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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 REORGANIZATION

The Directors proposed to implement the Capital Reorganization involving (i) the reduction of the par value of each issued Share from HK\$0.10 to HK\$0.0001; (ii) the sub-division of each authorized but unissued Share into 1,000 New Shares of HK\$0.0001 each and (iii) the consolidation of the New Shares on the basis that every 10 issued and unissued New Shares of HK\$0.0001 each will be consolidated into one Consolidated Share of HK\$0.001 each.

The Capital Reorganization is conditional upon fulfillment of the conditions contained in the section headed “Conditions for Capital Reorganization” in this announcement. A circular containing further information on the Capital Reorganization and the notice to convene the EGM will be dispatched to Shareholders on or before 21 October 2019.

CAPITAL REORGANIZATION

The Directors proposed to reorganize the share capital of the Company in the following manner:

1. the par value of each issued Share of HK\$0.10 will be reduced to HK\$0.0001 by canceling the paid-up share capital to the extent of HK\$0.0999 on each issued Share;
2. immediately after Capital Reduction I, each authorized but unissued Share will be sub-divided into 1,000 New Shares of HK\$0.0001 each;
3. immediately after Capital Reduction I and Sub-division, the New Shares will be consolidated on the basis that every 10 issued and unissued New Shares of HK\$0.0001 each will be consolidated into one Consolidated Share of HK\$0.001 each; and
4. immediately after the Share Consolidation, the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation.

Effects of the Capital Reorganization

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Shares of HK\$0.10 each, of which 1,862,316,806 Shares are in issue and are fully paid or credited as fully paid.

Assuming no further Shares will be issued or repurchased after the date of this announcement, after Capital Reduction I and Sub-division but prior to the Share Consolidation, the authorized share capital of the Company will be HK\$2,000,000,000 divided into 20,000,000,000 New Shares of HK\$0.0001 each, of which 1,862,316,806 New Shares will have been issued and fully paid or credited as fully paid. After the Share Consolidation and the Round Down, the authorized share capital of the Company will be HK\$2,000,000,000 divided into 2,000,000,000,000 Consolidated Shares of HK\$0.001 each, of which 186,231,680 Consolidated Shares will have been issued and fully paid or credited as fully paid.

Assuming no further Shares will be issued or repurchased after the date of this announcement, a credit of approximately HK\$186 million will arise as a result of the Capital Reduction. Such credit will be transferred to a distributable reserve account of the Company. The account will be applied by the Directors for such purposes permitted under the applicable laws.

The Consolidated Shares will rank pari passu in all respects with each other in accordance with the Company's memorandum and articles of association. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

Other than the expenses to be incurred in relation to the Capital Reorganization, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

Conditions for Capital Reorganization

The Capital Reorganization is conditional upon the following:

1. the passing of the necessary resolutions by the Shareholders to approve the Capital Reorganization at the EGM;
2. the Court confirming the Capital Reduction and compliance with any conditions the Court may impose in relation to the Capital Reduction;
3. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares in issue following the Capital Reorganization taking effect; and
4. registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Law of the Cayman Islands with respect to the Capital Reduction.

The Capital Reorganization shall become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reorganization at the EGM, the legal advisors to the Company (as to Cayman Islands Law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and a further announcement will be made by the Company as soon as practicable after the Court hearing date(s) is confirmed.

Listing Application

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares arising from the Capital Reorganization.

REASONS FOR THE CAPITAL REORGANIZATION

According to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities.

The Company's Share prices have demonstrated a downward trend since January 2019 from the high point of HK\$0.069 to HK\$0.028 on 2 October 2019. The share prices have remained below HK\$0.10 for the past 12 months. In view of the prolonged period of share prices approaching extremity, there is no other alternative to increase the trading prices and the proposed Share Consolidation is justified to increase the corresponding share prices and to facilitate trading activities.

The last corporate action involving trading arrangement by the Company was conducted in May 2016 involving share consolidation and change in board lot size. The Board has not been conducting share consolidation/subdivision unreasonably frequently. The proposed Share Consolidation does not have any effect of offsetting the intention of any prior corporate actions. The Board considered that the benefits of the proposed Capital Reorganization outweigh the potential costs arising from creation of odd lots.

Based on the closing Share price of HK\$0.028 on 3 October 2019 and the current board lot of 10,000, the proposed Share Consolidation will result in the value of each board lot at HK\$2,800. The proposed Share Consolidation on the basis of 10 to 1 ratio is the lowest ratio to keep the amount of each board lot at above HK\$2,000 as required by the Stock Exchange.

In addition, the Company is prohibited from issuing new shares at below their par value under the Company's articles of association and the Companies Law of the Cayman Islands. The Capital Reduction will give the Company greater flexibility in pricing any future issue of shares.

Accordingly, the Board is of the view that the Capital Reorganization is in the interest of the Company and the Shareholders as a whole despite the potential costs and negative impact arising from odd lots.

The Company has no plan and does not foresee the need to undertake in the next 12 months other corporate action or arrangement that may affect the trading in its shares (e.g. share consolidation or subdivision or change in board lot size). The Company currently has no plan to conduct any fund raising. However if any suitable investment opportunities shall arise in the future, the Company may consider such necessary fund raising activities as required.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, 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. Details of the odd lot arrangement will be set out in the circular to be dispatched to the Shareholders in relation to the Share Consolidation.

