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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)**

**(1) PROPOSED CAPITAL REORGANISATION  
(2) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
FIVE RIGHTS SHARES FOR EVERY ADJUSTED SHARE HELD  
AND  
(3) RESUMPTION OF TRADING**

**Underwriter of the Rights Issue**



**CHUNG NAM SECURITIES LIMITED**

**PROPOSED CAPITAL REORGANISATION**

The Company proposes to effect the Capital Reorganisation which will comprise (i) the reduction in nominal value of the Shares from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up on each Share; (ii) the application of the credit arising from the reduction to cancel the accumulated losses of the Company (if any) and for the entire amount or the balance (as the case may be) to be transferred to the distributable capital reduction reserve account of the Company; and (iii) the consolidation of every 10 Reduced Shares of HK\$0.01 in the capital of the Company into one Adjusted Share.

The Capital Reorganisation is conditional upon, inter alia, the approval of the Capital Reorganisation by Shareholders at the EGM and the approval of the Adjustment Proposal by the Court.

## **PROPOSED RIGHTS ISSUE**

Subject to the Capital Reorganisation becoming effective, the Company proposes to raise approximately HK\$187.90 million before expenses (assuming no Option is granted and the Issue Mandate is not utilised on or before the Record Date) to approximately HK\$244.26 million before expenses (assuming all the Options are granted and fully exercised and full utilisation of the Issue Mandate on or before the Record Date) by way of the Rights Issue of issuing not less than 1,565,797,810 Rights Shares and not more than 2,035,537,155 Rights Shares at a price of HK\$0.12 per Rights Share payable in full on acceptance.

The Company will provisionally allot five Rights Shares in nil-paid form for every Adjusted Share held by the Qualifying Shareholders on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be between approximately HK\$182.20 million (assuming no Option is granted and the Issue Mandate is not utilised on or before the Record Date) to HK\$237.16 million (assuming all the Options are granted and fully exercised and full utilisation of the Issue Mandate on or before the Record Date). The Company plans to use the net proceeds for investment purposes pursuant to the investment objectives adopted by the Company. As at the date of the announcement, the Company has not identified any specific investment opportunities.

**The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out below under the section headed “Conditions of the Rights Issue”. In particular, the Rights Issue is subject to the Capital Reorganisation becoming effective and the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Adjusted Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed.**

Pursuant to the requirements of the Listing Rules, the proposed Rights Issue is conditional on the approval by the Shareholders at the EGM, where the controlling Shareholder, or in the case that the Company has no controlling Shareholder, the Directors and the chief executive of the Company are required to abstain from voting in favour of the Rights Issue. As at the date of this announcement, there is no controlling Shareholder, and the Directors and the chief executive of the Company and their respective associates do not hold any Shares. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder is required to abstain from voting in favour of the Rights Issue at the EGM.

An independent board committee of the Company comprising the independent non-executive Directors will be appointed to make recommendations to the Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Shareholders in this regard.

## **GENERAL**

A circular containing, among other things, (i) further details about the Capital Reorganisation and the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Shareholders on the Rights Issue; and (iv) the notice convening the EGM, will be despatched to the Shareholders as soon as practicable. Upon the approval of the Rights Issue by the Shareholders at the EGM and the Capital Reorganisation becoming effective, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 10 December 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 13 December 2007.

## **PROPOSED CAPITAL REORGANISATION**

It is proposed that:

- (i) the nominal value of all the issued Shares be reduced from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up on each issued Shares by way of a reduction of capital;
- (ii) the application of the credit arising from the reduction to cancel the accumulated losses of the Company (if any) and for the entire amount or the balance (as the case may be) to be transferred to the distributable capital reduction reserve account of the Company; and
- (iii) every 10 Reduced Shares of HK\$0.01 each be consolidated into 1 Adjusted Share of HK\$0.10 each.

