
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Unity Investments Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited takes no responsibility for the contents of this circular, 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 circular.



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

CHANGE IN BOARD LOT SIZE

A notice convening an extraordinary general meeting of Unity Investments Holdings Limited to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on 17th November, 2006 at 9:00 a.m. is set out on pages 9 to 10 of this circular. Whether or not you are able to attend the extraordinary general meeting, you should complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof, should you so wish.

25th October, 2006

CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE.	3
LETTER FROM THE BOARD	4
NOTICE OF EXTRAORDINARY GENERAL MEETING.	9

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Adjusted Shares”	shares of HK\$0.10 each in the capital of the Company upon the Capital Reorganisation becoming effective
“Adjustment Proposal”	the proposal to be put forward to Shareholders for the reduction in nominal value of the Existing Shares by way of a reduction in capital and the application of the credit arising from the capital reduction as described in the section headed “Proposed Capital Reorganisation” in the letter from the Board in this circular
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“Capital Reorganisation”	the Adjustment Proposal and the Share Consolidation as described in the section headed “Proposed Capital Reorganisation” in the letter from the Board in this circular
“Capital Reorganisation Effective Date”	subject to fulfilment of other conditions as described in the section headed “Proposed Capital Reorganisation” in the letter from the Board in this circular, the date on which the order granted by the Court confirming the Adjustment Proposal and the minutes approved by the Court containing the particulars required under the Companies Law are registered at the Registrar of Companies in the Cayman Islands, which date is expected to be on 26th February, 2007
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Unity Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange of Hong Kong Limited
“Court”	the Grand Court of the Cayman Islands
“Directors”	directors of the Company

DEFINITIONS

“EGM”	an extraordinary general meeting of the Company to be held on 17th November, 2006 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. proposed to consider the Capital Reorganisation
“Existing Share(s)”	existing ordinary share(s) of HK\$0.10 each in the capital of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	20th October, 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Reduced Shares(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company in issue upon completion of the Adjustment Proposal
“Share Consolidation”	the proposed consolidation of every 10 Reduced Shares of HK\$0.01 each into one Adjusted Share of HK\$0.10 each
“Shareholder(s)”	holder(s) of the Existing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

Latest time for lodging form of proxy for the EGM . . . 9:00 a.m. on 15th November, 2006

EGM 9:00 a.m. on 17th November, 2006

The following events are conditional on the results of the EGM and the relevant court hearings. The dates are therefore tentative.

Registration of the Court order confirming the Adjustment
 Proposal and minutes approved by the Court at the Registrar of
 Companies in the Cayman Islands 26th February, 2007

Capital Reorganisation ^{Note 1} 26th February, 2007

Free exchange of Existing Share certificates
 for new share certificates commences 26th February, 2007

Original counter for trading in Existing Shares
 in board lots of 20,000 temporarily closes 26th February, 2007

Temporary counter for trading in Shares
 in board lots of 2,000 Adjusted Shares
 (in the form of Existing Share certificates) opens 26th February, 2007

Original counter for trading in Adjusted Shares
 in board lots of 4,000 Adjusted Shares
 (in the form of new share certificates) opens 12th March, 2007

Parallel trading in Adjusted Shares
 (in the form of new and existing share certificates) commences 12th March, 2007

Designated broker starts to stand in the market
 to provide matching services for odd lots of shares 12th March, 2007

Temporary counter for trading in Adjusted Shares
 in board lots of 2,000 Adjusted Shares
 (in the form of existing share certificates) closes 2nd April, 2007

Parallel trading in Adjusted Shares
 (in the form of new and existing share certificates) ends 2nd April, 2007

Designated broker standing in the market
 to provide matching services for odd lots of shares ends 2nd April, 2007

Free exchange of existing share certificates
 for new share certificates ends 10th April, 2007

Note 1: This is the Capital Reduction Effective Date and the Share Consolidation will also become effective on the same day.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. CHUNG Wilson

Mr. KITCHELL Osman Bin

Ms. CHOI Ka Wing

Non-executive Director:

Mr. WONG Man Hon, Frederick

Independent Non-executive Directors:

Mr. CHUNG Kong Fei, Stephen

Mr. TSANG Wing Ki

Mr. CHEN Henri Wei Hwa

Registered Office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681

George Town

Grand Cayman

British West Indies

*Principal place of business
in Hong Kong:*

Unit 2103, 21st Floor

China United Centre

28 Marble Road

North Point

Hong Kong

25th October, 2006

To the Shareholders

Dear Sir/Madam,

**PROPOSED CAPITAL REORGANISATION
AND
CHANGE IN BOARD LOT SIZE**

INTRODUCTION

It was stated in the announcement of the Company dated 9th October, 2006 that the Company proposes to put forward to its Shareholders the Capital Reorganisation proposal.

