
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Unity Investments Holdings Limited (合一投資控股有限公司) (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**RE-ELECTION OF RETIRING DIRECTORS
GENERAL MANDATES TO ISSUE AND ALLOT SHARES
AND REPURCHASE SHARES
REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. on Wednesday, 20 June 2012 is set out on pages 39 to 43 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar and transfer office of the Company in Hong Kong, **Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong**, as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

21 May 2012

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2011 AGM”	the annual general meeting of the Company held on 30 June 2011
“AGM”	the annual general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. on Wednesday, 20 June 2012 or any adjournment thereof
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Chung Nam”	Chung Nam Securities Limited
“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 the Main Board of the Stock Exchange
“CUIM”	CU Investment Management Limited, the investment manager of the Company
“Directors”	the director(s) of the Company
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted at the AGM to Directors to exercise all the powers of the Company to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at the date of passing such resolution

DEFINITIONS

“Latest Practicable Date”	16 May 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	options to subscribe for shares of the Company granted under the Share Option Scheme
“Repurchase Mandate”	a general and unconditional repurchase mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing such resolution
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed scheme mandate limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 2 May 2003
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



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)

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

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-111

Cayman Islands

Independent non-executive Directors:

Mr. CHUNG Kong Fei, Stephen

Mr. TSANG Wing Ki

Mr. NGAI Wai Kin

Principal place of business

in Hong Kong:

Room 2206, 22nd Floor

China United Centre

28 Marble Road

North Point

Hong Kong

21 May 2012

To the Shareholders

Dear Sir or Madam,

**RE-ELECTION OF RETIRING DIRECTORS
GENERAL MANDATES TO ISSUE AND ALLOT SHARES
AND REPURCHASE SHARES
AND
REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME**

INTRODUCTION

The purpose of this circular is to provide you with information regarding, inter alia, (i) the re-election of retiring Directors; (ii) the granting to the Directors the Issue Mandate; (iii) the granting to the Directors the Repurchase Mandate; (iv) the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (v) the refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

As at Latest Practicable Date, the Board currently consists of seven Directors, namely Mr. KITCHELL Osman Bin (*Chairman and Chief Executive Officer*), Mr. CHAN Yin, David (*Vice Chairman*), Ms. DAVIS Angela Hendricks and Ms. CHOI Ka Wing, being the executive Directors, and Mr. CHUNG Kong Fei, Stephen, Mr. TSANG Wing Ki and Mr. NGAI Wai Kin, being the independent non-executive Directors.

Pursuant to article 157 of the Articles, notwithstanding any other provisions in the Articles and subject to the manner of retirement by rotation of Directors as from time to time prescribed under the Listing Rules, at each annual general meeting of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at the annual general meeting. A retiring Director shall retain office until the close of the meeting at which he/she retires, and shall be eligible for re-election thereat.

Pursuant to article 157 of the Articles, Ms. DAVIS Angela Hendricks, Mr. CHUNG Kong Fei, Stephen and Mr. NGAI Wai Kin shall retire from office by rotation at the AGM. All the retiring Directors are eligible for re-election and will seek for re-election at the AGM.

Brief particulars of the retiring Directors are set out in appendix I to this circular.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandates to issue and repurchase Shares will lapse at the conclusion of the forthcoming AGM. The Directors intend to put forward to the Shareholders ordinary resolutions at the AGM to renew the General Mandates so as to give Directors general authority to allot, issue and deal with the Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the relevant rules set out in the Listing Rules and the Takeovers Code.

At the AGM, separate ordinary resolutions will therefore be proposed to the Shareholders to consider and, if thought fit, approve and grant the Directors a general and unconditional mandate to issue new Shares and to exercise the powers of the Company to repurchase Shares as follows:

- (a) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution to approve the Issue Mandate at the AGM;
- (b) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution to approve the Repurchase Mandate at the AGM; and

LETTER FROM THE BOARD

- (c) subject to passing of (a) and (b) above, an ordinary resolution will also be proposed for the Shareholders to consider to extend the general mandate granted to the Directors under (a) above by addition amount, representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted under (b) above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolutions.

As at the Latest Practicable Date, the total number of issued Shares was 1,293,568,014. Subject to passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the date of the AGM, the Company will be allow to issue a maximum of 258,713,602 Shares under the Issue Mandate.

The ordinary resolutions proposed to Shareholders in relation to the Issue Mandate and the Repurchase Mandate at the AGM may only continue in force until: (a) the conclusion of the next annual general meeting of the Company following passing of the resolutions at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; or (c) revocation or variation of the authority given under the Issue Mandate and the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

The Company is proposing the grant of the Issue Mandate given that its existing Issue Mandate (granted at the 2011 AGM) will lapse at the forthcoming AGM. The Company is seeking the grant of the Issue Mandate under Rule 13.36(2)(b) of the Listing Rules which permits listed issuers to grant general mandates to directors to issue up to 20% of its existing shares at annual general meeting. Whilst the Company has no immediate intention to raise funds by using the Issue Mandate, it may do so in the future should suitable opportunities arise.

