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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)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

On 17 October 2011, the Company entered into the Master Transactions Agreement with HCG in relation to the Transactions.

HCG is the holding company of CUIM. CUIM is the investment manager of the Company and thus a connected person of the Company under Rule 21.13 of the Listing Rules. Accordingly, HCG Group is a connected person of CUIM and therefore a connected person of the Company under Rule 21.13 of the Listing Rules.

The Master Transactions Agreement and the Transactions (including the Annual Caps) constitute continuing connected transactions subject to the reporting, announcement and Independent Shareholders approval requirements as set out in Chapter 14A.52 of the Listing Rules. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Master Transactions Agreement are fair and reasonable so far as the Shareholders are concerned.

A circular containing, among other things, details of the Master Transactions Agreement, the advice of the independent financial adviser and the recommendation of the Independent Board Committee, together with a notice convening the EGM will be despatched to the Shareholders on or before 7 November 2011.

### **MASTER TRANSACTIONS AGREEMENT**

Date of agreement: 17 October 2011

Parties: (1) the Company (for itself and on behalf of its subsidiaries)  
(2) HCG (for itself and on behalf of its subsidiaries)

Transactions:

Under the Master Transactions Agreement, the Group and HCG Group acknowledge that they may from time to time enter into the Transactions. The Transactions comprise of the provision of securities brokerage, margin trading and financing facilities, investment management services and corporate financial advisory services by HCG Group to the Group.

**(i) Terms of the investment management agreement**

The investment advisory services mentioned above refer to the services offered under the investment management agreement dated 5 November 2003 entered into between the Company and CUIM, at a current monthly investment management fee of HK\$100,000 and renewed on an annual basis since then.

The Annual Caps (under “Financial Services” as referred to below) include the investment management fee payable under the investment management agreement.

**(ii) Terms of the margin trading and financing facilities**

As the Company is an investment company, securities trading is part of the main business activity of the Company conducted in its usual and ordinary course of business. The Company generally trades on margin trading and financing facilities.

HCG Group grants margin trading and financing facilities to the Group from time to time based on an agreed percentage of the market value of the Group’s portfolio maintained with the HCG Group. The terms of the margin trading facility are as follows. Settlement is done on the second trading day after the transaction date (T + 2) which is in accordance with the requirements for on market trades on the Stock Exchange. It is a term of the standard margin client agreement(s) entered into between the HCG Group and the Group that interest is charged on outstanding balances. The current interest rate is 5% to 8% per annum, which is subject to change as determined from time to time by the HCG Group, is in line with rates

offered in the market for services of this nature by other brokers. The margin facility line is only drawn and interest is charged if settlement is not done on T + 2 terms. The margin client agreement also states that if the Group commits a default in payment on demand of the deposits or margins or any other sums payable to the HCG Group, on the due date the HCG Group shall have the right to close the margin account(s) without notice to the Group and to dispose of any or all securities held for or on behalf of the Group and to apply the proceeds to pay the HCG Group all outstanding balances owing to the HCG Group. This has consistently been treated in the past as a charge on assets of the Group in the financial statements of the Company.

Basis:

The Transactions shall be conducted on normal commercial terms or terms no less favourable to the Group than those offered to the Group by independent third parties.

The parties further acknowledge that the relevant members of the Group have entered or may enter into Subsidiary Agreements with HCG Group with respect to the Transactions. Each Subsidiary Agreement to be entered into after the date of the Master Transactions Agreement shall not be in breach of the Master Transactions Agreement and the relevant requirements under the Listing Rules.

Annual Caps:

The parties agree that the Transactions will be subject to the following annual caps (“Annual Caps”):

The aggregate amounts payable by the Group to HCG Group for the Transactions (in respect of which Independent Shareholders’ approval is proposed to be sought at the EGM) for each of the three years ending 31 December 2014 shall not exceed the following:

|   | For the<br>year ending<br>31 December<br>2012<br><i>HK\$'000</i> | For the<br>year ending<br>31 December<br>2013<br><i>HK\$'000</i> | For the<br>year ending<br>31 December<br>2014<br><i>HK\$'000</i> |
|---|--|--|--|
| Financial services (including securities brokerage, investment management services, corporate financial advisory services and interest on margin financing but excluding margin financing facilities) | 7,500  | 8,000  | 8,500  |
| Margin financing facilities (including interest on margin financing)  | 70,000   | 74,000   | 77,000   |

The Annual Caps for the margin financing facilities is determined on a revolving facility basis and refer to the maximum amount which may be outstanding at any given time.

