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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)

**I. PROPOSED SHARE CONSOLIDATION;
II. PROPOSED CHANGE IN BOARD LOT SIZE; AND
III. PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO
(2) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE
HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE
OF HK\$0.25 PER RIGHTS SHARE**

Financial adviser to the Company



Underwriter of the Rights Issue



I. PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward to the Shareholders a proposal to effect the proposed Share Consolidation whereby every five (5) issued and unissued Shares of a par value of HK\$0.02 each will be consolidated into one (1) Consolidated Share of a par value of HK\$0.10 each.

II. PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded in board lots of 50,000 Shares. The Company proposes to change the board lot size for trading on the Stock Exchange from 50,000 Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

III. PROPOSED RIGHTS ISSUE

Subject to the Share Consolidation becoming effective, the Company proposes to raise approximately HK\$291.05 million (before expenses) by way of a Rights Issue of 1,164,211,204 Rights Shares at a subscription price of HK\$0.25 per Rights Share on the basis of two (2) Rights Shares for every one (1) Consolidated Share held on the Record Date and payable in full upon application. No excess Rights Shares will be offered to the Qualifying Shareholders and any Rights Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Assuming no new Share or Consolidated Share being issued and/or repurchased by the Company on or before the Record Date, the 1,164,211,204 Rights Shares proposed to be allotted and issued represents: (i) approximately 200% of the issued share capital of the Company immediately after the Share Consolidation becoming effective but before the completion of the Rights Issue; and (ii) approximately 66.7% of the issued share capital of the Company as enlarged by the Rights Shares immediately after completion of the Rights Issue.

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, all transfers documents of Consolidated Shares (accompanied by the relevant share certificates) must be lodged for registration with the Registrar by 4:30 p.m. on Wednesday, 29 June 2016.

The register of members of the Company will be closed for registration of transfer of the Consolidated Shares from Thursday, 30 June 2016 to Thursday, 7 July 2016, both days inclusive, to determine the eligibility of the Rights Issue.

The Record Date is Thursday, 7 July 2016. The last day of dealings in the Consolidated Shares on cum-rights basis is on Monday, 27 June 2016. The Consolidated Shares will be dealt in on ex-rights basis from Tuesday, 28 June 2016. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not being a Non-Qualifying Shareholder.

The Board is pleased to announce that on Monday, 23 May 2016 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and the relevant arrangements in respect of the Rights Issue. The Rights Issue will be fully underwritten by the Underwriter. Details of the Underwriting Arrangement are set out in the section headed "The Underwriting Agreement" below in this announcement. If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed.

LISTING RULES IMPLICATIONS

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.24(5) of the Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any Controlling Shareholders and their respective associates or, where there are no Controlling Shareholders, the Directors (excluding the 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, since there is no Controlling Shareholders, the Directors (excluding the 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 in accordance with Rule 7.24(5) of the Listing Rules.

GENERAL

As the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to, among other things, the approval by the Independent Shareholders at the EGM. An independent board committee of the Company, comprising Mr. Hung Cho Sing, Mr. Chan Yik Pun and Ms. Chung Fai Chun, all being the independent non-executive Directors, has been appointed to make recommendations to the Independent 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 Independent Shareholders in this regard.

An EGM will be convened and held for the Shareholders and the Independent Shareholders (as the case may be) to consider, and if thought fit, to approve, among other things, the proposed Share Consolidation and the proposed Rights Issue. The Circular containing, among other things, (i) further details of the Share Consolidation, the Change in Board Lot Size and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee of the Company; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee of the Company and the Independent Shareholders in respect of the Rights Issue; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before Wednesday, 8 June 2016.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES, THE CONSOLIDATED SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealings in the Shares or the Consolidated Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Consolidated Shares will be dealt in on an ex-rights basis commencing from Tuesday, 28 June 2016 and that dealings in the Rights Shares in the nil-paid form will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealings in Consolidated Shares and/or nil-paid Rights Shares up to the date on which all conditions to which the Rights Issue is subject to are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 28 July 2016), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating to sell or purchase any Shares, Consolidated Shares and/or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

I. PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward to the Shareholders a proposal to effect the proposed Share Consolidation whereby every five (5) issued and unissued Shares of a par value of HK\$0.02 each will be consolidated into one (1) Consolidated Share of a par value of HK\$0.10 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon (i) passing of the relevant resolution(s) to approve the Share Consolidation by the Shareholders by way of poll at the EGM; and (ii) the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, the Consolidated Shares.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 100,000,000,000 Shares of HK\$0.02 each, of which 2,910,528,010 Shares are in issue. Assuming that no further Shares are issued or repurchased between the date of this announcement and the date of the EGM, immediately after the proposed Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$2,000,000,000 divided into 20,000,000,000 Consolidated Shares of HK\$0.10 each, of which 582,105,602 Consolidated Shares will be in issue following the Share Consolidation but before the completion of the Rights Issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other. Any fractional Consolidated Shares to which an individual Shareholder is entitled to will not be issued by the Company to such Shareholder, but will be aggregated, sold and retained for the benefit of the Company.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Consolidation 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 Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

Reasons for and benefits of the Share Consolidation

The Share Consolidation will increase the trading price per board lot of the Shares, which will reduce the overall transaction and handling costs of dealings in the Shares. The Board also believes that the Share Consolidation may attract more investors and extend the shareholders' base of the Company. In view of the above, the Board considers that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Listing and dealings

Application will be made to the Listing Division of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

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

None of the Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any other stock exchange other than the Stock Exchange, and on such listing or permission to deal in is being or is proposed to be sought.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, which is expected to be on Monday, 27 June 2016, Shareholders may, during a period from Monday, 27 June 2016 to Wednesday, 3 August 2016, submit share certificates for the existing Shares to the Registrar for exchange, at the expense of the Company, for new certificates for the Consolidated Shares. Thereafter, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be from time to time be specified by the Stock Exchange) for each new share certificate issued for the Consolidated Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

Nevertheless, the share certificates for the existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but are not acceptance for trading, settlement and registration upon completion of the Share Consolidation.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint an agent to provide matching services for sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share for Shareholders, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers. Details of the odd lots matching arrangement will be set out in the Circular.

II. PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded in board lots of 50,000 Shares. The Company proposes to change the board lot size for trading on the Stock Exchange from 50,000 Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.067 per Share (equivalent to the theoretical closing price of HK\$0.335 per Consolidated Share) as at the Last Trading Day, (i) the value of each board lot of 50,000 Consolidated Shares would be HK\$16,750 assuming the Share Consolidation becoming effective; and (ii) the estimated market value per board lot of 10,000 Consolidated Shares would be HK\$3,350 assuming that the Change in Board Lot Size had also been effective. Based on the theoretical ex-rights price of approximately HK\$0.278 per Share (calculated based on the closing price of HK\$0.067 per Share (equivalent to the theoretical closing price of HK\$0.335 per Consolidated Share) as at the Last Trading Day), the market value of each existing board lot is HK\$13,900 and the estimated market value of each proposed new board lot is HK\$2,780.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders. The Directors consider that the Change in Board Lot Size is expected to bring possible increase in the liquidity of the trading of the Consolidated Shares on the Stock Exchange.

To alleviate the difficulties in trading odd lots of the Shares arising from the Change in Board Lot Size of the Shares, the Company will arrange odd lot matching services during Tuesday, 12 July 2016 to Monday, 1 August 2016 (both dates inclusive). Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Further details in respect of the odd lots arrangement will be set out in the Circular.

III. PROPOSED RIGHTS ISSUE

The Company proposes to raise HK\$291.05 million, before expenses, by way of Rights Issue and details are set out as follows:

Basis of the Rights Issue:	Two (2) Rights Shares for every one (1) Consolidated Share held on the Record Date
Subscription Price:	HK\$0.25 per Rights Share
Number of Shares in issue as at the date of this announcement:	2,910,528,010 Shares
Number of Consolidated Shares in issue immediately after the Share Consolidation becoming effective but before the completion of the Rights Issue:	582,105,602 Consolidated Shares (assuming no further Shares being issued and/or repurchased by the Company up to the effective date of the Share Consolidation)

Number of Rights Shares: 1,164,211,204 Rights Shares (assuming no new Share or Consolidated Share being issued and/or repurchased by the Company on or before the Record Date)