Any proposed issue of new Shares by the Company pursuant to the Issue Mandate will be subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such new Shares.

An explanatory statement as required under the Listing Rules to provide the requisite information in relation to the Repurchase Mandate is set out in Appendix II to this circular.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 2 May 2003. Subject to the issue of circular by the Company which complies with the Listing Rules and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Scheme Mandate Limit may be refreshed to the extent not exceed 10% of the Shares in issue as at the date of the such Shareholders' approval.

LETTER FROM THE BOARD

The existing Scheme Mandate Limit was refreshed at the 2011 AGM and allowed the Directors to grant Options to subscribe for up to 43,118,933 Shares. As a result of a rights issue conducted by the Company, the issued share capital of the Company was increased to 1,293,568,014 Shares. Notwithstanding that no Options were granted since the last refreshment of the Scheme Mandate Limit in the 2011 AGM, the Company would like to take the opportunity at the AGM to present to Shareholders the refreshment of Scheme Mandate Limit so as to bring the Scheme Mandate Limit in line with level of 10% of the issued share capital of the Company as at the AGM as permitted under Rules 17.03 of the Listing Rules. As at the Latest Practicable Date, there were 1,293,568,014 Shares in issue. On the basis that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the date of the AGM, the maximum number of Shares to be issued under the Share Option Scheme that can be granted by the Company under the 10% refreshed limit would be 129,356,801 Shares. This would allow a significant increase in the number of Options that can be granted due to the increase in share capital of the Company and accordingly give the Company much greater flexibility in granting of Options pursuant to the Share Option Scheme to achieve the objectives stated therein. Accordingly, the Company is of the view that the refreshment of Scheme Mandate Limit is in the interest of the Shareholders. The Company has not identified any grantees at present. As at the Latest Practicable Date, there are no outstanding Options granted under the Share Option Scheme or any other schemes of the Company which remain unexercised, lapsed or cancelled. Save for the Share Option Scheme, the Company has no other share option schemes as at the Latest Practicable Date.

History of refreshment of the Share Option Scheme

The Share Option Scheme was adopted on 2 May 2003. The following are details of the refreshment of the Scheme Mandate Limit since adoption:

Date of refreshment	Scheme Mandate Limit after refreshment
28 February 2005	39,999,800
26 January 2006	7,272,911 (adjusted after share consolidation of 10 into 1)
28 May 2007	131,449,027
11 July 2007	170,882,833
5 December 2007	31,315,956 (adjusted after share consolidation of 10 into 1)
12 June 2008	37,579,147 (adjusted after share consolidation of 5 into 1)
27 May 2009	11,997,488 (adjusted after share consolidation of 10 into 1)
28 June 2010	85,391,964
30 June 2011	43,118,933

Up to the Latest Practicable Date, no Options were granted under the Scheme Mandate Limit refreshed on 30 June 2011.

LETTER FROM THE BOARD

Details of Options granted under the Share Option Scheme

Set out below are the details of Options granted under the Share Option Scheme since its adoption on 2 May 2003:

Date of grant	Grantees	Number of shares subject to Options granted and exercised	Exercise price HK\$	Proceeds received HK\$	Market price on grant date HK\$	Market price on exercise date HK\$
1 April 2005	Directors of investee companies	10,700,000	0.100	1,070,000	0.054	0.056
1 April 2005	Staff of investee companies	10,600,000	0.100	1,060,000	0.054	0.056 – 0.058
1 April 2005	Staff of securities broker	18,600,000	0.100	1,860,000	0.054	0.056 – 0.059
15 February 2007	Executive Director of the Company	3,300,000	0.530	1,749,000	0.490	0.500
15 February 2007	Directors of investee companies	3,970,000	0.530	2,104,100	0.490	0.500
31 May 2007	Directors and staff of securities broker	78,864,000	0.255	20,110,320	0.255	0.280
31 May 2007	Staff of investee companies	52,576,000	0.255	13,406,880	0.255	0.280
31 October 2007	Directors and staff of securities broker	170,882,833	0.123	21,018,588	0.113	0.109
15 January 2010	Directors of investee companies	11,995,000	0.420	5,037,900	0.420	0.420
15 October 2010	Directors of investee companies	78,400,000	0.100	7,840,000	0.089	0.099
15 October 2010	Director of service provider (<i>Note 1</i>)	6,990,000	0.100	699,000	0.089	0.099

Note 1: This service provider provides hardware and software computing systems supporting, web hosting services (including the Company's website) and all related maintenance services.

For all of the Options granted above, the exercise period is ten years from the date of grant and there is no vesting period and performance target.