## **Effects of the Capital Reorganisation**

Assuming that no further Shares are issued prior to the EGM, the issued share capital of the Company will be reduced from HK\$313,159,562.90 to HK\$31,315,956.29 by cancelling HK\$0.09 paid up on each issued Share. A credit of approximately HK\$281,843,607 will arise as a result of the Adjustment Proposal. The credit will be used to cancel the accumulated losses of the Company (if any) and the entire amount or the balance (as the case may be) to be transferred to the distributable capital reduction reserve account of the Company. As per the 2007 interim report of the Company, the accumulated profits of the Group as at 30 June 2007 was approximately HK\$84 million. If the Company has accumulated profits based on the latest available management accounts at the time of approval of the Capital Reorganisation by the Court, the entire amount of the credit arising from the reduction will be transferred to the distributable capital reduction reserve account of the Company.

The existing authorised share capital is HK\$2,000,000,000 divided into 20,000,000,000 Shares. The existing issued share capital is HK\$313,159,562.90 divided into 3,131,595,629 Shares. Subject to the approval by the Shareholders of the Adjustment Proposal, the authorised share capital of the Company upon the Capital Reorganisation becoming effective will be HK\$2,000,000,000 comprising 20,000,000,000 Adjusted Shares, of which 313,159,562 Adjusted Shares will be in issue (not taking into account the Shares that may be issued pursuant to the exercise of the Options if the Options are granted under the scheme mandate limit available to the Company under the Share Option Scheme and the Issue Mandate). Fractional Adjusted Shares will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefit of the Company.

Other than the relevant expenses incurred (which includes underwriting commission, printing, registration, legal and accountancy fee, etc. and estimated to amount to approximately HK\$1 million), the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save that any fractional Adjusted Shares (if any), will not be issued to the Shareholders. The Directors believe that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

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.

## **Reasons for the Capital Reorganisation**

If the Company has accumulated losses upon the time of approval of the Capital Reorganisation by the Court, the credit arising from the reduction will be used to cancel the accumulated losses of the Company and the Adjustment Proposal will bring forward the time the Company in a position to declare and pay dividends. Since 22 November 2007, the Shares have been trading at prices below their nominal value of HK\$0.10 each. The proposed Capital Reorganisation will reduce the total number of Shares currently in issue and is also required for the compliance with Rule 13.64 of the Listing Rules. As such, it is expected to bring about a corresponding upward adjustment in the trading price of the Adjusted Shares on the Stock Exchange, which will reduce the overall transaction costs for dealings in the Adjusted Shares and allow flexibility for the issue of new Shares to facilitate fund raising exercises in future. Accordingly, the Board is of the view that the Capital Reorganisation is beneficial to the Company and the Shareholders as a whole.

## **Conditions of the Capital Reorganisation**

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

- (i) the passing of a special resolution to approve the Capital Reorganisation by Shareholders at the EGM;
- (ii) approval of the Adjustment Proposal to the extent required by the Court;
- (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.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares and any Adjusted Shares which may be issued upon the exercise of Options under the Share Option Scheme.

## **Expected effective date of the Capital Reorganisation**

Subject to the above conditions being fulfilled, the Capital Reorganisation is expected to become effective after 4:00 p.m. on 28 April 2008.

## **Trading arrangement**

The Shares are currently traded in board lots of 4,000 Shares each and the market value per board lot of the Shares is HK\$376, based on the closing price of HK\$0.094 per Share as quoted on the Stock Exchange on the Last Trading Day. Assuming the Capital Reorganisation becomes effective, the Adjusted Shares will be traded in board lots of 4,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be HK\$3,760, based on the closing price of HK\$0.94 per Adjusted Share (based on the closing price of HK\$0.094 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation).

Subject to the Capital Reorganisation, the Shareholders may, during a period to be specified in the section headed “Expected timetable” in this announcement, submit certificates for the Shares to the Company’s share registrar for exchange, at the expense of the Company, for certificates for the Adjusted Shares. Thereafter, certificates for the 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 certificate issued or cancelled, whichever is higher. Certificates for the Shares will continue to be evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders.

