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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)

**PROPOSED CAPITAL REORGANISATION
AND REFRESHMENT OF SHARE OPTION MANDATE LIMIT**

The Board is pleased to put forward the following proposals to the Shareholders:–

- (a) to reduce the capital and par value of each issued Share from HK\$0.10 each to HK\$0.01 each;
- (b) to subdivide every unissued Share into 10 New Shares; and
- (c) to increase the authorized share capital of the Company to HK\$500,000,000.

The credit arising from the Capital Reduction will be applied for such purposes as permitted by the laws of the Cayman Islands, including setting off its accumulated losses or part thereof.

The Capital Reorganisation will be conditional upon the following:–

- (i) the approval by the Shareholders by way of special and ordinary resolutions at the EGM;
- (ii) compliance with the conditions which the Court may impose;
- (iii) the confirmation of the Capital Reduction by the Court and the registration by the Registrar of Companies in the Cayman Islands of a copy of the Court order and the minute containing the particulars required under the Companies Law; and
- (iv) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares.

The Board also wishes to take this opportunity to seek the approval of the Shareholders to refresh the Scheme Mandate Limit, following the completion of the Rights Issue.

A circular of the Company containing further details of the Capital Reorganisation, the refreshment of the Scheme Mandate Limit and a notice of the EGM will be sent to the Shareholders as soon as practicable.

Reference is made to an announcement of the Company dated 11 January 2005 in relation to the subscription agreement dated 10 January 2005 entered into between the Company, Chau Tuk Shun and Chung Nam Securities Limited and dealings in the Shares on the Stock Exchange has been suspended at the request of the Company with effect from 9:30 a.m., 7 January 2005 pending release of the announcement regarding the subscription. Application has been made by the Company for the resumption of dealings in the Shares on the Stock Exchange on 9:30 a.m., 11 January 2005.

A. PROPOSED CAPITAL REORGANISATION

The Board is pleased to put forward the following proposals to the Shareholders:–

- (a) to reduce the authorised and issued share capital of the Company by cancelling issued and paid up capital to the extent of HK\$0.09 on each issued Share and by reducing the nominal value of each issued Share from HK\$0.10 to HK\$0.01;
- (b) to subdivide every unissued Share into 10 unissued New Shares of HK\$0.01 each; and
- (c) to increase the authorized share capital of the Company to HK\$500,000,000.

The credit arising from the Capital Reduction is expected to be about HK\$34,560,000 calculated based on the Company's present issued share capital. It will be applied for such purposes as permitted by the laws of the Cayman Islands, including setting off the accumulated losses of the Company or part thereof as at the effective date of the Capital Reorganisation. As at 31 December 2003, the audited accumulated losses of the Company amounted to about HK\$17,868,804 and as at 30 June 2004, the unaudited accumulated losses of the Company amounted to about HK\$28,575,037.

At present, the authorised share capital of the Company is HK\$40,000,000 divided into 400,000,000 Shares, and its issued share capital is HK\$38,400,000.50 divided into 384,000,005 Shares. After the Capital Reorganisation becoming effective, the Company's authorised share capital will become HK\$500,000,000 divided into 50,000,000,000 New Shares, and its issued share capital will be HK\$3,840,000.05 divided into 384,000,005 New Shares.

As at the date hereof, the Company does not have any outstanding options, warrants or other convertible securities.

Conditions of the Capital Reorganisation

The Capital Reorganisation is subject to the following conditions being fulfilled:–

- (a) the approval by the Shareholders by way of special and ordinary resolutions at the EGM;
- (b) compliance with any conditions which the Court may impose;
- (c) the confirmation of the Capital Reduction by the Court and the registration by the Registrar of Companies in the Cayman Islands of a copy of the Court order and the minute containing the particulars required under the Companies Law; and
- (d) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares.

Upon the conditions mentioned above being fulfilled, the Capital Reorganisation will become effective. Further announcement will be made by the Company to inform the Shareholders of the effective date of the Capital Reorganisation.

Financial effects of, and reasons for, the Capital Reorganisation

Save for the expenses to be incurred in relation to the Capital Reorganisation, the Capital Reorganisation will not, by itself, have any effect on the underlying assets, business operations, management or financial positions of the Company and of the Group, nor the proportionate interests of the Shareholders in the Company.