LETTER FROM THE BOARD

The purpose of the Share Option Scheme

As stated in the rules of the Share Option Scheme the purposes of the Share Option Scheme are:

- (a) to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group or any invested entity;
- (b) to recognise the significant contributions of the participants to the growth of the Group or any invested entity by rewarding them with opportunities to obtain ownership interest in the Company; and
- (c) to further motivate and give incentives to the participants to continue to contribute to the long term success and prosperity of the Group or any invested entity.

Under the Share Option Scheme, the directors of the Company may grant options to those participants who, in the opinion of the Board, have contributed or may contribute to the development and growth of the Group and any entity in which the Group holds any equity interest. Under the Share Option Scheme, “Participant” is any person belonging to any of the following classes:

- (a) any employee (whether full time or part time and including executive director) of any member of the Group or any invested entity;
- (b) any non-executive director (including independent non-executive directors) of any member of the Group or any invested entity;
- (c) any consultant, adviser or agent (legal, financial or professional) engaged by any member of the Group or any invested entity is eligible to participate in a share option scheme of the Company; and
- (d) any vendor, supplier of goods or services or customer of or to any member of the Group or Invested Entity is eligible to participate in a share option scheme of the Company.

Conditions of the refreshment of the Scheme Mandate Limit

Pursuant to the Share Option Scheme and the Listing Rules, the Scheme Mandate Limit shall in no event result in the number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceed 30% of the Shares in issue from time to time.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of passing the resolution of refreshment of Scheme Mandate Limit at the AGM) which may fall to be issued upon the exercise of the Options to be granted under the Share Option Scheme and any other share option schemes of the Company.

LETTER FROM THE BOARD

The refreshment of Scheme Mandate Limit is sought in accordance with Note (1) of Rule 17.03 of the Listing Rules.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of the options that may be granted under the refreshed Scheme Mandate Limit.

AGM

The notice convening the AGM is set out on pages 39 to 43 of this circular. The AGM will be held at 4:00 p.m. on Wednesday, 20 June 2012 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of, considering and, if thought fit, approved the resolutions as set out therein.

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to Tricor Tengis Limited, the share registrar and transfer office of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish and in such event, the proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules and article 100 of the Articles, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Board considers that the proposed resolutions in relation to the re-election of retiring Directors; renewal of the General Mandates; and refreshment of Scheme Mandate Limit are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Unity Investments Holdings Limited
合一投資控股有限公司
KITCHELL Osman Bin
Executive Director

The biographical details of the retiring Directors eligible for re-election at the AGM are set out as follows:

EXECUTIVE DIRECTOR

Ms. DAVIS Angela Hendricks (“Ms. DAVIS”), aged 45, holds Master of Laws Degree, Juris Doctor, *cum laude*, and a Bachelor of Science Degree, *cum laude*. Ms. DAVIS is a member of the Kentucky Bar Association. Ms. DAVIS has extensive experience as a commercial litigator in the Louisville, Kentucky offices of Stites & Harbison, and as a deal lawyer in the New York and Beijing offices of Paul, Weiss, Rifkind, Wharton & Garrison. Ms. DAVIS was appointed as an executive Director on 18 June 2008. Ms. DAVIS was also appointed as a director of all subsidiary companies within the Group.

As at the Latest Practicable Date, Ms. DAVIS did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at Latest Practicable Date, Ms. DAVIS did not have any interest in the Shares within the meaning of Part XV of the SFO. Ms. DAVIS did not hold any directorships in other listed public company in the last three years. There is no fixed term of service for Ms. DAVIS and she would be subject to retirement by rotation and re-election at the AGM in accordance with the Articles. The emolument of Ms. DAVIS for the year ending 31 December 2012 is HK\$45,000 per month which was determined with reference to her duties and responsibilities within the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHUNG Kong Fei, Stephen (“Mr. CHUNG”), aged 55, obtained a Bachelor Degree of Science from the Wharton School of Business, University of Pennsylvania, United States of America. Mr. CHUNG is one of the founders and executive directors of SDM Dental Inc., an investment holding company which operating dental clinics in The People Republic of China (the “PRC”). Mr. CHUNG has extensive experience in investment in the PRC. Mr. CHUNG was appointed as an independent non-executive Director on 16 March 2004. Mr. CHUNG does not hold any position within other Group companies save as Mr. CHUNG is a member of audit committee and nomination committee of the Company.

As at the Latest Practicable Date, Mr. CHUNG did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at Latest Practicable Date, Mr. CHUNG did not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. CHUNG did not hold any directorships in other listed public company in the last three years, except that he had been an independent non-executive director of Computech Holdings Limited (stock code: 8081), a company listed on the Growth Enterprises Market of the Stock Exchange, for the period from 30 September 2004 to 30 June 2011. There is no fixed term of service for Mr. CHUNG and he would be subject to retirement by rotation and re-election at the AGM in accordance with the Articles. The director fee of Mr. CHUNG for the year ending 31 December 2012 is HK\$10,000 per month which was determined with reference to his duties and responsibilities within the Group.