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 the best effort basis. Further details in respect of the odd lots arrangement and the new share certificates will be set out in the Circular.

## PROPOSED RIGHTS ISSUE

The Rights Issue is proposed to take place after the Capital Reorganisation becoming effective.

### Issue statistics

Basis of the Rights Issue	:	five Rights Shares for every Adjusted Share held on the Record Date
Number of Shares in issue	:	3,131,595,629 Shares as at the date of this announcement
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	313,159,562 Adjusted Shares (assuming no Option is granted and the Issue Mandate is not utilised on or before the Record Date) or 407,107,431 Adjusted Shares (assuming all the Options are granted and fully exercised and full utilisation of the Issue Mandate on or before the Record Date) ( <i>Note</i> )
Number of Rights Shares	:	not less than 1,565,797,810 Rights Shares (assuming no Option is granted and the Issue Mandate is not utilised on or before the Record Date) and not more than 2,035,537,155 Rights Shares (assuming all the Options are granted and fully exercised and full utilisation of the Issue Mandate on or before the Record Date) ( <i>Note</i> )
Subscription price per Rights Share	:	HK\$0.12 per Rights Share with nominal value of HK\$0.10 each

#### *Note:*

As at the date of this announcement, (i) there are Options to subscribe up to an aggregate of 313,159,562 Shares under the scheme mandate limit available to the Company under the Share Option Scheme and (ii) the Issue Mandate, which authorises the Directors to issue and allot up to 626,319,125 Shares, has not been utilised. Assuming all of the Options are granted and fully exercised and full utilisation of the Issue Mandate on or before the Record Date, a total of 4,071,074,316 new Shares (equivalent to 407,107,431 Adjusted Shares) may fall to be issued and hence an additional 469,739,345 Rights Shares would be issued, in which the maximum number of Rights Shares that may be issued by the Company will become 2,035,537,155.

Save as mentioned above, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

Assuming no Options are granted and the Issue Mandate is not utilised on or before the Record Date, the 1,565,797,810 nil-paid Rights Shares proposed to be provisionally allotted represent (a) 5 times of the Company's issued share capital upon completion of the Capital Reorganisation; and (b) approximately 83.33% of the Company's issued share capital upon completion of the Capital Reorganisation and as enlarged by the issue of the Rights Shares.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Adjusted Shares must lodge any transfers of Adjusted Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 21 April 2008.

### **Closure of register of members**

The register of members of the Company will be closed from 22 April 2008 to 28 April 2008, both dates inclusive. No transfers of Adjusted Shares will be registered during this period.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the Cayman Islands.



The Company is currently making enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders as soon as practicable. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

### **Subscription price**

The subscription price for the Rights Shares is HK\$0.12 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The subscription price represents:

- (a) a discount of about 87.23% to the adjusted closing price of HK\$0.94 per Adjusted Share (based on the closing price of HK\$0.094 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (b) a premium of about 53.25% to the theoretical ex-rights price of approximately HK\$0.2567 per Adjusted Share (based on the closing price of HK\$0.094 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);

- (c) a discount of about 87.12% to the average adjusted closing price of approximately HK\$0.932 per Adjusted Share (based on the average closing price of HK\$0.0932 per Share for the five trading days ended on the Last Trading Day and adjusted for the effect of the Share Consolidation); and
- (d) a discount of about 86.56% to the average adjusted closing price of approximately HK\$0.893 per Adjusted Share (based on the average closing price of HK\$0.0893 per Share for the ten trading days ended on the Last Trading Day and adjusted for the effect of the Share Consolidation).