Condition precedent:

The Master Transactions Agreement is conditional on the approval of the Master Transactions Agreement and the transactions contemplated thereunder by Independent Shareholders in accordance with the Listing Rules. If the condition is not satisfied on or before 31 December 2011 (or such later date as may be agreed between the parties), the Master Transactions Agreement will automatically terminate and neither party or its subsidiaries shall have any claim against the other or its subsidiaries save in respect of any antecedent breaches.

Term: The Master Transactions Agreement shall continue until 31 December 2014, subject to satisfaction of the condition above. Upon the expiry of the Master Transactions Agreement, the parties may renew the Master Transactions Agreement, subject to compliance with the Listing Rules and all applicable law.

#### **DETERMINATION OF THE ANNUAL CAPS**

For each of the two financial years ended 31 December 2010 and the nine months ended 30 September 2011, the total amounts payable by the Group to HCG Group for the Transactions were approximately:

|   | <b>For the<br/>year ended<br/>31 December<br/>2009<br/>HK\$'000</b> | <b>For the<br/>year ended<br/>31 December<br/>2010<br/>HK\$'000</b> | <b>For the<br/>nine months<br/>ended<br/>30 September<br/>2011<br/>HK\$'000</b> |
|---|---|---|---|
| Financial services (including securities brokerage, investment management services, corporate financial advisory services and interest on margin financing but excluding margin financing facilities) | 2,672   | 3,912<br>(Note)   | 2,864   |
| Margin financing facilities (including interest on margin financing)  | 15,014  | 16,527  | 42,385  |

*Note: HK\$1,651,000 was refunded to the Company as commission rebate. The net amount was approximately HK\$2,261,000.*

The amounts payable for the margin financing facilities set out above are determined on a revolving facility basis and refer to the maximum amount which may be outstanding at any given time.

The Annual Caps for amounts payable under the Master Transactions Agreement are determined by reference to actual value of the Transactions in financial years ended 31 December 2009 and 2010 and nine months ended 30 September 2011, the net asset value of the Group and the anticipated growth of the volume of the Transactions under the Master Transactions Agreement.

Shareholders and investors should note that the Annual Caps referred to above are prepared to enable the Company to comply with the requirements of Chapter 14A of the Listing Rules. No assurance is given as to whether or not, and the extent to which, the Group will be able to or generate business as contemplated or estimated for the sole purpose of establishing the Annual Caps or at all.

## **REASONS FOR AND BENEFITS OF THE MASTER TRANSACTIONS AGREEMENT**

The Company is an investment company listed under Chapter 21 of the Listing Rules. The principal business of the Group is to invest in both listed and unlisted companies.

HCG Group is engaged in the provision of financial services including securities brokerage, commodity trading, fund management, money lending, margin financing, investment management and corporate finance advisory as well as proprietary trading and direct investment. In addition to CUIM, other members of the HCG Group has since around 2004 carried out the Transactions with the Group.

The Transactions are entered into by the Group in its ordinary and usual course of its business. Given that the Transactions are on terms no less favourable to the Group than those offered to the Group by independent third parties and the long standing relationship between the Group and HCG Group, the Directors are of the view that it is in the interest of the Group to continue to enter into the Transactions with HCG Group. The Master Transactions Agreement will enable the Group to continue its relationship with HCG Group in ordinary and usual course of business of the Group in compliance with the requirements of the Listing Rules, to contribute to the revenue and results of the Group, and is therefore in the interest of and are beneficial to the Group.