Mr. NGAI Wai Kin (“**Mr. NGAI**”), aged 47, holds a Professional Diploma in Accountancy from the Hong Kong Polytechnic, a Bachelor of Laws (Hons) degree from the University of London and a Master of Laws degree from the City University of Hong Kong. Mr. NGAI is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia respectively. Mr. NGAI is also a barrister in England and Wales and a barrister in Hong Kong. Mr. NGAI has over 20 years of experience in finance and accounting field in both Hong Kong and Australia. Mr. NGAI was appointed as an independent non-executive Director on 23 July 2008. Mr. NGAI does not hold any position within other Group companies save as Mr. NGAI is a chairman of audit committee and remuneration committee of the Company and a member of nomination committee of the Company.

As at the Latest Practicable Date, Mr. NGAI did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. NGAI did not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. NGAI did not hold any directorships in other listed public company in the last three years. There is no fixed term of service for Mr. NGAI and he would be subject to retirement by rotation and re-election at the AGM in accordance with the Articles. The director fee of Mr. NGAI for the year ending 31 December 2012 is HK\$10,000 per month which was determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, the above retiring Directors confirm that there is no other information is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There are no other matters relating to the re-election of the retiring Directors that need to be brought to the attention of the Shareholders.

This appendix contains the information that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the Repurchase Mandate.

RESPONSIBILITY OF THE DIRECTORS

This circular, for which Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 1,293,568,014. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 129,356,801 Shares, being 10% of the entire issued share capital of the Company as at the date of passing the resolution.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Shares repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. As compared with the position of the Company in its financial statements for the year ended 31 December 2011 (being the most recent published audited accounts), the Directors consider that there might be an immaterial adverse impact on the working capital or the gearing position of the Company in the event that the proposed repurchases were to be made in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level which in the opinion of the Directors are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases to be made pursuant to the Repurchase Mandate would be financed out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands.

EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercise its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (within the term's meaning under the Takeovers Code), depending on the level of increase of the Shareholders' interests, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

To the best knowledge of the Directors, based on the shareholding structure of the Company and the register maintained by the Company under SFO as the Latest Practicable Date, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

The Directors have no intention to exercise any of the Repurchase Mandate to such an extent that will result in a requirement of any of the above Shareholders or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below 25% or as from time to time prescribed minimum percentage under the Listing Rules.

SHARE PRICE

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in previous twelve months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
May	0.155 ^A	0.145 ^A
June	0.152 ^A	0.138 ^A
July	0.145 ^A	0.138 ^A
August	0.187 ^A	0.127 ^A
September	0.143 ^A	0.132 ^A
October	0.136 ^A	0.111 ^A
November	0.120 ^A	0.108 ^A
December	0.115 ^A	0.106 ^A
2012		
January	0.129	0.107 ^A
February	0.125	0.092
March	0.106	0.087
April	0.100	0.089
May (up to the Latest Practicable Date)	0.100	0.093

^A: adjusted

SHARE REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately preceding the Latest Practicable Date.

GENERAL

To the best of the Directors' knowledge and having made all reasonable enquiries, neither the Directors nor any of their associates have any present intention to sell Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximate)	Proposed use of the net proceeds	Actual use of the net proceeds
11 October 2011	Rights issue of 862,378,676 rights shares on the basis of two rights shares for every Share held by qualifying shareholders	HK\$81.76 million	For future investments pursuant to the investment objectives of the Company and general working capital of the Group	As at the Latest Practicable Date, approximately HK\$77.67 million used for listed investments and approximately HK\$3.39 million used for general working capital with remaining approximately HK\$0.70 million is kept as bank deposit for general working capital (Note 1)

Note:

- The breakdown of the use of net proceeds are as follows: (i) approximately HK\$12.80 million had been used for investments in listed securities in properties and construction – properties sector; (ii) approximately HK\$11.39 million had been used for investments in listed securities in services – support services sector; (iii) approximately HK\$15.05 million had been used for investments in listed securities in services – retailers sector; (iv) approximately HK\$1.34 million had been used for investments in listed securities in industrial goods – industrial goods sectors; (v) approximately HK\$22.61 million had been used for investments in listed securities in consumer goods – household goods and electronics sector; and (vi) approximately HK\$14.48 million had been used for investments in listed securities in information technology – software services sector.

Save as abovementioned, the Company had not conducted any other fund raising exercise in the past twelve months immediately preceding the Latest Practicable Date.

At the request of the Stock Exchange, in addition to disclosure of actual use of net proceeds by way of industry sector analysis as set out above, a further breakdown of the actual use of the net proceeds from fund raising activities as announced on 11 October 2011 (other than for general working capital of the Group) is set out below.