The subscription price for the Rights Shares was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Share prior to the Last Trading Day. The Directors consider the terms of the Rights Issue, including the subscription price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The Company is an investment company under Chapter 21 of the Listing Rules and its business is primarily the making of investments. It is important for the Company to have readily available cash to make investments as and when opportunities arise. Besides, the Board considers that in view of the volatile stock market conditions, the Company should seize this chance to secure equity funding for the shareholders and the Company as a whole given the underwriter has agreed to underwrite the Rights Issue. The Rights Issue also allows the Company to broaden its shareholders' base without diluting their corresponding shareholdings and allows the shareholder to participate in the long term growth of the Company at a lower price than the current market level.

Based on the theoretical ex-rights price of approximately HK\$0.2567 per Adjusted Share, the market value per board lot of the Adjusted Shares upon completion of the Capital Reorganisation and the Rights Issue would be HK\$1,026.80. The Company will change the board lot size to fulfill the minimum requirement of HK\$2,000 per board lot and arrange the change of board lot size to be effective before completion of the Capital Reorganisation and the Rights Issue if necessary. Further announcement regarding the change of board lot size will be issued if required.

## **Basis of provisional allotment**

The basis of the provisional allotment shall be five Rights Shares for every Adjusted Share, being not less than 1,565,797,810 Rights Shares and not more than 2,035,537,155 Rights Shares at a price of HK\$0.12 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

## **Fractions of Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s). Any unsold fractions of Rights Shares will be made available for excess application.

## **Status of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Adjusted Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

## **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the forms for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and

- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares will have a higher success rate for its application but will receive a smaller number of Rights Shares; compared with Qualifying Shareholders applying for larger number of Rights Shares who will have a lower success rate for its application but will receive a larger number of Rights Shares). Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company.

Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary document with the Registrar for completion of the relevant registration by 4:30 p.m. on 21 April 2008.

### **Share certificates and refund cheques for Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 22 May 2008. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 22 May 2008 by ordinary post to the applicants at their own risk.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, both in board lots of 4,000, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon, among other things, each of the following events being fulfilled:

1. the approval of the Capital Reorganisation and the Rights Issue by Shareholders at the EGM;
2. the Capital Reorganisation becoming effective;
3. the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the Prospectus Documents and not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the second Business Day after the Acceptance Date;
4. the delivery to the Stock Exchange and filing and registration of all documents relating to the Rights Issue required by law to be filed, with the Registrar of Companies in Hong Kong;
5. the posting on the 29 April 2008 of copies of the Prospectus Documents to the Qualifying Shareholders;
6. the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days (other than any suspension pending clearance of this announcement) and no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
7. the compliance by the Company with certain its obligations under the Underwriting Agreement; and

8. the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms.

In the event that the conditions of the Rights Issue are not fulfilled on or before the respective dates determined in the Underwriting Agreement (or such later date as the Company and the Underwriter may agree), none of the Underwriter or the Company shall have any rights or be subject to any obligations arising from the Underwriting Agreement. The Rights Issue will not proceed accordingly.

### **Underwriting arrangements**

#### ***Underwriting agreement dated 10 December 2007***

The Underwriter has agreed to fully underwrite not less than 1,565,797,810 Rights Shares and not more than 2,035,537,155 Rights Shares. To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, the Underwriter and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules). Within the past 12 months from the date of this announcement, the Company and the Underwriter entered two placing agreements dated 4 June 2007 and 12 July 2007, pursuant to which the Underwriter agreed to act as placing agent to place the placing shares according to the terms of the agreements.

#### ***Commission***

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate subscription price of the Rights Shares underwritten by it, out of which the Underwriter will or may pay any sub-underwriting fees. The Directors believe that the underwriting commission accords with market rates.

