date as the Underwriter may agree in writing with the Company as the date for acceptance of, and payment of, Rights Shares)
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the Board of Directors
“Business Day”	a day on which banks are generally open for business for more than five hours in Hong Kong
“Circular”	the circular to be dispatched to the Shareholders in relation to the Share Consolidation, amendments to the articles of association and the Rights Issue together with the notice of the EGM to approve the relevant resolutions
“CN Placing”	the conditional placing of the Convertible Notes pursuant to the agreement dated 19 May 2005 and entered into between the Company and the Underwriter



“Company”	Unity Investments Holdings Limited 合一投資控股有限公司, a company incorporated in the Cayman Islands with limited liability, the issued Shares are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Convertible Notes”	the convertible notes issued by the Company on 21 July 2005 in the aggregate principal amount of HK\$20 million pursuant to the CN Placing at the conversion price of HK\$0.05 per Share (subject to adjustment)
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued in connection with the Rights Issue
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Share Consolidation and the Rights Issue
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	22 July 2005, being the last trading day before the suspension of the trading of the Shares, pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong in respect of whom the Directors consider the exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“PRC”	The People’s Republic of China
“Prospectus”	a prospectus to be issued containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date

“Record Date”	13 September 2005 being the date by reference to which entitlements to the Rights Issue are expected to be determined
“Rights Issue”	the issue by way of rights of 10 Rights Shares for every one Consolidated Share in issue on the Record Date at a price of HK\$0.1 per Rights Share
“Rights Share(s)”	new Consolidated Share(s) to be issued and allotted under the Rights Issue, being not less than 527,876,000 Consolidated Shares and not more than 927,876,000 Consolidated Shares
“Settlement Date”	the date being the second Business Day following the Acceptance Date
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“Share Consolidation”	the consolidation of every 10 Shares in the issued and unissued share capital of the Company into one Consolidated Share in the issued and unissued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) or Consolidated Shares (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriter”	Get Nice Investment Limited, a licensed corporation to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO, which is not a connected person (as defined in the Listing Rules) of the Company
“Underwriting Agreement”	the underwriting agreement dated 25 July 2005 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%” or “per cent.”	percentage or per centum

By order of the Board  
**Unity Investments Holdings Limited**  
**Pang Shuen Wai, Nichols**  
*Chairman*

Hong Kong, 26 July 2005