Stock code	Name of investee company	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment
136	Mascotte Holdings Limited ("Mascotte")	22.61	Mascotte expand in renewable energy market through acquisition of new company.
885	Forefront Group Limited ("Forefront")	1.34	Forefront engaged in diversified business including provision of logistic services, investment in forest interest, properties investments, securities trading and money lending and with strong cash position of approximately HK\$52 million and stable net asset value of approximately HK\$1,182 million as at 30 June 2011.
928	Tack Fiori International Group Limited ("Tack Fiori")	15.05	Tack Fiori recorded positive turnover of approximately HK\$29.6 million and net profit of approximately HK40 million (excluding gain on debt restructuring amounting to approximately HK\$1,322 million) for the interim period ended 30 September 2011 and with strong cash position of approximately HK\$140.6 million as at 30 September 2011.
996	Oriental Ginza Holdings Limited ("Oriental Ginza")	12.80	Oriental Ginza explored new business opportunities in the research and development, manufacturing and sale of high clean unleaded gasoline and diesel in the PRC. Oriental Ginza also explored investment opportunities in the PRC property market through acquisition of target companies in 2011.

1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited (“BJ Yu Sheng Tang”)	11.39	BJ Yu Sheng Tang had stable income sources from supply and procurement, pharmaceutical business and provision of finance with positive turnover and gross profit of approximately HK\$776 million and HK\$24 million for the six months period ended 30 September 2011 and with strong cash position of approximately HK\$445 million as at 30 September 2011.
1808	Enterprise Development Holdings Limited (“Enterprise Development”)	14.48	Enterprise Development recorded positive turnover of approximately RMB66 million and net profit from continuing operations of approximately RMB1.8 million for the interim period ended 30 June 2011 and with strong cash position of approximately RMB21.8 million as at 30 June 2011.

INVESTMENT OBJECTIVES AND POLICIES

The Company is an investment company incorporated in the Cayman Islands with the primary objective of achieving 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.

The Company has adopted the following investment policies:

1. Investments will normally be made in the form of equity related securities and debt instruments in listed and unlisted companies engaged in different industries including (but not limited to) the manufacturing, services, property, telecommunications, technology and infrastructure sectors to maintain a balance in the Company’s exposure to different industry sectors in order to minimise the impact on the Company of any downturn in any particular sector.
2. Investments will normally be made in enterprises which are established in their respective fields and in which the Board believes that there are prospects of long-term growth. In particular, the Company will seek to identify businesses with a potential of profit growth, strong management, high level of technical expertise and research and development capabilities as well as management commitment to the long-term growth. However, the Company will also consider investments in companies or other entities which are considered by the Board and the investment manager of the Company (“Investment Manager”) to be in special or recovery situations.

3. Where possible, the Board and the Investment Manager would seek to identify investments where there is a certain degree of synergy with other investee companies and where cooperation between such companies would be of mutual benefit to each other.
4. The Company's investments are intended to identify medium-term or long-term capital appreciation and there is no present intention to realise any of such investments in any specific period or by any specific date. Nevertheless, the Board will from time to time realise investments where they believe that to do so would be in the best interests of the Company or where the terms on which such realisation can be achieved are believed by the Board to be particularly favourable to the Company.

Investors should note that while it is the intention that the funds of the Company will be invested in accordance with the investment objectives and policies outlined above as soon as practicable, it may take some time before the funds of the Company are fully deployed due to market and other investment considerations.

INVESTMENT PORTFOLIO

- (i) Set out below are the top ten securities bought by the Group for each of the three financial years ended 31 December 2009, 2010 and 2011, and for the period from 1 January 2012 to the Latest Practicable Date, respectively:

For the financial year ended 31 December 2009

Stock code	Stock name	Acquisition cost HK\$ million (approximate)
273	Willie International Holdings Limited	27.54
279	Freeman Corporation Limited	17.54
412	Heritage International Holdings Limited (<i>Note 1</i>)	24.94
885	Forefront Group Limited	53.18
985	China Sci-Tech Holdings Limited	14.92
1051	G-Resources Group Limited	50.96
1141	Poly Development Holdings Limited	15.87
1224	C C Land Holdings Limited	28.65
1387	Renhe Commercial Holdings Company Limited	55.06
8116	China Public Healthcare (Holding) Limited	58.90

Note:

1. Throughout the financial year 2009, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Heritage International Holdings Limited ("Heritage") had been a shareholder of the Company holding 5% or more of issued share of the Company for that financial year. For the period from 7 April 2009 to 2 December 2009, Heritage was a substantial shareholder (as such term is defined under the Listing Rules) of the Company.