For most of the trading days during the past 3 months, the Shares have been traded below their existing par value of HK\$0.10. Under the Cayman Islands law, it is not possible for the Company to issue new Shares at a discount to the par value without the sanction of the Court. As such, the present situation creates impediments for the Company in pricing new issue of shares or other securities in the equity market to raise funding for the Group as and when suitable opportunities arise. It is expected that the Capital Reduction will afford greater flexibility to the Company in that regard by lowering the par value of the shares of the Company to below the current trading prices.

As such, the Directors consider that the Capital Reorganisation is in the interest of the Company and the Shareholders as a whole.

The Company does not currently have any plans to raise new capital. The Company will issue further announcement in that regard as and when required under the Listing Rules.

B. FREE EXCHANGE OF CERTIFICATES

Shareholders may submit certificates for the Shares to the branch share registrar of the Company in Hong Kong, namely, Tengis Limited of 28th Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for exchange, at the expenses of the Company during a certain period after the Capital Reorganisation has become effective. After the expiry of such period, existing certificates for the Shares will be accepted for exchange only on payment of a fee. Existing certificates for the Shares will then cease to be good for delivery but will continue to be good evidence of legal title to the New Shares. Details of such exchange arrangements will be set out in the Circular.

C. REFRESHMENT OF SHARE OPTION MANDATE LIMIT

The Board also wishes to take this opportunity to seek the approval of the Shareholders to refresh the Scheme Mandate Limit, following the completion of the Rights Issue.

Under the existing Scheme Mandate Limit, Directors were only authorised to grant options to subscribe for up to 20,000,000 Shares, i.e. 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. As a result of the recent Rights Issue, the issued share capital of the Company was enlarged by approximately 33.33%. If the Scheme Mandate Limit is not refreshed, the Company would only be allowed to grant options to subscribe for up to 20,000,000 Shares/New Shares, representing approximately 5.21% of the enlarged issued share capital of the Company. In order to provide the Company with greater flexibility in granting options to eligible persons under the Share Option Scheme, the Board decides to seek the approval of the Shareholders at the EGM to refresh the Scheme Mandate Limit.

D. GENERAL

A circular of the Company containing further details of the Capital Reorganisation, the refreshment of the Scheme Mandate Limit and a notice of the EGM will be sent to the Shareholders as soon as practicable. The timetable for the Capital Reorganisation will also be announced as soon as the court hearing dates in the Cayman Islands are fixed.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the New Shares and the Shares/New Shares which may be issued upon exercise of any options granted under the refreshed Scheme Mandate Limit.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

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In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“Capital Reduction”	the proposed diminishment and reduction of the authorised and issued share capital of the Company by cancelling issued and paid up capital to the extent of HK\$0.09 on each of the Shares in issue and by reducing the nominal value of all issued Shares from HK\$0.10 each to HK\$0.01 each
“Capital Reorganisation”	the capital reorganisation of the Company as set out in the paragraph headed “Proposed Capital Reorganisation” in this announcement
“Circular”	the circular of the Company to be despatched about the matters in this announcement
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“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 shares of which are listed on the Stock Exchange
“Court”	the Grand Court of the Cayman Islands
“Directors”	directors of the Company

“EGM”	the extraordinary general meeting of the Company to be convened at which resolutions will be proposed, among other things, to consider and, if thought fit, approve the Capital Reorganisation and the refreshment of the Scheme Mandate Limit
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company upon the Capital Reorganisation becoming effective
“Rights Issue”	the issue of 96,000,001 rights Shares to the qualifying Shareholders on the basis of one rights Share for every three existing Shares held on 24 November 2004
“Scheme Mandate Limit”	the maximum number of Shares/New Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company
“Shareholders”	holders of the Shares and/or the New Shares, as the case may be
“Share Option Scheme”	the share option scheme of the Company adopted on 2 May 2003
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company before the Capital Reduction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

By order of the Board
Unity Investments Holdings Limited
Pang Shuen Wai, Nichols
Executive Director

Hong Kong, 10th January 2005

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