

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**PLACING OF NEW SHARES
AND
PLACING OF CONVERTIBLE NOTES**

PLACING AGENT



GET NICE INVESTMENT LIMITED

Placing of New Shares

On 19 May 2005, the Company has entered into the Share Placing Agreement with the Placing Agent in relation to the placing of the New Shares. Pursuant to the Share Placing Agreement, the Company agreed to place, through the Placing Agent on a fully underwritten basis, 87,978,000 new Shares to not fewer than six independent individual, corporate and/or institutional investors at the Placing Price of HK\$0.041 per Share.

The Placing Price represents (i) a discount of approximately 2.38% to the closing price of HK\$0.042 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a discount of about 18.65% over the average closing price per Share of about HK\$0.0504 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date.

The Share Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares and the Company obtaining all consents and approvals from the relevant authorities in respect of the transactions contemplated under the Share Placing Agreement, if applicable. Please refer to the section headed "Conditions precedent of the Share Placing Agreement" for details.

Placing of Convertible Notes

On 19 May 2005, the Company and the Placing Agent entered into the CN Placing Agreement, pursuant to which, the Placing Agent has agreed to place, on a best efforts basis, to not fewer than six independent individual, corporate and/or institutional investors the Convertible Notes, which are proposed to be issued in an aggregate principal amount of HK\$20 million. The Convertible Notes will carry a right to convert into new Shares at the conversion price of HK\$0.05 per Share (subject to adjustment).

The Conversion Price of HK\$0.05 represents (i) a premium of about 19.05% to the closing price of HK\$0.042 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a discount of about 0.79% over the average closing price per Share of about HK\$0.0504 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date.

No application will be made for the listing of the Convertible Notes. Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares falling to be issued upon exercise of the Convertible Notes. The CN Placing is conditional upon, amongst other things, the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares and the passing of the relevant resolution for the approval of the issue of the Convertible Notes at the EGM. Please refer to the section headed “Conditions precedent of the CN Placing Agreement” for details.

The net proceeds from the Share Placing and the CN Placing will be approximately HK\$3.44 million and HK\$19.6 million respectively. The aggregate net proceeds of the Share Placing and the CN Placing of approximately HK\$18 million will be used by the Company to repay the outstanding interest-bearing borrowings of the Company and the balance as general working capital.

A circular of the Company containing, amongst other things, further details of the CN Placing, together with notice of EGM will be despatched to the Shareholders as soon as practicable.

At the request of the Stock Exchange and pursuant to Rule 13.64 of the Listing Rules, the Company will publish an announcement regarding, among others, consolidation of the Shares. Further details of the consolidation of the Shares will be set out in the announcement to be published by the Company.

Trading in the Shares has been suspended at the request of the Company with effect from 9:30 a.m. on 17 May 2005 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 May 2005.

THE SHARE PLACING AGREEMENT

Date

19 May 2005

Issuer

Unity Investments Holdings Limited

Placing Agent

The Placing Agent has conditionally agreed with the Company to place, on a fully-underwritten basis, to not fewer than six independent individual, corporate and/or institutional investors the New Shares. The Placing Agent will receive a placing commission of 2% on the gross proceeds of the placing of the New Shares, which was arrived at after arm's length negotiations between the Company and the Placing Agent.

The Placing Agent is independent of and not connected with the Company nor with the directors, chief executive or substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates.

Placees

No fewer than six placees which will be independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners will not be connected person(s) of the Company and will be third parties independent of and not connected with the Company, connected persons of the Company and any of the directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates. No placees will become substantial shareholders (as defined in the Listing Rules) of the Company as a result of the Share Placing.

New Shares

The New Shares represent (i) approximately 20% of the existing issued share capital of the Company of 439,898,005 Shares as at the date of this announcement; and (ii) about 16.67% of the issued share capital of the Company of 527,876,005 Shares as enlarged by the Share Placing.

The New Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of allotment and issue of the New Shares.

Placing Price

The Placing Price of HK\$0.041 represents (i) a discount of approximately 2.38% to the closing price of HK\$0.042 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a discount of about 18.65% over the average closing price per Share of about HK\$0.0504 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date. The net placing price per Share is approximately HK\$0.04.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the recent trading price of the Shares. Given the existing market conditions in Hong Kong and the general economic environment, the Directors consider that the timing of the Share Placing is appropriate. The Directors also consider that the terms of the Share Placing Agreement (including the Placing Price) to be fair and reasonable based on the current market condition and in the interest of the Company and its Shareholders as a whole on the basis that it is an appropriate means to finance a long term investment and an efficient way to raise equity finance whilst broadening the Company's shareholding base. In addition, given the prolonged thin trading volume of Shares in the market, the Directors consider that a discount of about 85.86% on the Placing Price to the net asset value of HK\$0.29 as at 30 April 2005 can give an incentive to investors to participate in the Placing.