#### ***Termination of the Underwriting Agreement***

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to the second Business Day following the Acceptance Date if there occurs:–

- (i) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or

- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (iii) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the second Business Day following the Acceptance Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (ii) the Underwriter shall receive notification pursuant to the relevant clauses of the Underwriting Agreement of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the relevant clauses of the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) the Company shall, after any matter or event referred to in the relevant clauses of the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

**If the Underwriting Agreement is terminated by the Underwriter before 4:00 p.m. on the second Business Day following the Acceptance Date or does not become unconditional, the Underwriting Agreement will terminate forthwith (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise and the Rights Issue will not proceed.**

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES**

**The Shares will be dealt in on an ex-rights basis from 18 April 2008. Dealings in the Rights Shares in the nil-paid form will take place from 2 May 2008 to 9 May 2008 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.**

**Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from 2 May 2008 to 9 May 2008 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares or the Adjusted Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from 2 May 2008 to 9 May 2008 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**



## Expected timetable

The expected timetable for the Capital Reorganisation and the Rights Issue is set out below:

2008

Despatch of Circular and proxy form of EGM ..... Monday, 7 January

Latest time for return of proxy form of EGM

(not less than 48 hours) ..... 9:00 a.m., Monday, 28 January

Expected date and time of EGM .....9:00 a.m., Wednesday, 30 January

Announcement of results of EGM ..... Wednesday, 30 January

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

Last day of dealings in Shares

on a cum-rights basis ..... Thursday, 17 April

First day of dealings in Shares

on an ex-rights basis ..... Friday, 18 April

Latest time for lodging transfers of

Shares in order to qualify

for Rights Issue ..... 4:30 p.m., Monday, 21 April

Register of members to be closed ..... Tuesday, 22 April to  
Monday, 28 April  
(both dates inclusive)

Record Date ..... Monday, 28 April

Register of members to be re-opened ..... Tuesday, 29 April

Prospectus Documents to be posted ..... Tuesday, 29 April

Effective date of the Capital Reorganisation ..... after 4:00 p.m. Monday, 28 April

Commencement of dealings in Adjusted Shares ..... Tuesday, 29 April

Original counter for trading in Shares  
(in board lots of 4,000 Shares) to be closed ..... 9:30 a.m., Tuesday, 29 April

Temporary counter for trading in Adjusted Shares  
in board lots of 400 Adjusted Shares  
(in form of existing share certificates) to be opened ..... 9:30 a.m., Tuesday, 29 April

Free exchange of existing share certificates  
for new share certificates  
for the Adjusted Shares commences ..... Tuesday, 29 April

First day of dealings in nil-paid Rights Shares .....Friday, 2 May

Latest time for splitting of nil-paid Rights Shares ..... 4:30 p.m., Tuesday, 6 May

Last day of dealings in nil-paid Rights Share .....Friday, 9 May

Latest time for payment for and  
acceptance of Rights Shares ..... 4:00 p.m., Thursday, 15 May

Designated broker starts to stand in the market  
to provide matching services for the sale and  
purchase of odd lots of Adjusted Shares ..... 9:30 a.m., Thursday, 15 May

Original counter for trading in Adjusted Shares  
(in board lots of 4,000 Adjusted Shares)  
to be re-opened ..... 9:30 a.m., Thursday, 15 May

Parallel trading in Adjusted Shares  
(in form of new and existing certificate) begins ..... 9:30 a.m., Thursday, 15 May

Rights Issue expected to become unconditional ..... after 4:00 p.m., Monday, 19 May

Announcement of results of acceptance and excess application of the Rights Issue .....	Wednesday, 21 May
Despatch of refund cheques for wholly and partially unsuccessful excess applications .....	Thursday, 22 May
Despatch of certificates for fully-paid Rights Shares .....	Thursday, 22 May
First day of dealings in the fully-paid Rights Shares .....	Monday, 26 May
Temporary counter for trading in Adjusted Shares in board lots of 400 Adjusted Shares (in form of existing share certificates) to be closed .....	4:00 p.m., Thursday, 5 June
Parallel trading in Adjusted Shares (in form of new and existing certificate) ends .....	4:00 p.m., Thursday, 5 June
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Adjusted Shares .....	4:00 p.m., Thursday, 5 June
Free exchange of existing share certificates for new share certificates ends .....	4:00 p.m., Wednesday, 11 June

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only. Any changes to the expected timetable will be published or notified to Shareholders appropriately.