For the financial year ended 31 December 2010

Stock code	Stock name	Acquisition cost <i>HK\$ million (approximate)</i>
5	HSBC Holdings plc	55.78
127	Chinese Estates Holdings Limited	45.04
273	Willie International Holdings Limited	49.61
279	Freeman Financial Corporation Limited	73.36
474	Hao Tian Resources Group Limited	35.39
571	eSun Holdings Limited	31.49
885	Forefront Group Limited	51.58
996	Oriental Ginza Holdings Limited	62.41
1004	Rising Development Holdings Limited	59.50
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	68.98

For the financial year ended 31 December 2011

Stock code	Stock name	Acquisition cost <i>HK\$ million (approximate)</i>
136	Mascotte Holdings Limited	60.00
263	China Yunnan Tin Minerals Group Co Limited	21.57
273	Willie International Holdings Limited	25.68
329	Dragonite International Limited	22.50
412	Heritage International Holdings Limited	49.15
692	Bao Yuan Holdings Limited	16.93
885	Forefront Group Limited	16.82
928	Tack Fiori International Group Limited	22.94
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	47.58
8212CB	Hong Kong Life Group Holdings Limited (unlisted convertible bonds)	20.00

For the period from 1 January 2012 to Latest Practicable Date

Stock code	Stock name	Acquisition cost HK\$ million (approximate)
136	Mascotte Holdings Limited	22.53
263	China Yunnan Tin Minerals Group Co Limited	3.65
329	Dragonite International Limited	9.66
412	Heritage International Holdings Limited	6.93
474	Hao Tian Resources Group Limited	12.00
901	Radford Capital Investment Limited	6.27
928	Tack Fiori International Group Limited	15.00
996	Oriental Ginza Holdings Limited	42.00
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	11.37
1808	Enterprise Development Holdings Limited	14.48

- (ii) Set out below are the top ten loss-making investments of the Group for each of the three financial years ended 31 December 2009, 2010 and 2011, and for the period from 1 January 2012 to 30 April 2012, being the date to which the Company's latest available management accounts have been made up to, respectively:

For the financial year ended 31 December 2009

Stock code	Stock name	Realised loss HK\$ million (approximate)	Unrealised loss HK\$ million (approximate)	Total loss HK\$ million (approximate)
64	Get Nice Holdings Limited	2.15	–	2.15
279	Freeman Corporation Limited	4.69	0.02	4.71
286	G-Prop (Holdings) Limited	–	1.84	1.84
412	Heritage International Holdings Limited (Note 1)	11.43	1.17	12.60
571	eSun Holdings Limited	39.07	3.01	42.08
885	Forefront Group Limited	45.87	2.11	47.98
886	Silver Base Group Holdings Limited	0.21	–	0.21
901	Radford Capital Investment Limited	18.42	–	18.42
1051	G-Resources Group Limited	5.30	12.28	17.58
1224	C C Land Holdings Limited	3.78	–	3.78

Note:

- Throughout the financial year 2009, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Heritage International Holdings Limited ("Heritage") had been a shareholder of the Company holding 5% or more of issued share of the Company for that financial year. For the period from 7 April 2009 to 2 December 2009, Heritage was a substantial shareholder (as such term is defined under the Listing Rules) of the Company.

For the financial year ended 31 December 2010

Stock code	Stock name	Realised loss	Unrealised loss	Total loss
		<i>HK\$ million</i> <i>(approximate)</i>	<i>HK\$ million</i> <i>(approximate)</i>	<i>HK\$ million</i> <i>(approximate)</i>
263	China Yunnan Tin Minerals Group Co Limited	–	4.85	4.85
273	Willie International Holdings Limited	4.08	1.75	5.83
329	Dragonite International Limited	5.57	–	5.57
692	Bao Yuan Holdings Limited	3.75	0.42	4.17
885	Forefront Group Limited	10.61	3.57	14.18
901	Radford Capital Investment Limited	5.36	0.34	5.70
985	CST Mining Group Limited	8.45	–	8.45
1051	G-Resources Group Limited	2.19	4.90	7.09
8116	China Public Healthcare (Holding) Limited	23.21	–	23.21
–	LIC Opportunities Fund (Cayman) Limited	–	8.53	8.53

For the financial year ended 31 December 2011

Stock code	Stock name	Realised loss (gain) <i>HK\$ million</i> (approximate)	Unrealised loss <i>HK\$ million</i> (approximate)	Total loss <i>HK\$ million</i> (approximate)
136	Mascotte Holdings Limited	(4.43)	25.50	21.07
209	China Tycoon Beverage Holdings Limited	8.89	–	8.89
263	China Yunnan Tin Minerals Group Co Limited	1.00	8.97	9.97
273	Willie International Holdings Limited	18.06	–	18.06
412	Heritage International Holdings Limited	1.32	22.14	23.46
928	Tack Fiori International Group Limited	5.51	4.41	9.92
996	Oriental Ginza Holdings Limited	4.80	43.45	48.25
1004	Rising Development Holdings Limited	–	25.55	25.55
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	19.02	10.02	29.04
8212CB	Hong Kong Life Group Holdings Limited (unlisted convertible bonds)	–	10.00	10.00