The Directors (excluding the independent non-executive Directors whose views are to be included in the Shareholders' circular to be issued by the Company as mentioned in this announcement) are of the view that the terms of the Master Transactions Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

## **CONNECTED PERSONS**

HCG is the holding company of CUIM. The Group holds approximately 0.26% of the issued share capital of HCG as at the date of this announcement.

CUIM is the investment manager of the Company and thus a connected person of the Company under Rule 21.13 of the Listing Rules. Accordingly, HCG Group is a connected person of the Company under Rule 21.13 of the Listing Rules. Therefore, transactions between HCG Group and the Group constitute connected transactions for the Company. To comply with Rule 14A.35 of the Listing Rules, the Company and HCG entered into the Master Transactions Agreement.

## **GENERAL**

The Master Transactions Agreement and the Transactions (including the Annual Caps) constitute continuing connected transactions subject to the reporting, announcement and Independent Shareholders approval requirements under Rule 14A.52 of the Listing Rules. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Master Transactions Agreement are fair and reasonable so far as the Shareholders are concerned.

A circular containing, among other things, details of the Master Transactions Agreement, the advice of the independent financial adviser and the recommendation of the Independent Board Committee, together with a notice convening the EGM will be despatched to the Shareholders on or before 7 November 2011.

## **DEFINITIONS**

In this announcement, the following terms have the following meanings:

|               |  |
|---------------|--|
| “Annual Caps” | the maximum aggregate annual value in respect of the Transactions as referred to in the headed “Annual Caps”;  |
| “Board”       | the board of Directors;  |
| “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 whose shares are listed on the Stock Exchange;                                    |
| “CUIM”        | CU Investment Management Limited;  |
| “Director(s)” | the director(s) of the Company;  |
| “EGM”         | the extraordinary general meeting of the Company to be convened for the purpose of approving the Master Transactions Agreement and the transactions contemplated thereunder including the Annual Caps; |
| “Group”       | the Company and its subsidiaries;  |
| “HCG”         | Hennabun Capital Group Limited;  |
| “HCG Group”   | HCG and its subsidiaries;  |

|                                   |  |
|-----------------------------------|--|
| “HK\$”                            | Hong Kong dollars, the lawful currency of Hong Kong;   |
| “Hong Kong”                       | Hong Kong Special Administrative Region of the People’s Republic of China;   |
| “Independent Board Committee”     | an independent committee of the Board which comprises Mr. Chung Kong Fei, Stephen, Mr. Tsang Wing Ki and Mr. Ngai Wai Kin;   |
| “Independent Shareholders”        | shareholders of the Company other than those materially interested in the Transactions;  |
| “Investment Management Agreement” | the investment management agreement entered into by the Company and CUIM on 5 November 2003;   |
| “Listing Rules”                   | the Rules Governing the Listing of Securities on the Stock Exchange;   |
| “Master Transactions Agreement”   | the agreement between the Company (for itself and on behalf of its subsidiaries) and HCG (for itself and on behalf of its subsidiaries) in relation to the Transactions dated 17 October 2011; |
| “Shareholders”                    | the shareholders of the Company;   |
| “Stock Exchange”                  | The Stock Exchange of Hong Kong Limited;   |
| “Subsidiary Agreement(s)”         | any agreement setting out the details terms and conditions entered or to be entered pursuant to terms of Master Transactions Agreement from time to time;                                      |
| “Transactions”                    | the transactions between the Group and HCG Group described in the section headed “Transactions” in this announcement; and  |
| “%” or “per cent.”                | percentage or per centum.  |

By order of the Board  
**Unity Investments Holdings Limited**  
 合一投資控股有限公司  
**KITCHELL Osman Bin**  
*Executive Director*

Hong Kong, 17 October 2011



As at the date of this announcement, the board of the Company comprises the following Directors:

*Executive Directors:*

Mr. KITCHELL Osman Bin  
(*Chairman and Chief Executive Officer*)  
Mr. CHAN Yin David (*Vice Chairman*)  
Ms. DAVIS Angela Hendricks  
Ms. CHOI Ka Wing

*Independent non-executive Directors:*

Mr. CHUNG Kong Fei, Stephen  
Mr. TSANG Wing Ki  
Mr. NGAI Wai Kin