The aggregate nominal value of the Rights Shares is HK\$116,421,120.40

Number of Rights Shares underwritten by the Underwriter: 1,164,211,204 Rights Shares (assuming no new Share or Consolidated Share being issued and/or repurchased by the Company on or before the Record Date)

Number of enlarged Shares in issue upon completion of the Rights Issue: 1,746,316,806 Shares (assuming no new Share or Consolidated Share being issued and/or repurchased by the Company on or before the Record Date)

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

The Rights Issue is fully underwritten by the Underwriter, who shall ensure that the Company will maintain the minimum public float requirement in compliance with Rule 8.08 of the Listing Rules.

The Rights Shares

Assuming no new Share or Consolidated Share being issued and/or repurchased by the Company on or before the Record Date, 1,164,211,204 Rights Shares will be issued and allotted representing: (i) approximately 200% of the issued share capital of the Company immediately after the Share Consolidation becoming effective but before the completion of the Rights Issue; and (ii) approximately 66.7% of the issued share capital of the Company as enlarged by the Rights Shares immediately after completion of the Rights Issue.

The unaudited consolidated net assets value of the Group as at 31 December 2015 immediately after the Share Consolidation becoming effective but before the completion of the Rights Issue was approximately HK\$1.79 per Consolidated Share. Assuming no new Share or Consolidated Share being issued and/or repurchased by the Company on or before the Record Date, the unaudited pro forma adjusted consolidated net assets value of the Group as at 31 December 2015 immediately after the completion of the Rights Issue was approximately HK\$0.76 per Share, representing the possible maximum dilution effect to the net assets value of the Group per Share of approximately 57.54%.

Subscription Price

The Subscription Price of HK\$0.25 per Rights Share will be payable in full upon application by a Qualifying Shareholder. The Subscription Price represents:

- (a) a discount of approximately 25.37% to the adjusted closing price of HK\$0.335 per Consolidated Share (calculated based on the closing price of HK\$0.067 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);

- (b) a discount of approximately 28.57% to the adjusted average closing price of approximately HK\$0.350 per Consolidated Share (calculated based on the closing price of HK\$0.070 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (c) a discount of approximately 31.51% to the adjusted average closing price of approximately HK\$0.365 per Consolidated Share (calculated based on the closing price of HK\$0.073 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation); and
- (d) a discount of approximately 10.07% to the theoretical ex-rights price (assuming no new Share or Consolidated Share being issued and/or repurchased by the Company from the date of this announcement up to the Record Date) of approximately HK\$0.278 per Consolidated Share based on the adjusted closing price of HK\$0.335 per Consolidated Share (calculated based on the closing price of HK\$0.067 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation).

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price of the Shares under the prevailing market conditions and the financial position of the Group. As all Qualifying Shareholders will be provisionally allotted the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Directors (excluding the independent non-executive Directors) consider that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their provisional allotments so as to maintain their shareholdings in the Company and participate in the future growth of the Group. The Directors (excluding the independent non-executive Directors) consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Given that the discount of the Subscription Price and the basis of two (2) Rights Shares for every one (1) Consolidated Share: (i) can provide an incentive for the Qualifying Shareholders to take up the Rights Shares to which they are provisionally allotted as the Company has funding needs; and (ii) can induce the Underwriter to participate in the underwriting of the Underwritten Shares, the Directors are of the view that the current structure of the Rights Issue is fair and reasonable. The net price per Rights Share after deducting the relevant expenses of the Rights Issue will be approximately HK\$0.24.

In addition, the Board considered and noted that the discount structure of the Rights Issue is a commercial decision of the Company which is required to be approved, as part of the terms of the Rights Issue, by the Independent Shareholders at the EGM. The Shareholders' interests are safeguarded by the fact that the Independent Shareholders, before exercising their respective voting rights, will be advised by the Independent Board Committee (comprising all independent non-executive Directors) and the independent financial adviser. The Independent Shareholders can then make an informed decision as to whether to vote in favour of the Rights Issue on the terms proposed. If the Rights Issue is approved at the EGM, it is unlikely that those Independent Shareholders voting in favour of the Rights Issue would subsequently choose not to subscribe for their provisional allotments of the Rights Issue.