There is around 3 months gap between the expected date and time of EGM (i.e. 30 January 2008) and the Record Date (i.e. 28 April 2008) because the Capital Reorganisation requires around 3 months period to obtain an approval from the court of the Cayman Islands in order to become effective after 4:00 p.m. on 28 April 2008.

## Shareholding in the Company

Set out below is the shareholding structure of the Company assuming that (i) there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue save pursuant to the grant and exercise of Options, utilisation of the Issue Mandate and the transactions contemplated under the Underwriting Agreement; and (ii) no Rights Shares are taken up by the Qualifying Shareholders and the Underwriter takes up the Rights Shares to the maximum extent:

### *Scenario 1:*

Assuming there is no Options are granted and the Issue Mandate is not utilised on or before the Record Date.

Shareholders	As at the date of this announcement		Immediately after the Capital Reorganisation but before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Adjusted Shares</i>	<i>%</i>	<i>Number of Adjusted Shares</i>	<i>%</i>
Willie International Holdings Limited <i>(Note 1)</i>	410,118,799	13.10%	41,011,879	13.10%	–	–
<i>Public Shareholders:</i>						
Willie International Holdings Limited <i>(Note 1)</i>	–	–	–	–	41,011,879	2.18%
Heritage International Holdings Limited <i>(Note 2)</i>	199,928,000	6.38%	19,992,800	6.38%	19,992,800	1.06%
The Underwriter	0	0%	0	0%	1,565,797,810	83.33%
Other public Shareholders	2,521,548,830	80.52%	252,154,883	80.52%	252,154,883	13.43%
Sub-total	<u>2,721,476,830</u>	<u>86.90%</u>	<u>272,147,683</u>	<u>86.90%</u>	<u>1,878,957,372</u>	<u>100%</u>
Total	<u><u>3,131,595,629</u></u>	<u><u>100%</u></u>	<u><u>313,159,562</u></u>	<u><u>100%</u></u>	<u><u>1,878,957,372</u></u>	<u><u>100%</u></u>

## Scenario 2:

Assuming all of the Options are granted and fully exercised and full utilisation of the Issue Mandate on or before the Record Date.

Shareholders	As at the date of this announcement		Immediately after the Capital Reorganisation but before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Number of Shares	%	Number of Adjusted Shares	%	Number of Adjusted Shares	%
Willie International Holdings Limited (Note 1)	410,118,799	10.07%	41,011,879	10.07%	0	0%
<i>Public Shareholders:</i>						
Willie International Holdings Limited (Note 1)	0	0%	0	0%	41,011,879	1.68%
Heritage International Holdings Limited (Note 2)	199,928,000	4.91%	19,992,800	4.91%	19,992,800	0.82%
Holder of Options (Note 3)	313,159,562	7.69%	31,315,956	7.69%	31,315,956	1.28%
Shares to be issued and allotted pursuant to unutilised Issue Mandate (Note 4)	626,319,125	15.38%	62,631,913	15.38%	62,631,913	2.56%
The Underwriter	0	0%	0	0%	2,035,537,155	83.33%
Other public Shareholders	2,521,548,830	61.95%	252,154,883	61.95%	252,154,883	10.33%
Sub-total	3,660,955,517	89.93%	366,095,552	89.93%	2,442,644,586	100%
Total	4,071,074,316	100%	407,107,431	100%	2,442,644,586	100%

### Notes:

1. Willie International Holdings Limited (stock code: 273), a company listed on the Stock Exchange, is interested in the share capital of the Company indirectly through its wholly-owned subsidiary, Pearl Decade Limited.
2. Heritage International Holdings Limited (Stock code: 412), a company listed on the Stock Exchange, 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. The Options are not granted under the scheme mandate limit under the Share Options Scheme and it is assumed that all the holders of the Options will become the public Shareholders after they exercise the Options.
4. It is assumed that none of the Shares will be issued and allotted pursuant to the unutilised Issue Mandate to the Directors, connected persons (as defined in the Listing Rules) of the Company and its associates and no individual Shareholder will hold more than 10% of the Shares.