For the period from 1 January 2012 to 30 April 2012

Stock code	Stock name	Realised loss (gain) <i>HK\$ million</i> (approximate)	Unrealised loss <i>HK\$ million</i> (approximate)	Total loss <i>HK\$ million</i> (approximate)
127	Chinese Estates Holdings Limited	–	5.83	5.83
136	Mascotte Holdings Limited	26.60	–	26.60
412	Heritage International Holdings Limited	(0.14)	1.39	1.25
474	Hao Tian Resources Group Limited	–	1.45	1.45
928	Tack Fiori International Group Limited	4.35	1.84	6.19
996	Oriental Ginza Holdings Limited	3.02	14.94	17.96
1004	Rising Development Holdings Limited	7.00	16.00	23.00
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	0.38	8.31	8.69
1224	C C Land Holdings Limited	1.59	–	1.59
1004CN	Rising Development Holdings Limited (unlisted convertible notes)	1.00	–	1.00

(iii) Set out below are the shareholding interest in top ten investments held by the Group as at 31 December 2009, 2010 and 2011 and as at the Latest Practicable Date:

As at 31 December 2009

Stock code	Stock name	Shareholding interest (approximate)
235	China Strategic Holdings Limited	2.61%
286	G-Pro (Holdings) Limited	1.11%
985	China Sci-Tech Holdings Limited	2.01%
1051	G-Resources Group Limited	0.29%
1141	Poly Development Holdings Limited	1.43%
8116	China Public Healthcare (Holding) Limited	2.65%
8153	China Chief Cable TV Group Limited	1.50%
P15	Pacific Century Regional Developments Limited	0.36%
–	LIC Opportunities Fund (Cayman) Limited	Not applicable
139CB	GR Vietnam Holdings Limited (unlisted convertible bonds)	Not applicable

As at 31 December 2010

Stock code	Stock name	Shareholding interest (approximate)
127	Chinese Estates Holdings Limited	0.19%
235	China Strategic Holdings Limited	1.94%
279	Freeman Financial Corporation Limited	2.13%
996	Oriental Ginza Holdings Limited	3.90%
1004	Rising Development Holdings Limited	2.52%
1031	Golden Resorts Group Limited	0.48%
1051	G-Resources Group Limited	0.29%
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	3.21%
139CB	ICube Technology Holdings Limited (unlisted convertible bonds)	Not applicable
1041CN	Fulbond Holdings Limited (unlisted convertible notes)	Not applicable

As at 31 December 2011

Stock code	Stock name	Shareholding interest (approximate)
127	Chinese Estates Holdings Limited	0.19%
136	Mascotte Holdings Limited	3.28%
235	China Strategic Holdings Limited	1.94%
412	Heritage International Holdings Limited	2.84%
885	Forefront Group Limited	3.87%
996	Oriental Ginza Holdings Limited	0.75%
1004	Rising Development Holdings Limited	2.52%
139CB	ICube Technology Holdings Limited (unlisted convertible bonds)	Not applicable
1004CN	Rising Development Holdings Limited (unlisted convertible notes)	Not applicable
8212CB	Hong Kong Life Group Holdings Limited (unlisted convertible bonds)	Not applicable

As at the Latest Practicable Date

Stock code	Stock name	Shareholding interest (approximate)
127	Chinese Estates Holdings Limited	0.19%
329	Dragonite International Limited	12.28%
412	Heritage International Holdings Limited	2.20%
474	Hao Tian Resources Group Limited	1.27%
885	Forefront Group Limited	4.06%
996	Oriental Ginza Holdings Limited	2.42%
1004	Rising Development Holdings Limited	1.80%
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	3.45%
1808	Enterprise Development Holdings Limited	4.17%
P15	Pacific Century Regional Developments Limited	0.36%

- (iv) Set out below are the top ten investments held by the Group as at the Latest Practicable Date:

Stock code	Stock name	Market value <i>HK\$ million</i> <i>(approximate)</i>
127	Chinese Estates Holdings Limited	38.92
329	Dragonite International Limited	9.01
412	Heritage International Holdings Limited	21.03
474	Hao Tian Resources Group Limited	7.90
885	Forefront Group Limited	16.34
996	Oriental Ginza Holdings Limited	26.10
1004	Rising Development Holdings Limited	17.50
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	6.13
1808	Enterprise Development Holdings Limited	15.92
P15	Pacific Century Regional Developments Limited	11.25

Based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Freeman Financial Corporation Limited became a substantial shareholder (as such terms is defined under the Listing Rules) of the Company with effect from 5 January 2011. As at the Latest Practicable Date, Freeman Financial Corporation Limited held 136,062,000 Shares, representing 10.52% of the issued share capital of the Company.