The Directors have approached three other underwriters regarding a proposed rights issue for the Company to raise the required funds, however no positive feedback was received by the other three underwriters. The Directors have considered, among other factors: (i) the terms of the rights issue proposed by the underwriters; and (ii) the terms of the underwriting agreement including but not limited to the underwriting commission, in selecting the underwriter.

Basis of provisional allotment

The basis of the provisional allotment shall be two (2) Rights Shares for every one (1) Consolidated Share held on the Record Date, being 1,164,211,204 Rights Shares. 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 with the Registrar by the Latest Time for Acceptance.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfillment of the following conditions:

- (a) the Share Consolidation becoming effective;
- (b) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) approving, among others, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares;
- (c) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus Documents (and all other documents required to be attached thereto) not later than the Posting Date and in compliance with the Listing Rules and the Companies Ordinance;
- (d) the posting of the Prospectus Documents to the Qualifying Shareholders;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in the Rights Shares in nil-paid and fully-paid forms; and
- (f) compliance with and performance of all the undertakings and obligations by the Company under the terms of the Underwriting Agreement;

and that in the event of the above conditions not being fulfilled on or before the Latest Time for Termination (or such later date or dates as may be agreed between the Company and the Underwriter) or if the Underwriting Agreement shall be terminated pursuant to section headed "TERMINATION AND FORCE MAJEURE" in the Underwriting Agreement, all obligations and liabilities of the parties hereunder shall forthwith cease and determine and no party shall have any claim against the other (save for any antecedent breaches hereof).

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholders must at the close of business on the Record Date: (a) be registered on the register of members of the Company; and (b) not being the Non-Qualifying Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares/Consolidated Shares (together with the relevant share certificates) with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Wednesday, 29 June 2016.

Closure of register of members

The Company's register of members will be closed for registration of transfer of Consolidated Shares from Thursday, 30 June 2016 to Thursday, 7 July 2016, both dates inclusive, for the purpose of, among other things, determining the eligibility for the Rights Issue. No transfer of Consolidated Shares will be registered during the book closure 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.

In compliance with Rule 13.36 of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal advice, the Directors consider that it is necessary or expedient not to issue 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. Accordingly, the Rights Issue will not be extended to the Non-Qualifying 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 on the Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL to them.

The Company shall provisionally allot the Rights Shares which represent the entitlements of the Non-Qualifying Shareholders to a nominee of the Company in nil-paid form and the Company shall procure that such nominee shall endeavour to sell the rights as soon as practicable after dealings in nil-paid Rights Shares commence and in any event on or before the last day of dealings in nil-paid Rights Shares at a net premium (nil-paid). If and to the extent that such rights can be so sold, the nominee of the Company shall account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), which shall be distributed by the Company in Hong Kong dollars to the Non-Qualifying Shareholders pro rata provided that rounded down amounts of less than HK\$100 shall not be so distributed but shall be retained for the benefit of the Company. Any of such nil-paid rights which are not sold as aforesaid will be dealt with as Rights Shares not taken up.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are provisionally allotted and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.

Ranking of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank pari passu in all respects with the Consolidated 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 with a record date which falls on or after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares, which are registered in the register of members of the Company in Hong Kong, will be subject to payment of stamp duty and other applicable fees and charges in Hong Kong.

No application for excess Rights Shares

Considering that the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Rights Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, it is expected that additional printing and share registrar costs of approximately HK\$300,000 would be incurred if application for excess Rights Shares is arranged. However, such additional costs do not include the costs associated with administration of excess application and drafting of the excess application forms which the Directors consider to be difficult to quantify. Besides, there will be a period for trading of nil-paid Rights Shares on the Stock Exchange. Shareholders who are interested in obtaining the Rights Shares, in addition to the Rights Shares to be provisionally allotted to them, could purchase nil-paid Rights Shares from other Shareholders who do not, and will not, subscribe for their Rights Shares which they are provisionally allotted.

