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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)

PLACING OF NEW SHARES

PLACING AGENT



h e n n a b u n

Chung Nam Securities Limited

Placing of New Shares

On 1 December 2005, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Placing Shares. Pursuant to the Placing Agreement, the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, 250,000,000 Placing Shares at the Placing Price of HK\$0.14 per Placing Share.

The Placing Shares represent about 34.37% of the existing issued share capital of the Company of 727,291,163 Shares and about 25.58% of the issued share capital of the Company of 977,291,163 Shares as enlarged by the Placing.

The Placing Price represents (i) a discount of approximately 5.41% to the closing price of HK\$0.148 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 10.71% over the average closing price per Share of about HK\$0.1568 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 33.33% to the unaudited net asset value per share of HK\$0.21 as at 30 November 2005.

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

The net proceeds from the Placing will be approximately HK\$34.0 million. Depending on market conditions and availability of investment opportunities, the Board intends to apply approximately HK\$18 million to the repayment of the margin loan with securities houses and the balance in the amount of approximately HK\$16 million for investment and working capital.

A circular containing details of the Placing Agreement and the notice convening the EGM for approving the Placing Agreement and the issue of Placing Shares pursuant to the Placing will be sent to the Shareholders as soon as practicable.

Trading in the Shares has been suspended at the request of the Company with effect from 9:30 a.m. on 2 December 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 8 December 2005.

I. THE PLACING AGREEMENT

Date

1 December 2005

Issuer

Unity Investments Holdings Limited

Placing Agent

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

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company save that the Company indirectly holds approximately 3.88% of the Placing Agent.

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 Placing.

Placing Shares

The New Shares represent (i) approximately 34.37% of the existing issued share capital of the Company of 727,291,163 Shares as at the date of this announcement; and (ii) about 25.58% of the issued share capital of the Company of 977,291,163 Shares as enlarged by the Placing.

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

Placing Price

The Placing Price of HK\$0.14 represents (i) a discount of approximately 5.41% to the closing price of HK\$0.148 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 10.71% over the average closing price per Share of about HK\$0.1568 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date. The net price per Share is HK\$0.136; and (iii) a discount of about 33.33% to the unaudited net asset value per Share of HK\$0.21 as at 30 November 2005.

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 interest rate environment, the Board considers that the timing of the Placing is appropriate. The Board also considers that the terms of the Placing Agreement (including the Placing Price and the

Placing Commission which were determined at the prevailing market rate) to be fair and reasonable and in the interest of the Company and its Shareholders as a whole. Though the Placing, the Company can broaden its capital and shareholder basis without any interest burden.

Conditions Precedent of the Placing Agreement

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

If the above conditions precedent of the Placing Agreement are not fulfilled on or prior to 28 February 2006, the 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 Placing Agreement. In case the Placing Agreement is terminated, a further announcement will be issued by the Company.

Completion of the Placing

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

Specific mandate

The Placing Shares will be issued under the specific mandate to allot, issue and deal with Shares to be approved by the Shareholders at the EGM and granted to the Board.

Use of net proceeds

The net proceeds from the Placing will be approximately HK\$34.0 million. Depending on market conditions and availability of investment opportunities, the Board intends to apply approximately HK\$18 million to the repayment of the margin loan with securities houses which were borrowed for investment purpose and the balance in the amount of approximately HK\$16 million for investment and working capital. After the repayment of the HK\$18 million margin loan, the Company would have no material debt outstanding as at the date of this announcement.

Reason for the Placing

The timing and the size of the Placing were determined after arm's length negotiation between the Board and the Placing Agent taking into account of the prevailing optimistic stock markets and economic conditions in Hong Kong and the PRC. Although the Company does not have any imminent funding urgency as at the date of this announcement, the Board is of the view that part of the Placing proceed in the approximate amount of HK\$18 million can be utilized by the Company to repay the margin loans in order to reduce the interest burden on the Company whereas the remaining balance of the Placing in the approximate amount of HK\$16 million proceed can be utilized by the Company for future investment and/or working capital. As at the date of this announcement, the Board has not yet identified any specific investment for such purpose, however the Board is of the view that should it fail to identify the relevant investment upon completion of the Placing, such Placing proceed can be deposited by the Company with commercial banks and/or financial institutions generating additional cash flow for the Company. Reference is also made to the prospectus of the Company dated 10 October 2005 and the announcement of the Company dated 27 October 2005 in relation to the result of the rights issue of the Company for which the rights issue with the rights issue price of HK\$0.1 per rights share was only approximately 78.62% subscribed by the Shareholders. With respect to the fact that the Placing Price has been fixed at a rate

which was 40% above the previous rights issue price of the Company, the Board is of the view that the terms of the Placing Agreement are fair and reasonable and it is in the interest of the Company and the Shareholders as a whole to enter into the Placing Agreement. The Board may consider any future opportunities for further fund raising should the terms and conditions of which are beneficial to the Company and its Shareholders as a whole.