EXCHANGE OF SHARE CERTIFICATES

The new share certificates will be in the colour of lime in order to distinguish them from the existing share certificates which are pink in colour. Subject to the Capital Reorganization becoming effective, Shareholders may during the prescribed period submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of 10 existing Shares for one Consolidated Share) within the prescribed time. Thereafter, certificates of Shares will remain effective as documents of title but 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 specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders.

SHARE OPTIONS

As at the date of this announcement, there are outstanding share options granted under the Share Option Scheme to subscribe for 191,800,000 new Shares. The auditor of the Company or a financial adviser will be engaged by the Company in accordance with the Share Option Scheme to certify in writing as to the adjustments (if any) required to be made in respect of the share options as a result of the Capital Reorganization. The Company will make further announcements about the adjustments in due course.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Capital Reorganization:

Despatch of circular with notice of EGM On or before Monday, 21 October 2019

Latest time for lodging transfers of Shares
in order to qualify for EGM 4:30 p.m. on Thursday,
7 November 2019

Register of members closes (both days inclusive) From Friday, 8 November 2019 to
Wednesday, 13 November 2019

Latest time for lodging proxy form 11:00 a.m. on Monday,
11 November 2019

Record date for EGM. Wednesday, 13 November 2019

Date of EGM 11:00 a.m. on Wednesday,
13 November 2019

Announcement on results of EGM. Wednesday, 13 November 2019

The following events are conditional on the results of the EGM and the confirmation of the Court to the Capital Reduction. It may take approximately 2 to 3 months for the Company to obtain hearing dates before the Court which will be subject to the availability of the Court over which the Company has no control. The dates are therefore tentative.

Effective date for the Capital Reorganization 9:00 a.m. on Wednesday,
12 February 2020

First day for free exchange of existing share
certificates for new share certificates Wednesday, 12 February 2020

Dealing in Consolidated Shares commences 9:00 a.m. Wednesday,
12 February 2020

Original counter for trading in Shares in board lots of
10,000 Shares (in the form of existing share certificates)
temporarily closes 9:00 a.m. Wednesday,
12 February 2020

Temporary counter for trading in Consolidated Shares
in board lots of 1,000 Consolidated Shares
(in the form of existing share certificates) opens 9:00 a.m. Wednesday,
12 February 2020

Original counter for trading in Consolidated Shares
in board lots of 10,000 Consolidated Shares
(in the form of new share certificates) re-opens. Wednesday, 26 February 2020

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) commences Wednesday, 26 February 2020

Designated broker starts to stand in the market to
provide matching services for odd lots of
Consolidated Shares. Wednesday, 26 February 2020

Temporary counter for trading in Consolidated Shares
in board lots of 1,000 Consolidated Shares
(in the form of existing share certificates) closes. 4:00 p.m. Tuesday,
17 March 2020

Parallel trading in Consolidated Shares in the form of
new share certificates and existing share certificates closes 4:00 p.m. Tuesday,
17 March 2020

Designated broker ceases to stand in the market to provide
matching services for odd lots of Consolidated Shares 4:00 p.m. Tuesday,
17 March 2020

Last day for free exchange of existing share certificates
for new share certificates Thursday, 19 March 2020

EGM AND CIRCULAR

The Capital Reorganization is subject to, among others, the Shareholders' approval at the EGM. A circular containing further information on the Capital Reorganization and the notice of the EGM will be dispatched to the Shareholders on or before 21 October 2019.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the following meanings:

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|-----------------------|--|
| “Board” | the board of Directors |
| “Capital Reduction” | comprised of Capital Reduction I and the Round Down |
| “Capital Reduction I” | the proposed reduction of the par value of each issued Share from HK\$0.10 to HK\$0.0001 by canceling the paid up share capital to the extent of HK\$0.0999 on each issued Share |

“Capital Reorganization”	the proposed capital reorganization of the Company’s share capital involving (i) the Capital Reduction; (ii) the Sub-division and (iii) the Share Consolidation
“Company”	Unity Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Shares”	new ordinary share(s) of HK\$0.001 each in the share capital of the Company after the Capital Reorganization becoming effective
“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 for the purpose of considering and, if thought fit, approving the Capital Reorganization
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of Hong Kong
“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 of Hong Kong Limited
“New Share(s)”	new ordinary share(s) of HK\$0.0001 each in the capital of the Company immediately following the Capital Reduction I and Sub-division but prior to the Share Consolidation
“Round Down”	a round down of the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation
“Shareholder(s)”	the holder(s) of the Shares and/or Consolidated Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company prior to the Capital Reorganization

“Share Consolidation”	the proposed consolidation of every 10 issued and unissued New Shares into one Consolidated Share in the issued and unissued share capital of the Company
“Sub-division”	the proposed sub-division of each authorized but unissued Share into 1,000 New Shares of HK\$0.0001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Option Scheme”	the share option scheme of the Company adopted on 30 April 2013

By Order of the Board of
Unity Investments Holdings Limited
 合一投資控股有限公司
SHUM Kit Lan Anita
Executive Director

Hong Kong, 3 October 2019

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

Executive director:

Ms. SHUM Kit Lan Anita

Non-executive director:

Ms. HU Xiaoting

Independent non-executive directors:

Mr. HUNG Cho Sing

Mr. CHAN Yik Pun

Ms. CHUNG Fai Chun