In addition, the excess application mechanism may be abused by the Qualifying Shareholders by splitting their shareholdings into odd lots to enable them to submit multiple top-up applications and be possibly allocated more excess Rights Shares, which is not considered to be fair and equitable. In addition, the excess application mechanism may result in an unexpected introduction of a new Substantial Shareholder or Controlling Shareholder to the Company which may cast uncertainties on the Company's future direction and may not be in the interests of the Company and the Shareholders as a whole.

In light of the above and that the Independent Shareholders are given the opportunity to express their view on the terms of the Rights Issue (including no application for excess Rights Shares) through their votes at the EGM, the Board believes that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders.

Fractions of Rights Shares

On the basis of two (2) Rights Shares for every one (1) Consolidated Share held on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all Rights Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for and paid for the Rights Shares on or before Tuesday, 2 August 2016 by ordinary post at their own risk. If the Rights Issue is terminated, refund cheques will be posted on or before Tuesday, 2 August 2016 by ordinary post at the respective Shareholders' own risk.

Application for the Rights Shares

The PAL in respect of the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form and lodging the same with a remittance for the Rights Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing of the Rights Shares

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 nil-paid and fully-paid forms on the Stock Exchange upon the Share Consolidation becoming effective. Dealings in the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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

All necessary arrangements will be made to enable the Rights Shares to be admitted into CCASS. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Reasons for the Rights Issue and the use of proceeds

The Company is an investment company under Chapter 21 of the Listing Rules with the primary objective of achieving earnings in the form of medium-term to long-term capital appreciation by investing in listed and unlisted companies in Hong Kong, PRC and other main markets around the world. Owing to the nature of the Group's business which is investment, the Group requires extensive cash to grow. Unlike other companies with constant cash income from operations, investments of Chapter 21 investment companies do not necessarily generate extensive cash income. In order to increase the size of its investment portfolio, the Company will require cash in order to make new investments.

The Directors are of the view that the proceeds of the Rights Issue will (i) increase the fund size of the Company, which is practical and efficient in terms of economies of scale when making investments; (ii) strengthen the cash position of the Group; and (iii) will enable the Group to be in a more advantageous position to capture more potential investment opportunities in competing with other sizeable local and overseas investors.

Based on the consolidated financial information of the Group for the financial years ended 31 December 2014 and 2015, as extracted from the annual reports of the Company, the profit attributable to equity holders of the Company was approximately HK\$267.91 million and approximately HK\$112.69 million respectively, therefore recording profitable performance of the Group for the two consecutive years.

The Board considers that it is the intention of the Group to expand its portfolio and the Group's current financial position is not sufficient for the Group to seize future investment opportunities which may arise any time for expanding its investment portfolios and business without additional funding. Therefore, the Board are of the view that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and participate in the growth and development of the Company. Accordingly, the Directors are of the view that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are provisionally allotted should note that their shareholdings in the Company will be diluted.

The gross proceeds of the Rights Issue will be approximately HK\$291.05 million, before expenses, assuming no further Shares or Consolidated Shares being issued and/or repurchased by the Company on or before the Record Date. The estimated net proceeds of the Rights Issue will be approximately HK\$280.05 million. The net price per Rights Share after deducting the relating expenses of Rights Issue will be approximately HK\$0.24.

The Company intends to apply such net proceeds from the Rights Issue in the following manner:

1. approximately HK\$270.00 million for investment in listed securities in various industries including but not limited to natural resources, industrial, health and pharmaceutical, forestry, retail, communication technology, media, online and mobile game businesses, financial institutions, software and information technology, and manufacture of juvenile and infant products;
2. approximately HK\$10.05 million for general working capital of the Group for the coming two years.

Other fund raising alternatives

The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing of new Shares and open offer.

Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group. The Company has attempted to obtain loan financing from its three principal bankers for financing its principal business, however, those bankers indicated that it was unlikely for the Company to obtain loan financing from them without any asset pledge or at favourable terms. Therefore, given the fund raising size and the business scale of the Company, the Directors consider that it will not be feasible for the Company to obtain the required amount from bank financing at favourable terms.

Placing of new Shares would only be available to certain places who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company.