The purpose of this circular is to give you further information on the Capital Reorganisation and to give notice to Shareholders of the Extraordinary General Meeting at which a resolution will be proposed to consider and, if thought fit, approve the proposed Capital Reorganisation.

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

It is proposed that:

- (i) the nominal value of all the issued Existing Shares be reduced from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up on each issued Existing Share by way of a reduction of capital;
- (ii) every 10 issued Reduced Shares of HK\$0.01 each be consolidated into one Adjusted Share of HK\$0.10; and
- (iii) the credit arising from such reduction will be applied towards cancelling the accumulated deficit of the Company in the amount of approximately HK\$11.4 million as shown in the unaudited financial statements of the Company as at 30th June, 2006 and the balance will be transferred to the contributed surplus account of the Company.

The Capital Reorganisation (which will be effected in accordance with the Articles of Association of the Company and the Companies Law) is conditional upon:

- (i) the passing of a special resolution to approve the Capital Reorganisation by Shareholders at the EGM;
- (ii) sanction of the Adjustment Proposal by the Court to the extent required by the Companies Law and the registration by the Registrar of Companies in the Cayman Islands of a copy of the court order and the minutes approved by the Court containing the particulars required under the Companies Law;
- (iii) compliance with any conditions imposed by the Court; and
- (iv) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue upon the Capital Reorganisation becoming effective.

No shareholder is required to abstain from voting on the Capital Reorganisation at the EGM.

The Company has no outstanding options, warrants or other securities convertible into or giving rights to subscribe for the Existing Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, the share capital of the Company consists of 1,122,291,163 Existing Shares in issue and the aggregate nominal value of the issued share capital of the Company is approximately HK\$112.2 million. On the basis of 1,122,291,163 Existing Shares in issue as at the Latest Practicable Date (assuming no shares are issued from the date hereof until the Capital Reorganisation Effective Date), a total credit of approximately HK\$101 million will arise in the books of the Company as a result of the Adjustment Proposal which will be applied as mentioned in the following paragraph.

LETTER FROM THE BOARD

After the Capital Reorganisation, the authorised share capital of the Company will become HK\$500,000,000 comprising of 5,000,000,000 Adjusted Shares of HK\$0.10 each, of which 112,229,116 Adjusted Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will become approximately HK\$11,223,000 (assuming no shares are issued from the Latest Practicable Date until the Capital Reorganisation Effective Date). Assuming the Capital Reorganisation is implemented and based on the figures set out in the unaudited financial statements as at 30th June, 2006, upon completion of the Capital Reorganisation, the accumulated deficit of the Company in the amount of approximately HK\$11.4 million as at 30th June, 2006 will be fully eliminated and the balance of approximately HK\$89.6 million will be transferred to the contributed surplus account of the Company.

Fractional Adjusted Shares will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefit of the Company.

In order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has agreed to procure an arrangement with an agent to stand in the market to provide matching services for the odd lots of Adjusted Shares on a best effort basis. Details of such arrangements will be provided in a further announcement to be made by the Company after the Capital Reorganisation becomes effective.

Effect of the Capital Reorganisation

Implementation of the Capital Reorganisation would not, of itself, alter the underlying assets, liabilities, businesses, management or financial position of the Company and the Group or the rights of the Shareholders, except for payment of the related expenses and any fractional Adjusted Shares to which Shareholders may be entitled.

The Adjusted Shares will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Free exchange of Adjusted Share certificates and trading arrangements

Subject to the Capital Reorganisation, Shareholders may, during a period to be specified in a further announcement to be made by the Company, submit certificates for existing Shares to the Company's registrar for exchange, at the expense of the Company, for certificates for Adjusted Shares. Thereafter, certificates for existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for Adjusted Shares. Nevertheless, certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders in question. A further announcement will be made after the Capital Reorganisation becomes effective in relation to the arrangements for exchange of share certificates and the arrangements relating to trading and dealings in the Adjusted Shares.