The Underwriter propose to sub-underwrite its underwriting obligations under the Rights Issue to sub-underwriters such that each of the Underwriter and the sub-underwriters (together with their respective parties acting in concert as defined in the Hong Kong Code on Takeovers and Mergers) will not own 30% or more of the issued share capital of the Company after completion of the Rights Issue. The Underwriter is not and the sub-underwriters (and their respective ultimate beneficial owners) shall not be a party acting in concert with any Shareholder. The Underwriter does not and the sub-underwriters will not and their respective ultimate beneficial owners do not and will not have any shareholding in the Company and are not connected persons (as defined in the Listing Rules) of the Company.

As stipulated in the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriters mentioned above is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations, the Underwriter will not and shall procure that the sub-underwriters will not own 10% or more of the issued share capital of the Company immediately after the Rights Issue.

### **Reasons for the Rights Issue and use of proceeds**

The Company is an investment company under Chapter 21 of the Listing Rules and its business is primarily the making of investments. It is important for the Company to have readily available cash to make investments as and when opportunities arise. Funds raised pursuant to the recent fund raising exercises described above have been fully utilised as intended. The Company is continually seeking investment opportunities, as part of its ordinary and usual course of business.

The Directors consider that it is prudent to finance the Group's long-term growth by long term funding, preferably in the form of equity which will not increase the Group's finance costs. Furthermore, the Directors consider that it is in the interest of the Company to enlarge its capital base by way of the Rights Issue which will allow all Shareholders to participate in the growth of the Company and at the same time without diluting their corresponding shareholdings. Besides, the Rights Issue allows the Shareholders to participate in the growth of the Company at a lower price than the current market level.

The entire net proceeds for the Rights Issue is expected to be approximately HK\$182 million (assuming no Option is granted and nil utilisation of the Issue Mandate on or before the Record Date) or approximately HK\$237 million (assuming all the Options are granted and fully exercised and full utilisation of the Issue Mandate on or before the Record Date). The net proceeds will be used by the Company mainly for investment in equity pursuant to the investment objectives adopted by the Company. As at the date of this announcement, the Company has not identified any specific investment opportunity.

### **Fund raising activities during the past 12 months**

The Company had conducted the following fund raising exercises in the past 12 months from the date of this announcement.

<b>Date of announcement</b>	<b>Transaction</b>	<b>Net proceeds raised/ to be raised (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of net proceeds</b>
12 March 2007	Rights issue of 1,194,991,160 rights Shares on the basis of ten rights shares for every existing share	HK\$116 million	Investment in equity pursuant to the investment objectives adopted by the Company	Used as intended
4 June 2007	Placing of 262,898,055 new Shares	HK\$68.7 million	General working capital	Used as intended
12 July 2007	Placing of 341,765,666 new Shares	HK\$66.4 million	General working capital	Used as intended
19 July 2007	Subscription of 500,000,000 new Shares	HK\$69.7 million	HK\$50 million for debt repayment and HK\$19.7 million for general working capital	Used as intended
30 October 2007	Subscription of 410,118,799 new Shares	HK\$44.9 million	General working capital	Used as intended

### **Adjustments in relation to the Options**

The Capital Reorganisation and the Rights Issue may lead to adjustments to the number of Shares to be issued upon exercise of the Options. The Company will notify the holders of the Options regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme.

## **GENERAL**

In accordance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on approval by Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, there is no controlling Shareholder, and the Directors and the chief executive of the Company and their respective associates do not have any Shares. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder is required to abstain from voting in favour of the Rights Issue at the EGM. The vote of Shareholders taken at the EGM to be convened for approving the Rights Issue will be taken on a poll.

An independent board committee of the Company comprising the independent non-executive Directors will be appointed to make recommendations to the Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Shareholders in this regard.