Although an open offer is similar to a rights issue, an open offer would not provide an additional option to those Qualifying Shareholders who do not wish to take up their allotments to sell their provisionally allotted nil-paid Rights Shares. Furthermore those Qualifying Shareholders who wish to increase their shareholding interests in the Company cannot acquire additional nil-paid Rights Shares in the market in the case of an open offer.

The Board considers that the Rights Issue is in the interest of the Company and the Shareholders as a whole as: (i) Qualifying Shareholders have the option to subscribe the Rights Shares at their sole discretion; (ii) Qualifying Shareholders who do not take up their allotments can sell the nil-paid Rights Shares in the market; and (iii) the Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlarged capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so.

Having considered and evaluated that all Qualifying Shareholders can have an equal opportunity to maintain their interests in the Company and that the Rights Issue will not increase the future finance costs of the Group, the Directors are of the view that raising funds by way of the Rights Issue is a better option over the other alternative fund-raising methods as set out above.

In view of the above, the Directors (excluding the independent non-executive Directors who will give their view on the Rights Issue after taking into account the advice of the independent financial adviser) consider that the Rights Issue to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Underwriting Agreement

Underwriting Agreement Date:	23 May 2016 (after trading hours)
Underwriter:	Suncorp Securities
Number of Rights Shares to be underwritten:	1,164,211,204 Rights Shares (assuming no new Shares or Consolidated Shares being issued and/or repurchased by the Company on or before the Record Date)

Under the Underwriting Agreement, the Rights Issue is fully underwritten by the Underwriter and the Underwriter shall procure that any subscribers procured by them shall be Independent Third Parties and shall not become Substantial Shareholders holding 10% or more shareholding in the Company immediately after completion of the Rights Issue.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and their ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares.

Underwriting commission

The Company will pay the Underwriter an underwriting commission of 1.5% of the aggregate Subscription Price in respect of the maximum number of the underwritten Rights Shares agreed to be underwritten by the Underwriters as determined on the Record Date. The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the market rate, the size of the Rights Issue and the current and expected market condition. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, and are fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the section headed "Proposed Rights Issue – Conditions of the Rights Issue" above.

Termination of the Underwriting Agreement

If at any time on or before the Latest Time for Termination:

- (A) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the representations, warranties and undertakings in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (B) there shall be:
 - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any change in local, national or international financial, political, industrial or economic conditions;
 - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
 - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;

- (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of 10 trading days (as defined in the Listing Rules); or
- (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere;

which is or are, in the reasonable opinion of the Underwriter:–

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then the Underwriter may, by notice in writing given to the Company on or before the Latest Time for Termination, rescind the Underwriting Agreement and thereupon all obligations of the Underwriter hereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save for any antecedent breaches hereof) and the Rights Issue shall not proceed.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective but before completion of the Rights Issue; and (iii) immediately after completion of the Rights Issue:

	As at the date of this announcement		Immediately after the Share Consolidation becoming effective but before completion of the Rights Issue		Immediately after completion of the Rights Issue			
					Assuming all the Rights Shares are subscribed by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed by the Qualifying Shareholders	
	No. of Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %
Underwriter (Note 2)	–	–	–	–	–	–	1,164,211,204	66.7
Public Shareholders	2,910,528,010	100.00	582,105,602	100.00	1,746,316,806	100.00	582,105,602	33.3
								(Note 1)
	<u>2,910,528,010</u>	<u>100.00</u>	<u>582,105,602</u>	<u>100.00</u>	<u>1,746,316,806</u>	<u>100.00</u>	<u>1,746,316,806</u>	<u>100.00</u>

Notes:

- This scenario is for illustration purpose only.
- Pursuant to the Underwriting Agreement, the Underwriter shall enter into sub-underwriting agreements such that none of the Underwriter and the sub-underwriters (together with parties acting in concert with each of them) will hold 10% or more of the issued share capital of the Company immediately after completion of the Rights Issue.

As at the date of this announcement, the existing public Shareholders hold as to approximately 100.00% of the entire issued share capital of the Company. Upon completion of the Rights Issue (assuming none of the Rights Shares are subscribed by the Qualifying Shareholders), the existing public Shareholders hold as to 33.3% of the entire enlarged issued share capital of the Company.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 66.7%.

