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**Unity Investments Holdings Limited**

**合一投資控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 913)**

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

### **PROPOSED CAPITAL REORGANISATION**

The Directors propose to put forward to the Shareholders the proposal for the Capital Reorganisation which will involve:

- (i) the Share Consolidation, whereby every eight (8) issued Shares of HK\$0.01 each in the existing share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.08 each;
- (ii) the Capital Reduction, whereby the total number of Consolidated Shares in the issued share capital of the Company will be rounded down to the nearest whole number and the paid-up capital of each Consolidated Share will be cancelled to the extent of HK\$0.07 per Consolidated Share so as to form a New Share of HK\$0.01 each; and
- (iii) the Transfer, whereby amount (all or part thereof) standing to the credit of the existing distributable capital reduction reserve account of the Company and the credits arising from the Capital Reduction will be applied towards cancelling the accumulated losses of the Company, with the balance (if any) be transferred to the distributable capital reduction reserve account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and all applicable laws.

### **CHANGE IN BOARD LOT SIZE**

The Shares are currently trading in board lot size of 20,000 Shares. Conditional upon the Capital Reorganisation becoming effective, the Directors propose to change the board lot size for trading on the Stock Exchange in New Shares to 5,000 New Shares.

## **GENERAL**

The Capital Reorganisation is conditional upon, among other things, the approval of the Capital Reorganisation by the Shareholders at the EGM by way of poll and approval of the Capital Reduction by the Court. As none of the Shareholders or their associates (as defined in the Listing Rules) would have any material interest in the Capital Reorganisation which is different from that of the other Shareholders, no Shareholder would be required to abstain from voting at the EGM.

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

## **WARNING**

**Shareholders and potential investors should be aware and take note that the Capital Reorganisation is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions” below, and therefore may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **PROPOSED CAPITAL REORGANISATION**

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- (i) the Share Consolidation, whereby every eight (8) issued Shares of HK\$0.01 each in the existing share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.08 each;
- (ii) the Capital Reduction, whereby the total number of Consolidated Shares in the issued share capital of the Company will be rounded down to the nearest whole number and the paid-up capital of each Consolidated Share will be cancelled to the extent of HK\$0.07 per Consolidated Share so as to form a New Share of HK\$0.01 each; and
- (iii) the Transfer, whereby amount (all or part thereof) standing to the credit of the existing distributable capital reduction reserve account of the Company and the credits arising from the Capital Reduction will be applied towards cancelling the accumulated losses of the Company, with the balance (if any) be transferred to the distributable capital reduction reserve account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and all applicable laws.

## Conditions

The Capital Reorganisation (which will be effected in accordance with the memorandum and 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 the Shareholders at the EGM;
- (ii) sanctioning of the Capital Reduction by the Court;
- (iii) compliance with any conditions imposed by the Court;
- (iv) the registration of the Court's order confirming the Capital Reduction and minute approved by the Court containing the particulars required under the Companies Law with respect to the Capital Reduction with the Registrar of Companies of the Cayman Islands; and
- (v) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be in issue upon the Capital Reorganisation becoming effective.

The Company has no outstanding options, warrants or other securities convertible into or giving rights to subscribe for the Shares as at the date of this announcement.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be in issue upon the Capital Reorganisation becoming effective. The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid.

## Effects of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 200,000,000,000 Shares, of which 1,293,568,014 Shares are issued and credited as fully paid. Upon the Capital Reorganisation becoming effective and assuming no further Shares will be issued or repurchased between the date of this announcement and the effective date of the Capital Reorganisation, the issued share capital shall be HK\$1,616,960.01 divided into 161,696,001 New Shares. The amount of HK\$346,585,489 standing to the credit of the existing distributable capital reduction reserve account of the Company and the credits of approximately HK\$11.3 million arising out of the Capital Reduction will be applied towards cancelling the accumulated losses of the Company at the relevant time (if any), with the balance (if any) be transferred to the distributable capital reduction reserve account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and all applicable laws. The accumulated losses of the Company was approximately HK\$627 million as shown in the audited financial statements of the Company for the year ended 31 December 2011.