General

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Adjusted Shares on implementation of the Capital Reorganisation.

LETTER FROM THE BOARD

Subject to the granting of listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Reasons

With a view to facilitating any capital raising exercise when circumstances arise in the future, the Directors propose the Capital Reorganisation which allows flexibility for the issue of new shares in the future if the Directors consider it appropriate. In addition, the Directors believe that in the light of the accumulated losses of the Company as set out in the unaudited financial statements as at 30th June, 2006, it would be in the Company's interests to apply any credit arising from the capital reduction to eliminate such accumulated losses, as this would restore the Company's capability to declare dividends in the future.

At this stage there is no assurance that a dividend will be declared or paid in the future even in circumstances where the Capital Reduction becomes effective.

With the change in board lot size, the market value for each board lot upon the Capital Reorganisation becoming effective will be higher than the market value for an existing board lot. The transaction cost per dollar value for each Existing Share will therefore be lower.

Timing

The Capital Reorganisation will become effective upon the Court's approval, which is expected to take approximately 4 months from the Latest Practicable Date.

CHANGE OF BOARD LOT SIZE

At present, Existing Shares are traded in board lots of 20,000. The Board will change the board lot size for trading of the Adjusted Shares to 4,000 upon the Capital Reorganisation becoming effective.

Based on the closing price of Existing Shares of HK\$0.051 as at the Latest Practicable Date and the existing board lot size of 20,000 Existing Shares, the prevailing board lot value is HK\$1,020. On the basis of the aforesaid closing price and the new board lot size of 4,000 Shares, the new board lot value would be HK\$2,040.

GENERAL

The Company is engaged in the business of investments in listed and unlisted companies.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 100, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

RECOMMENDATION

The Directors believe that the proposal for the Capital Reorganisation is in the interests of the Company and the Shareholders and so recommend Shareholders to vote in favour of the resolution to be proposed at the EGM to approve such matters.

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages 9 to 10 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

By order of the Board
CHUNG Wilson
Chairman & Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Unity Investments Holdings Limited (the “Company”) will be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Friday, 17th November, 2006 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following special resolution:

SPECIAL RESOLUTION

“**THAT**, conditional upon (i) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in the Adjusted Shares (as defined below); (ii) approval by the Grand Court of Cayman Islands (the “Court”) and (iii) compliance with any conditions imposed by the Court and with effect from the date on which those conditions are fulfilled:

- (A) the issued share capital of the Company as at the date of filing of the order of the Court relating to the Capital Reduction (as defined below) at the Registrar of Companies in the Cayman Islands (“Order Date”) be reduced by cancelling paid up capital to the extent of HK\$0.09 on each of the Shares in issue as of the date of this resolution (the “Capital Reduction”) so that each issued share of HK\$0.10 in the capital of the Company shall be treated as one fully paid up share of HK\$0.01 in the capital of the Company (“Reduced Share”) and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied;
- (B) every 10 issued Reduced Shares of HK\$0.01 each be consolidated into one Consolidated Share of HK\$0.10 (“Adjusted Share”) and any fraction of Adjusted Shares arising from the share consolidation shall not be allocated to the holders of the Reduced Shares otherwise entitled thereto but such fractions shall be aggregated and be sold for the benefit of the Company (“Share Consolidation”);
- (C) the credit arising from the Capital Reduction be applied towards cancelling the accumulated deficit of the Company in the amount of HK\$11.4 million as shown in the unaudited financial statements of the Company as at 30th June, 2006;
- (D) all of the Adjusted Shares resulting from the Capital Reduction shall rank *pari passu* in all respects and have the rights and privileges and be subject to the restrictions contained in the Company’s articles of association; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (E) the directors of the Company be and are hereby authorised generally to do all things they may consider appropriate and desirable to effect and implement the Capital Reduction, Share Consolidation and application of credit arising from the Capital Reduction (together with “Capital Reorganisation”).”

By order of the Board
CHUNG Wilson
Chairman & Executive Director

Hong Kong, 25th October, 2006

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.
2. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Company's share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
6. A form of proxy for use at the extraordinary general meeting is enclosed herewith.