As discussed with the Underwriter, in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the Underwriter undertakes with the Company to take appropriate steps that (i) it shall use all reasonable endeavours to provide that each of the subscribers or purchasers of Underwritten Shares procured by it shall be Independent Third Parties; (ii) the Underwriter will enter into sub-underwriting agreements such that none of the Underwriter and the sub-underwriters (together with parties acting in concert with each of them) will hold 10% or more of the issued share capital of the Company immediately after the Rights Issue; and (iii) the Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the completion of the Rights Issue.

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 12 MONTHS

The Company had not conducted any fund raising exercise in the past 12 months immediately preceding the date of this announcement.

As at the date of this announcement and to the best of the Directors' knowledge, information and belief, the Company is not considering any equity fund raising exercise during the next 12 months from the date of this announcement. To the best of the Directors' knowledge, information and belief, the proceeds from Rights Issue and the internal funding of the Company can satisfy the Company's expected funding needs for the next 12 months from the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, the Change in Board Lot Size and the Rights Issue is set out below:

Event	2016 (Hong Kong Time)
Expected date of despatch of the Circular and the notice and proxy form of the EGM	Wednesday, 8 June
Latest time for lodging transfers of Shares in order to be qualified for attendance and voting at the EGM	4:30 p.m. on Friday, 17 June
Closure of register of members of the Company for registration of transfer of Shares to determine the rights to attend and vote at the EGM (both dates inclusive)	Monday, 20 June to Friday, 24 June
Latest time for lodging proxy form for the EGM	11:00 a.m. on Wednesday, 22 June
Record date for attendance and voting at the EGM	Thursday, 23 June
Date and time of the EGM	11:00 a.m. on Friday, 24 June
Announcement of the results of the EGM	Friday, 24 June
Effective date of the Share Consolidation	Monday, 27 June
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Monday, 27 June
Original counter for trading in Shares (in board lots of 50,000 Shares) (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 27 June
Temporary counter for trading in Consolidated Shares, in board lots of 10,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 27 June
First day for the free exchange of existing certificates of the Shares into new share certificates of Consolidated Shares commences	Monday, 27 June
Last day of dealing in Consolidated Shares on a cum-rights basis	Monday, 27 June
First day of dealing in Consolidated Shares on an ex-rights basis	Tuesday, 28 June
Latest time for lodging transfer of Consolidated Shares in order to be qualified for the Rights Issue	4:30 p.m. on Wednesday, 29 June

Event	2016 (Hong Kong Time)
Register of members closes for registration of transfer of Consolidated Shares to determine the entitlements to the Rights Issue (both dates inclusive)	Thursday, 30 June to Thursday, 7 July
Record Date for the Rights Issue	Thursday, 7 July
Register of members re-opens	Friday, 8 July
Despatch of the Prospectus Documents	Monday, 11 July
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:00 a.m. on Tuesday, 12 July
Original counter for trading in Consolidated Shares in new board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Tuesday, 12 July
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences	9:00 a.m. on Tuesday, 12 July
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 13 July
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 15 July
Last day and time of dealings in nil-paid Rights Shares	Close of business on Wednesday, 20 July
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 25 July
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Thursday, 28 July
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	Close of business on Monday, 1 August
Temporary counter for trading in board lots of 10,000 Consolidated Shares (in the form of existing share certificates) closes	Close of business on Monday, 1 August
Parallel trading in Consolidated Shares (in the form of new and existing certificates) ends	Close of business on Monday, 1 August
Announcement of the results of the Rights Issue	Monday, 1 August
Despatch of certificates for fully-paid Rights Shares	Tuesday, 2 August

Event	2016 (Hong Kong Time)
Despatch of refund cheques if the Rights Issue is terminated	Tuesday, 2 August
Expected first day of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 3 August
Last day of free exchange of existing certificates for new certificates for Consolidated Shares	Wednesday, 3 August

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Effect of bad weather on the Latest Time for Acceptance

The Latest Time for Acceptance will not take place at 4:00 p.m. on Monday, 25 July 2016 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, if such circumstances are:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. The Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. The Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Monday, 25 July 2016, the dates mentioned in the above section headed “Expected timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

LISTING RULES IMPLICATIONS

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.24(5) of the Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any Controlling Shareholders and their respective associates or, where there are no Controlling Shareholders, the Directors (excluding the 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, since there is no Controlling Shareholders, the Directors (excluding the 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 in accordance with Rule 7.24(5) of the Listing Rules.