The effect of the Capital Reorganisation on the share capital of the Company (assuming no further Shares will be issued or repurchased between the date of this announcement and the effective date of the Capital Reorganisation) is summarised as follows:

	<b>Before the Capital Reorganisation</b>	<b>Immediately upon the Capital Reorganisation becoming effective</b>
Nominal value per share	HK\$0.01 per Share	HK\$0.01 per New Share
Number of authorised shares	200,000,000,000 Shares	200,000,000,000 New Shares
Authorised share capital	HK\$2,000,000,000	HK\$2,000,000,000
Number of shares in issue	1,293,568,014 Shares	161,696,001 New Shares
Issued and fully paid-up capital	HK\$12,935,680.14	HK\$1,616,960.01

Other than the relevant expenses incurred, 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, liabilities, business, operations, management or financial position of the Company and the Group or the interests of the Shareholders as a whole, save for any fractional New Shares (if any) to which the Shareholders would otherwise be entitled. The Directors believe that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

The New 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**

The Capital Reorganisation will reduce the total number of Shares currently in issue and is expected to bring about a corresponding upward adjustment in the trading price of the New Shares on the Stock Exchange, which will reduce the overall transaction costs for dealings in the New Shares. The credits arising from the Capital Reduction will be used to offset and reduce the accumulated losses of the Company.

The Directors are of the view that the Capital Reorganisation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **CHANGE IN BOARD LOT SIZE**

The Shares are currently trading in board lot size of 20,000 Shares. Upon the Capital Reorganisation becoming effective, the Directors proposed that the board lot size of the New Shares for trading on the Stock Exchange will be changed to 5,000 New Shares. Based on the closing price of HK\$0.093 per Share as quoted on the Stock Exchange as at the date of the announcement, assuming the Capital Reorganisation becomes effective, the estimated market value per board lot of the New Shares will be HK\$3,720. Details of the timetable for the change in board lot size are set out in section headed “Expected Timetable” below. The change in board lot size of the New Shares is conditional on the Capital Reorganisation becoming effective.

## **OTHER ARRANGEMENTS**

### **Fractional entitlements**

Fractional New Shares to which individual Shareholder is entitled will not be issued by the Company. Any such fractional entitlements to the New Shares will be aggregated, sold and retained for the benefit of the Company.

### **CCASS eligibility**

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New 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 New 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 in 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.

### **Free exchange of certificates for the New Shares and trading arrangements**

Subject to the Capital Reorganisation becoming effective, the Shareholders may, during the period to be specified in a further announcement to be made by the Company, submit their existing certificates for the Shares (in blue colour) held by them to the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange for new certificates for the New Shares at the expense of the Company. Thereafter, share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate for the New Shares issued or each share certificate for the Shares submitted for cancellation, whichever the number of certificates involved is higher.

Certificates for the Shares will continue to be good evidence of legal title on the basis of every eight Shares for one New Share and may be exchanged for certificates for the New Shares at any time. Nevertheless, they will not be acceptable for trading, settlement and registration purpose after the Capital Reorganisation becomes effective (except in a temporary counter after the commencement of dealings in the New Shares until parallel trading ends as detailed in the section headed "Expected Timetable" below).

### **Arrangement for matching service for odd lots**

In order to alleviate the difficulties arising from the existence of odd lots of the New Shares, the Company will procure a designated broker to arrange for the matching of the sales and purchases of odd lots of the New Shares. Details of the odd lot arrangements will be provided in the circular to be despatched to the Shareholders.

## **EXPECTED TIMETABLE**

Subject to the above conditions being fulfilled, the Capital Reorganisation will become effective after the Court's approval and registration of the order of the Court confirming the Capital Reduction and the minute approved by the Court with the Registrar of Companies in the Cayman Islands, which is expected to take approximately three months from the date of EGM.

