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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)

PROPOSED CAPITAL REORGANISATION

The Company proposes to put forward to its Shareholders the following proposals that:

- (1) the nominal value of all the issued Existing Shares be reduced from HK\$0.10 each to HK\$0.02 each by cancelling HK\$0.08 paid up on each issued Existing Share by way of a reduction of capital;
- (2) every five issued Reduced Shares of HK\$0.02 each be consolidated into one Adjusted Share of HK\$0.10; and
- (3) the credit arising from such reduction will be applied towards cancelling the accumulated deficit of the Company with the balance to be transferred to the distributable capital reduction reserve account of the Company.

A circular containing further details on the Capital Reorganisation together with a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

PROPOSED CAPITAL REORGANISATION

It is proposed that:–

- (i) the nominal value of all the issued Existing Share be reduced from HK\$0.10 each to HK\$0.02 each by cancelling HK\$0.08 paid up on each issued Existing Share by way of a reduction of capital;

- (ii) every five issued Reduced Shares of HK\$0.02 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 with the balance to be transferred to the distributable capital reduction reserve 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 Extraordinary General Meeting;
- (ii) sanction of the Adjustment Proposal 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.

No shareholder is required to abstain from voting on the Capital Reorganisation at the Extraordinary General Meeting.

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

Application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Adjusted Shares and any Adjusted Shares which may be issued pursuant to exercise of options that may be granted under share option scheme of the Company adopted on 2 May 2003.

The share capital of the Company consists of 1,878,957,372 Existing Shares in issue and the aggregate nominal value of the issued share capital of the Company is approximately HK\$187.9 million. On the basis of 1,878,957,372 Existing Shares in issue as at the date of this announcement (assuming no shares are issued from the date hereof until the effective date of the Capital Reorganisation), a total credit of approximately HK\$150.3 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.

After the Capital Reorganisation, the authorised share capital of the Company will remain as HK\$2,000,000,000 divided into 20,000,000,000 Adjusted Shares of HK\$0.10 each, of which 375,791,474 Adjusted Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will become approximately HK\$37,579,147 (assuming no shares are issued from the date hereof until the effective date of the Capital Reorganisation). The accumulated deficit of the Company of approximately HK\$153.8 million as set out in its audited financial statements for the year ended 31 December 2007 has been fully eliminated as a result of the completion of the May Capital Reorganisation. Assuming the Capital Reorganisation is implemented, the total credit arising from the Adjustment Proposal will be used to set off any accumulated deficit of the Company at the relevant time with the balance to be transferred to the distributable capital reduction reserve 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 appointed Chung Nam Securities Limited, as an agent to provide matching services for the sale and purchase of odd lots of Adjusted Shares arising from the Capital Reorganisation. Shareholders who wish to take advantage of this facility should contact Mr. Cecil Chan of Chung Nam Securities Limited at 31st Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at telephone number (852) 3198 0838 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed.

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 (which includes printing, legal and administration fee, etc. and is estimated to amount to approximately HK\$600,000) 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 becoming effective, 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 as and when appropriate in relation to the effective date of the arrangements for exchange of share certificates and the arrangements relating to trading and dealings in the Adjusted Shares.

Reasons

Based on the closing price of HK\$0.071 as quoted on the Stock Exchange on 19 June 2008 (the last trading day prior to the publication of this announcement), the value per board lot of 10,000 Shares and 10,000 Adjusted Shares are HK\$710 and HK\$3,550 respectively. After the Capital Reorganisation, the transaction costs per dollar value of each Adjusted Share will be significantly lower and this will allow flexibility for the issue of new shares in future if the Directors consider that is appropriate.

Despite the May Capital Reorganisation, the Shares of the Company has been trading at a price below its nominal value of HK\$0.10 each since 10 June 2008. Under the Companies Law, it is not permissible for a Cayman company to issue shares at a discount to the nominal value of its Shares, unless in compliance with section 35 of the Companies Law, which includes, inter alia, requirements to obtain authorisation of members of the Company and sanction by the Court. 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 in the future. The Company is continually seeking (i) investment opportunities, as part of its ordinary and usual course of business; and (ii) fund raising exercises as and when opportunities arise. Given the current trading prices, the Company is unable to conduct any fund raising activity. With a view to facilitating any capital raising exercise when opportunities arise in the future, the Directors propose the Capital Reorganisation which allows flexibility for the issue of new shares in future if the Directors consider that is appropriate.

In view of the above reasons, notwithstanding the Company has conducted a series of capital reorganisation and fund raising activities in the past twelve months (including the placing exercises as set out in the Company's announcements dated 4 June 2007 and 12 July 2007, the subscriptions as set out in the Company's announcements dated 19 July 2007 and 30 October 2007, and the May Capital Reorganisation and the rights issue as set out in the Company's announcement dated 12 December 2007), the Directors are of the view that the Capital Reorganisation is in the interest of the Company and Shareholders as a whole.

Timing

The Adjustment Proposal is subject to the Court's approval. The Capital Reorganisation will become effective after the Court's approval and compliance with the conditions (if any) imposed by the Court, which is expected to take approximately 4 to 6 months from the date hereof. An expected timetable on the Capital Reorganisation will be announced as soon as practicable.

GENERAL

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

A circular containing details of the Capital Reorganisation and a notice convening the EGM to approve the Capital Reorganisation, will be despatched to Shareholders as soon as practicable.

DEFINITIONS

“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 this announcement
“Capital Reorganisation”	the Adjustment Proposal and the Share Consolidation as described in the section headed “Proposed Capital Reorganisation” in this announcement

“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
“EGM”	an extraordinary general meeting of the Company to be convened as soon as practicable to consider the Capital Reorganisation proposal referred to in this announcement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“May Capital Reorganisation”	the capital reorganisation of the Company as referred to in the Company’s announcement dated 12 December 2007, 14 March 2008, 1 April 2008 and 13 May 2008 and circular dated 7 January 2008 respectively
“Reduced Shares(s)”	ordinary share(s) of HK\$0.02 each in the capital of the Company in issue upon completion of the Adjustment Proposal
“Share Consolidation”	the proposed consolidation of every five Reduced Shares of HK\$0.02 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

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

Hong Kong, 19 June 2008

As at the date of this announcement, the Executive Directors of the Company are Mr. KITCHELL Osman Bin (Chairman and Chief Executive Officer), Ms. DAVIS Angela Hendricks 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.