A circular containing, among other things, (i) further details about the Capital Reorganisation and the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Shareholders in respects of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Shareholders on the Rights Issue; and (iv) the notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

Upon the approval of the Rights Issue by the Shareholders at the EGM and the Capital Reorganisation becoming effective, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 10 December 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 13 December 2007.



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	15 May 2008 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment of, Rights Shares)
“Adjustment Proposal”	the proposal to be put forward to Shareholders for (i) the reduction in nominal value of the Shares from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up on each Share and (ii) the application of the credit arising from the reduction to cancel the accumulated losses of the Company (if any) and to transfer the entire amount or the balance (as the case may be) to the distributable capital reduction reserve account of the Company and as described the section headed “Proposed Capital Reorganisation” in this announcement
“Adjusted Shares”	ordinary share(s) of HK\$0.10 each in the capital of the Company immediately after the Capital Reorganisation becoming effective
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a full day (other than a Saturday and Sunday) on which banks are generally open for business in Hong Kong
“Capital Reorganisation”	the Adjustment Proposal and the Share Consolidation
“Circular”	the circular to be despatched to the Shareholders in relation to the Capital Reorganisation and the Rights Issue together with the notice of the EGM to approve the relevant resolutions

“Company”	Unity Investments Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	director(s) of the Company
“EAF”	the excess application form(s) to be issued in connection with the Rights Issue
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Capital Reorganisation and the Rights Issue
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate granted to the Directors to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate amount of the share capital of the Company in issue as at the date of the extraordinary general meeting of the Company held on 5 December 2007
“Last Trading Day”	7 December 2007, being the last trading day before the suspension of the trading of the Shares, pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Non-Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong in respect of whom the Directors consider the exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Option(s)”	the share option(s) to subscribe up to an aggregate of 313,159,562 Shares pursuant to the scheme mandate limit available to the Company under the Share Option Scheme as at the date of this announcement pursuant to the Share Option Scheme
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“Prospectus”	the prospectus to be issued by the Company containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	28 April 2008 being the date by reference to which entitlements to the Rights Issue are expected to be determined
“Reduced Shares”	ordinary shares of HK\$0.01 each in the capital of the Company upon completion of the Adjustment Proposal

“Rights Issue”	the issue by way of rights of five Rights Shares for every one Adjusted Share in issue on the Record Date at a price of HK\$0.12 per Rights Share
“Rights Share(s)”	new Adjusted Share(s) to be issued and allotted under the Rights Issue, being not less than 1,565,797,810 Adjusted Shares and not more than 2,035,537,155 Adjusted Shares
“Settlement Date”	the date being the second Business Day following the Acceptance Date
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	existing share(s) of HK\$0.10 each in the share capital of the Company
“Share Consolidation”	the consolidation of every 10 Reduced Shares of HK\$0.01 in the capital of the Company into one Adjusted Share
“Shareholder(s)”	holder(s) of Share(s), Reduced Share(s) or Adjusted Share(s) (as the case may be)
“Share Option Scheme”	the share option scheme of the Company adopted on 2 May 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriter”	Chung Nam Securities Limited, a corporation deemed licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 regulated activity (dealing in securities), which is not a connected person (as defined in the Listing Rules) of the Company

“Underwriting Agreement”	the underwriting agreement dated 10 December 2007 (as amended by a supplementary agreement dated 12 December 2007) entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%” or “per cent.”	percentage or per centum

*As at the date of this announcement, the Executive Directors of the Company are Mr. CHUNG Wilson (Chairman), Mr. KITCHELL Osman Bin (Chief Executive Officer) and Ms. CHOI Ka Wing; and the Independent Non-executive Directors of the Company are Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki and Ms. SWARTZ Kristi Lynn.*

By order of the Board  
**Unity Investments Holdings Limited**  
**CHUNG Wilson**  
*Chairman and Executive Director*

Hong Kong, 12 December 2007