Conditions precedent of the Share Placing Agreement

The Share Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares and the Company obtaining all consents and approvals from the relevant authorities in respect of the transactions contemplated under the Share Placing Agreement, if applicable.

If the above conditions precedent of the Share Placing Agreement are not fulfilled on or prior to 15 June 2005, the Share Placing Agreement shall terminate and neither of the parties thereto shall have any claim against the other for costs, damages, compensation or otherwise save as provided in the Share Placing Agreement. In case the Share Placing Agreement is terminated, a further announcement will be issued by the Company.

Completion of the Share Placing

Completion of the Share Placing Agreement is expected to take place on or before the third Business Day upon the fulfillment of the conditions precedent of the Share Placing Agreement or such other time or date as the Company and the Placing Agent shall agree in writing.

General mandate

The New Shares will be issued under the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 25 April 2005. The Company confirmed that such general mandate has not been utilised as at the date of the Share Placing Agreement and no Shares have been repurchased by the Company within 30 days prior to the date of this announcement. Since the AGM, no Shares have been issued pursuant to the existing general mandate.

CN PLACING AGREEMENT

Date

19 May 2005

Parties involved

The Placing Agent and the Company

Placing Agent

The Placing Agent has conditionally agreed with the Company to place, on a best efforts basis, to not fewer than six independent individual, corporate and/or institutional investors the Convertible Notes which are proposed to be issued in an aggregate principal amount of HK\$20 million. The Placing Agent will receive a placing commission of 2% on the gross proceeds of the placing of the Convertible Notes in accordance with the aggregate amount of the Convertible Notes successfully placed by it, which was arrived at after arm's length negotiations between the Company and the Placing Agent.

The Placing Agent is independent of and not connected with the Company nor with the directors, chief executive or substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates.

Placees

The Placing Agent will place the Convertible Notes to not fewer than six placees, each of whom (i) will be an independent third party not connected with the directors, chief executive and substantial shareholders of the Company and any of its subsidiaries or any of their respective associate; and (ii) is not connected with the other placees.

Conditions precedent of the CN Placing Agreement

The placing of the Convertible Notes is conditional upon:

- (1) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject to conditions to which neither the Company nor the Subscribers shall unreasonably object) listing of and permission to deal in the Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Notes; and
- (2) independent Shareholders' approval in respect of the transactions contemplated under the CN Placing Agreement be obtained.

If the above conditions are not fulfilled on or before 29 July 2005 or such later date as may be agreed between the Placing Agent and the Company, the CN Placing Agreement will lapse and become null and void.

Completion of the CN Placing Agreement

Completion of the CN Placing Agreement shall take place on or before the third business day following the date on which the condition thereto are fulfilled (or such other date as the Company and the Placing Agent shall agree).

The Convertible Notes

The terms of the Convertible Notes have been negotiated on arm's length basis and the principal terms of which are summarized below:

Principal amount

An aggregate of HK\$20 million.

Interest

At the rate of 5% per annum on the outstanding principal amount, which is determined after arm's length negotiation between the Company and the Placing Agent, with reference to, among other things, the prime rate and the interest rates of convertible notes issued by other listed companies.

Maturity

60 months from the date of the issue of the Convertible Notes on the date of completion of the CN Agreement

Denomination

In multiple of HK\$100,000

Conversion Price

HK\$0.05 per Share which is subject to adjustment for the dilutive events including, amongst other matters, sub-division or consolidation of Shares, bonus issues and rights issues.

The Conversion Price of HK\$0.05 represents (i) a premium of about 19.05% to the closing price of HK\$0.042 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 0.79% over the average closing price per Share of about HK\$0.0504 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and (iii) a discount of about 82.76% when compared with the net assets value per Share of HK\$0.29 as at 30 April 2005.

Conversion

Each holder may convert the whole or part of the principal amount of the relevant Convertible Note (in multiple of HK\$100,000) into new Shares as determined by dividing the principal amount of the relevant Convertible Note outstanding at the time of conversion by the conversion price.