Besides, as at the date of this announcement, the Company was indebted to securities houses for margin loans of approximately HK\$18 million at an average interest rate of prime rate plus 2.5% to 3%. In anticipation of a further increase in the prime rate, the Board considers that it is in the interest of the Company and the Shareholders as a whole for the Company to apply part of the Placing proceed in the approximate amount of HK\$18 million to repay the margin loans so as to reduce the interest burden on the Company as long as there were no other appropriate investment opportunities available to the Company taking into account of the cost of interest and cost of investment of the Company as at the relevant time. In the event if the application of the Placing proceeds by the Company deviates from the information stated in this announcement, the Board will make a further announcement to inform the Stock Exchange and the Shareholders. Moreover, it has always been the Board's preference to raise capital through equity financing instead of debt financing as the former could broaden the shareholder base of the Company without creating any interest burden on the Company. Notwithstanding the above, the Board would also have to consider the cost of fund raising involved when determining the appropriate method of fund raising as at the relevant time. In light of the above, the Board considers that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Effect on shareholding structure

The shareholding structure of the Company before and after the Placing are set out as below:

	Existing shareholding structure of the Company prior to completion of the Placing		Shareholding structure of the Company immediately after completion of the Placing	
	<i>Number of Shares held</i>	<i>% of issued Shares held (approximately)</i>	<i>Number of Shares held</i>	<i>% of issued Shares held (approximately)</i>
Placees	0	0	250,000,000	25.58
Radford Capital Investment Limited (notes 1 & 4)	103,930,000	14.29	103,930,000	10.63
Wong Man Hon Frederick (note 4)	86,910,000	11.95	86,910,000	8.89
Heritage International Holdings Limited (notes 2 & 4)	68,000,000	9.35	68,000,000	6.96
Other public shareholders	468,451,163	64.41	468,451,163	47.94
Total (note 3)	<u>727,291,163</u>	<u>100</u>	<u>977,291,163</u>	<u>100</u>

Notes:

1. *Radford Capital Investment Limited is interested in the share capital of the Company indirectly through its wholly-owned subsidiary, Winning Horse Limited.*
2. *Heritage International Holdings Limited is interested in the share capital of the Company indirectly through its wholly-owned subsidiary, Coupeville Limited, and its indirect wholly-owned subsidiary, Dollar Group Limited, a direct wholly-owned subsidiary of Coupeville Limited.*
3. *To the best of the Directors' knowledge, information and belief, no person or persons who are acting as a group entitled to exercise or control the exercise of 30% or more of the voting power at the general meeting of the Company or who is/are in a position to control the composition of the majority of the Board.*
4. *To the best of the Directors' knowledge, information and belief, each of Radford Capital Investment Limited, Heritage International Holdings Limited and Wong Man Hon Frederick is independent of each other.*

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

Description	Announcement date	Net amount raised	Date of general mandates granted	Intended use of proceeds as announced	Actual use of proceeds
Placing of shares of the Company	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 of the Company	20 May 2005	HK\$3.44 million	25 April 2005	Repayment of outstanding interest-bearing borrowings (<i>note</i>) and general working capital	Fully utilized by applying HK\$3 million to repay short-term working capital loan from financial institutions with an interest rate of 12% p.a., and HK\$0.44 million as administrative expenses
Placing of Convertible Notes	20 May 2005	HK\$19.6 million	N/A	Approximately HK\$18 million to repay the outstanding interest-bearing borrowings (<i>note</i>) and the balance as general working capital	Fully utilized by applying approximately HK\$18.7 million to repay short-term working capital loan from financial institutions with an average interest rate of 8% p.a. and approximately HK\$0.9 million as working capital

Rights Issue	26 July 2005	HK\$50.3 million	N/A	Approximately HK\$5 million used as the Group's working capital and HK\$45.3 million for the possible investments	Fully utilized by applying approximately HK\$6.5 million to repay short-term working capital loan from financial institutions with an average interest rate of 8% p.a.; approximately HK\$42.5 million to purchase equity and convertible notes issued by companies listed on the Stock Exchange; and approximately HK\$1.3 million to settle professional fees accrued
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Note: The borrowings were for investment purposes.

II. 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 Board considers that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Trading in the Shares has been suspended at the request of the Company with effect from 9:30 a.m. on 2 December 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 8 December 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
“Company”	Unity Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Stock Exchange
“Director(s)”	director(s) of the Company

“EGM”	an extraordinary general meeting of the Company to be convened to approve, amongst other things, the Placing Agreement and the issue of the Placing Shares.
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Date”	1 December 2005
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Chung Nam Securities Limited, a corporation licensed by the Securities and Future Commission of Hong Kong to conduct Type 1 (dealing in securities), under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 1 December 2005 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.14 per Placing Share
“Placing Shares”	an aggregate of up to 250,000,000 Shares to be placed pursuant to the terms of the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“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 of
Unity Investments Holdings Limited
 合一投資控股有限公司
Pang Shuen Wai, Nichols
Chairman

Hong Kong, 7 December 2005

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; Mr. Lam Ping Cheung, Mr. Wong Ying Seung, Asiong, Mr. Chung Kong Fei, Stephen and Mr. Tsang Wing Ki as independent non-executive Directors.