**The indicative timetable for the Capital Reorganisation and the change in board lot size is set out below:**

**2012**

Despatch of circular and proxy form for the EGM	Friday, 30 March
Latest time for lodging form of proxy for the EGM (not less than 48 hours prior to time of EGM)	3:30 p.m. on Tuesday, 24 April
Expected date and time of EGM	3:30 p.m. on Thursday, 26 April
Announcement of the result of EGM	Thursday, 26 April

**The following events are conditional on the results of the EGM and relevant Court hearings and are therefore tentative:**

**2012**

Announcement of expected effective date of the Capital Reorganisation	Thursday, 26 July
Proposed effective date of the Capital Reorganisation	After 4:00 p.m. on Thursday, 26 July and before 9:00 a.m. on Friday, 27 July
Commencement of dealings in New Shares	9:00 a.m. on Friday, 27 July
Original counter for trading in the Shares in board lot of 20,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 27 July
Temporary counter for trading in the New Shares in board lot of 2,500 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 27 July
First day of free exchange of existing certificates for the Shares for new certificates for the New Shares	Friday, 27 July
Original counter for trading in the New Shares in board lot of 5,000 New Shares (in the form of new certificates for the New Shares) re-opens	9:00 a.m. on Friday, 10 August
Parallel trading in the New Shares in the form of new certificates for the New Shares and existing certificates for the Shares commences	9:00 a.m. on Friday, 10 August

Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares	9:00 a.m. on Friday, 10 August
Parallel trading in the New Shares in the form of new certificates for the New Shares and existing certificates for the Shares ends	4:00 p.m. on Thursday, 30 August
Temporary counter for trading in the New Shares in board lot of 2,500 New Shares (in the form of existing share certificates) closes	4:00 p.m. on Thursday, 30 August
Designated broker ceases to stand in the market to provide matching services for odd lots of the New Shares	4:00 p.m. on Thursday, 30 August
Last day of free exchange of existing certificates for the Shares for new certificates for the New Shares	Monday, 3 September

All the times and dates above refer to Hong Kong local times and dates. Any changes to the above expected timetable will be published or notified to the Shareholders as and when appropriate.

## **GENERAL**

The Capital Reorganisation is conditional upon, among other things, the approval of a special resolution passed by the Shareholders by way of poll at the EGM and approval of the Capital Reduction by the Court. As none of the Shareholders or their associates (as defined in the Listing Rules) would have any material interest in the Capital Reorganisation which is different from that of the other Shareholders, no Shareholder would be required to abstain from voting at the EGM.

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

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## TERMS AND DEFINITIONS

“Board”	the board of the Directors
“Capital Reduction”	the proposed round down of the total number of issued Consolidated Shares to the nearest whole number and the reduction of the issued share capital of the Company by the cancellation of the paid-up capital to the extent of HK\$0.07 on each of the Consolidated Share such that the nominal value of each Consolidated Share will be reduced from HK\$0.08 to HK\$0.01
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving (i) the Share Consolidation; (ii) the Capital Reduction; and (iii) the Transfer
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“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, the Shares of which are listed on Main Board of the Stock Exchange (Stock code: 913)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.08 each in the issued share capital of the Company immediately after the Share Consolidation becoming effective but before the Capital Reduction
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on 26 April 2012 to consider and, if thought fit, approve the Capital Reorganisation
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of HK\$0.01 each in share capital of the Company upon the Capital Reorganisation becoming effective



“Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company prior to the Capital Reorganisation becoming effective
“Share Consolidation”	the proposed consolidation of every eight (8) issued Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.08 each
“Shareholder(s)”	holder(s) of the Share(s) or the New Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer”	the application of the credits arising out of the Capital Reduction and the amount standing to the credit of the existing distributable capital reduction reserve account of the Company to cancel the accumulated losses of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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, 23 March 2012

As at the date of this announcement, the Board comprises:

*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