Assuming there is an immediate exercise in full of the conversion rights attaching to the convertible Notes at the conversion price of HK\$0.05 by all holders of the Convertible Notes, the Company will issue an aggregate of 400,000,000 new Shares, representing approximately 90.93% of the existing issued share capital of the Company, and approximately 47.62% of the enlarged issued share capital of the Company by the Share Placing Shares and the Conversion Shares. The Conversion Shares will be issued pursuant to the passing of the relevant resolution at the EGM.

The market value of the total Conversion Shares will be in aggregate of HK\$16.8 million based on the closing price of HK\$0.042 per Share on the Last Trading Date.

Conversion period

Each of the holders of the Convertible Notes shall have the right at any time after the date of issue of the relevant Convertible Note up to and including any business day prior to 5 business days prior to the Maturity Date to convert all or part of the principal amount of the relevant Convertible Note outstanding at any time into new Shares at the conversion price of HK\$0.05 per Share provided that an integral multiple of HK\$100,000 be converted at any time and save that if the outstanding principal amount of the relevant Convertible Notes is less than HK\$100,000, the whole (but not part only) of the outstanding principal amount of the relevant Convertible Note must be converted. There is no lock-up period for the Conversion Shares.

Ranking

The Conversion Shares will rank *pari passu* in all respects among themselves and with all other Shares in issue on the date of such allotment and issue.

Redemption by the Company

The Company shall be entitled at any time before the Maturity Date to redeem the outstanding principal amount of the Convertible Notes together with all unpaid interest accrued thereon up to and including the date of actual payment.

Status of the Convertible Notes

The Convertible Notes constitute general and unsecured obligations of the Company and shall rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

No application will be made for listing of the Convertible Notes. Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares falling to be issued upon exercise of the convertible Notes.

Transferability

The Convertible Notes are freely transferable, provided that the holders of the Convertible Notes must inform the Company of each transfer or assignment made by them. The Company will notify the Stock Exchange if any of the Convertible Notes is transferred to a connected person (as defined in the Listing Rules).

Events of default

All Convertible Notes contain an event of default provision which provides that on the occurrence of certain events of default specified in the Convertible Notes (e.g. liquidation), each of the holders of the Convertible Notes shall be entitled to demand for immediate repayment of the principal amount outstanding under the relevant Convertible Note.

Use of net proceeds

The net proceeds from the Share Placing and the CN Placing will be approximately HK\$3.44 million and HK\$19.6 million respectively. The aggregate net proceeds of the Share Placing and the CN Placing of approximately HK\$18 million used by the Company to repay the outstanding interest-bearing borrowings of the Company and the balance as general working capital. The outstanding interest-bearing borrowings were incurred after 31 December 2004, being the date of the latest published audited accounts of the Company, and were short-term loans to finance the day-to-day operations and investment of the Company.

Reason for the transaction

As both the global and domestic interest rates have been raising recently whilst the average effective interest rates for the Company's interest-bearing borrowings are higher than the interest rate of the Convertible Notes of 5% per annum, the Directors are of the view that the issue of the Convertible Notes with a fixed interest rate would facilitate the Company to make long-term financial planning and reduce interest expenses.

The Directors have considered various financing arrangements before reaching the decision to conduct the Share Placing and the CN Placing. The Directors consider that fund raising through placing of new shares and convertible notes is more cost effective and could be completed within a commercially expedient time frame than other fund raising methods, e.g. rights issue and open offer. Besides, The Directors believe that the Share Placing and the CN Placing could attract different classes of investors who are looking for recurring and stable interest income. Based on the above reasons, the Directors drew the conclusion that the proposed fund raising exercises are in the best interest of the Shareholders as a whole.

Dilution effect on shareholders

As the Company foresees the future dilution effect on the Shareholders resulting from the exercise of the conversion rights attaching to the Convertible Notes, the Company will keep the Shareholders informed of the level of dilution effect and all relevant details of any conversion of the Convertible Notes in the following manner:

- (a) the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 - (i) whether there is any conversion of the Convertible Notes during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (ii) the number of outstanding Convertible Notes after the conversion, if any;
 - (iii) the total number of Shares issued pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
 - (iv) the total issued share capital of the Company as at the commencement and the last day of the relevant month; and
- (b) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Notes reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (a) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be); and
- (c) if the Company forms the view that any issue of new Shares under the Convertible Notes will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, the Company is obliged to make such disclosures regardless of the issue of any announcements in relation to the Convertible Notes.

If the conversion right under the Convertible Notes are fully exercised by the holders or the Company exercises its right to early redemption of the Convertible Notes, the announcement requirements set out in conditions (a) to (c) above will cease immediately.