GENERAL

As the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to, among other things, the approval by the Independent Shareholders at the EGM. An independent board committee of the Company, comprising Mr. Hung Cho Sing, Mr. Chan Yik Pun and Ms. Chung Fai Chun, all being the independent non-executive Directors, has been appointed to make recommendations to the Independent 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 Independent Shareholders in this regard.

An EGM will be convened and held for the Shareholders and the Independent Shareholders (as the case may be) to consider, and if thought fit, to approve, among other things, the proposed Share Consolidation and the proposed Rights Issue. The Circular containing, among other things, (i) further details of the Share Consolidation, the Change in Board Lot Size and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee of the Company; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee of the Company and the Independent Shareholders in respect of the Rights Issue; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before Wednesday, 8 June 2016.

Upon approval of the Rights Issue by the Independent Shareholders at the EGM and the Share Consolidation as well as the Change in Board Lot Size 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.

Warning of the risks of dealing in Shares, Consolidated Shares and the Nil-paid Rights Shares

Shareholders and potential investors should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares or Consolidated Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that Consolidated Shares will be dealt in on an ex-rights basis commencing from Tuesday, 28 June 2016 and that dealing in Rights Shares in the nil-paid form will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in Consolidated Shares and/or nil-paid Rights Shares up to the date on which all conditions to which the Rights Issue are subject to are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 28 July 2016), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, Consolidated Shares and/or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

DEFINITIONS

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

“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 50,000 Shares to 10,000 Consolidated Shares
“Circular”	the circular to be despatched by the Company on or before 8 June 2016 to provide, among other things, further details regarding the Share Consolidation, the Change in Board Lot Size, the Rights Issue and a notice convening the EGM
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Unity Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of a par value of HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the proposed Share Consolidation and the proposed Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	comprising all independent non-executive Directors established to advise the Independent Shareholders in respect of the Rights Issue
“Independent Shareholder(s)”	any Shareholder(s) other than the Controlling Shareholders and their respective associates or, where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, and third parties not connected with or acting in concert with any Directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates
“Last Trading Day”	Friday, 20 May 2016, being the last trading day for the Shares immediately prior to the date of this announcement
“Latest Time for Acceptance”	the latest time for acceptance for the Rights Shares at 4:00 p.m. on Monday, 25 July 2016 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m. on Thursday, 28 July 2016, being the third Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of the business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Monday, 11 July 2016 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only to the Non-Qualifying Shareholder(s)

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders on the Posting Date containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) is/are registered on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 7 July 2016 (or such other date as may be agreed between the Company and the Underwriter), as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the share registrar and transfer office of the Company in Hong Kong, being Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue by way of rights issue to the Qualifying Shareholders on the basis of two (2) Rights Shares for every one (1) Consolidated Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	1,164,211,204 Consolidated Shares to be allotted and issued pursuant to the Rights Issue
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares of a par value of HK\$0.02 each into one (1) Consolidated Share of a par value of HK\$0.10 each
“Share(s)”	ordinary share(s) of a par value of HK\$0.02 each in the existing share capital of the Company
“Shareholder(s)”	the holder(s) of Shares or Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.25 per Rights Share with par value of HK\$0.10 each
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Underwriter” or “Suncorp Securities”	Suncorp Securities Limited, a licensed corporation to carry on businesses in Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Underwriting Agreement”	the underwriting agreement dated 23 May 2016 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	a maximum of 1,164,211,204 Rights Shares being underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%” or “per cent”	percentage or per centum

By Order of the Board
Unity Investments Holdings Limited
Ng Chi Hoi
Chairman and Chief Executive Officer

Hong Kong, 23 May 2016

As at the date of this announcement, the two executive Directors are Mr. Ng Chi Hoi (Chairman and Chief Executive Officer) and Ms. Shum Kit Lan Anita; and the three independent non-executive Directors are Mr. Hung Cho Sing, Mr. Chan Yik Pun and Ms. Chung Fai Chun.