Effect on shareholding structure

As at the date of this announcement, the Company does not have any substantial shareholders (as defined in the Listing Rules) and no Directors and their respective associates hold any Shares. The existing shareholding structure of the Company and the shareholding structure of the Company after the completion of the Share Placing and/or the CN Placing are set out as below:

	Existing shareholding structure of the Company prior to completion of the Share Placing		Shareholding structure of the Company immediately after completion of the Share Placing but before exercise of the conversion rights attached to the Convertible Notes		Shareholding structure of the Company immediately upon completion of the Share Placing assuming conversion rights attached to the Convertible Notes are exercised in full	
	Number of Shares held	% of issued Shares held (approximately)	Number of Shares held	% of issued Shares held (approximately)	Number of Shares held	% of issued Shares held (approximately)
Placees	0	0	87,978,000	16.67	487,978,000	47.41
Other public shareholders	439,898,005	100.00	439,898,005	83.33	439,898,005	52.59
Total	439,898,005	100.00	527,876,005	100.00	927,876,005	100.00

The Company will take appropriate steps to ensure that there will be sufficient public float for the Shares immediately following conversion of the Convertible Notes at any time during the term of the Convertible Notes.

Fund raising activity of the Company in the 12 months immediately preceding the date of this announcement

Description	Announcement date	Net proceeds	Date of general mandates granted	Intended use of proceeds as announced	Actual use of proceeds
Rights Issue	02.11.2004	Approximately HK\$12.2 million	N/A	Repayment of outstanding interest bearing borrowings and future possible investments	Repaid outstanding interest-bearing borrowings and investments
Placing	10.01.2005	Approximately HK\$2.18 million	30.04.2004	Use of the general working capital	Used as general working capital

GENERAL

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

The Directors consider that the terms of the Share Placing Agreement and the CN Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The issue of Conversion Shares falling to be issued upon exercise of the conversion rights attached to the Convertible Notes are subject to the independent Shareholders' approval at the EGM. As at the date of this announcement, the Company does not have any substantial shareholders (as defined in the Listing Rules) and no Directors and their respective associates hold any Shares.

A circular containing, amongst other things, further details of the CN Placing, together with notice of EGM will be despatched to the Shareholders as soon as practicable. An independent board committee comprising the independent non-executive directors of the Company will be established to consider the CN Placing and to advise the independent Shareholders regarding the CN Placing. An independent financial adviser will be appointed to advise the independent Shareholders regarding the CN Placing.

At the request of the Stock Exchange and pursuant to Rule 13.64 of the Listing Rules, the Company will publish an announcement regarding, among others, consolidation of the Shares. Further details of the consolidation of the Shares will be set out in the announcement to be published by the Company.

Trading in the Shares has been suspended at the request of the Company with effect from 9:30 a.m. on 17 May 2005 pending the release of this announcement. Application has been made on the Stock Exchange for a resumption of trading in the Shares with effect from 9:30 a.m. on 23 May 2005.

TERMS AND DEFINITIONS

“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday or Sunday) on which commercial banks are generally open for normal banking business in Hong Kong
“CN Placing”	the conditional placing of the Convertible Notes pursuant to the CN Placing Agreement
“CN Placing Agreement”	the conditional placing agreement dated 19 May 2005 and entered into between the Company and the Placing Agent in relation to the CN Placing
“Company”	Unity Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Stock Exchange
“Conversion Shares”	the new Shares to be issued by the Company upon the exercise of the conversion rights attaching to the Convertible Notes by the holders thereof

“Convertible Notes”	the convertible notes to be issued by the Company in the aggregate principal amount of HK\$20 million and each being a “Convertible Note”
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve, amongst other things, the issue of the Convertible Notes and the allotment of Conversion Shares upon conversion
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Date”	13 May 2005
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	a date falling 60 months from the issue date of the Convertible Notes
“New Shares”	an aggregate of 87,978,000 Shares to be placed pursuant to the terms of the Share Placing Agreement
“Placing Agent”	Get Nice Investment Limited, a corporation licensed by the Securities and Future Commission of Hong Kong to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (advising on asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Price”	HK\$0.041 per New Share
“Share Placing”	the Share placing of New Shares pursuant to the terms of the Share Placing Agreement
“Share Placing Agreement”	the Share Placing Agreement dated 19 May 2005 entered into between the Company and the Placing Agent in relation to the Share placing of the New Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 20 May 2005

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