As at the Latest Practicable Date, Mr. KITCHELL Osman Bin was interested in 500 shares in Chinese Estates Holdings Limited (stock code: 127), 12,800,000 shares in Heritage International Holdings Limited (stock code: 412), 944,000 shares in Hao Tian Resources Group Limited (stock code: 474), 8,700,000 shares in Forefront Group Limited (stock code: 885) and 50,000,000 shares in Oriental Ginza Holdings Limited (stock code: 996); and Ms. CHOI Ka Wing was interested in 500 shares in Chinese Estates Holdings Limited (stock code: 127), 2,400,000 shares in Dragonite International Limited (stock code: 329), 30,901,000 shares in Heritage International Holdings Limited (stock code: 412), 400,000 shares in Hao Tian Resources Group Limited (stock code: 474), 1,784,000 shares in Oriental Ginza Holdings Limited (stock code: 996) and 1,444,800 shares in Beijing Yu Sheng Tang Pharmaceutical Group Limited (stock code: 1141). Save as disclosed, as at the Latest Practicable Date, none of the Directors held any shares in any investee company whose securities constituted the top ten investments held by the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the existing Directors is or has been a director of any investee company whose securities constituted the top ten securities held by the Group for the three years ended 31 December 2009, 2010 and 2011 and as at the Latest Practicable Date.

CUIM, the investment manager of the Company, has confirmed to the Company that it did not have any common investments with the Company in each of the three years ended 31 December 2009, 2010 and 2011 and as at the Latest Practicable Date. As at the Latest

Practicable Date, (i) there is no common director between the Company and CUIM; and (ii) Mr. Pak William Eui Won is a director of CUIM (appointed on 10 May 2010) and also an independent non-executive director of Forefront Group Limited (appointed on 28 December 2009), an investee company whose securities constituted the top ten securities held as at the Latest Practicable Date and as at 31 December 2011.

INFORMATION RELATING TO THE OPTIONS GRANTED BY THE COMPANY

Reasons for grant of Options

(i) Grant to selected investee companies

The Options are granted to directors of investee companies pursuant to the purpose of the Share Option Scheme, more particularly reproduced in paragraph (c) above under the heading of “The purpose of the Share Option Scheme” in the Letter from the Board. Investee companies are entities that the Company and its investment advisor consider to have good potential. Through the grant of Options to directors and staff of such investee companies, the Company seeks to build and expand a good rapport with them and to cement the existing relationships and communication channels.

As an investment company, the Company’s sole business is trading in securities and its portfolio covers listed securities of a large number of companies. The investment decisions were made by the Board, upon receiving the advice of CUIM, the Company’s investment manager. Investments in listed and unlisted securities are one of the identified investments in the Company’s investment objectives and policies (see paragraph (1) of the section headed “Investment objectives and policies” above). Also, in line with the Company’s investment objectives and policies (see paragraph (4) of the section headed “Investment objectives and policies” above), whilst the Company’s investments are intended to identify medium term or long term appreciation, the Board may from time to time realise its investments when it is in the best interest of the Company. In order to capture opportunities in the constantly changing market conditions, this may lead to trading (either acquisitions or disposals) of shares in any investee company over a period of time. Given that the Company is an investment company with the sole business of trading in securities, regular trading in listed securities and acquisitions and disposals of unlisted investments are within its scope of business. Conducting regular trading activities in the shares of the listed investee companies is intended to reap benefits for the Company and to contribute to the long term success of the Company. In the same way, the grant of the Options to the grantees are intended to be a motivation tool providing them with incentive to work hard to contribute towards improving the performance of the respective investee companies and in turn contributing towards the long term success of the Company. The financial performance of the investee companies, through their share price, will contribute towards the overall financial performance of the Company.

Sometimes there may be different specific considerations for each particular grant of Option given that the composition of the Company’s investment portfolio (that is the investee companies), the composition of the board of directors of each investee companies and other conditions like economic climate, performance, prospects and outlook of the investee

companies may change over time. However, the overall reasons for the grant of the Options fall within the rules of the Share Option Scheme as explained in the section headed “The purpose of the Share Option Scheme” in the Letter from the Board in this circular, that is amongst other things, to motivate and give incentives to the participants to contribute towards the long term success of the Group or any invested entity.

The Share Option Scheme empowers the Board to grant Options in accordance with its terms to any participants of the Share Option Scheme selected by the Board in its absolute discretion. The Board exercised its absolute discretion to select the investee companies, which comprises the majority of the basket of companies that the Company has regularly traded in terms of volume and number of daily transactions in the twelve month period before the respective dates of grant for the grants of Options for the financial year ended 31 December 2010 and within the basket of companies in the Company’s investment portfolio (which consisted of both listed and unlisted investments at the relevant time) for each of the financial years ended 31 December 2005 and 31 December 2007. **In the case of listed and unlisted investments, there was no particular reason that the Company selected or did not select any particular investee company from the basket in the selection process. After selecting these investee companies and in the case of the listed investments, the Board then took into account a variety of factors, including, amongst other things, the past performance, the improvement, prospects and outlook of the investee companies based on publicly available information on the listed companies, granted the Options to the grantees from the selected investee companies in the financial years ended 31 December 2005, 31 December 2007 and 31 December 2010.**

(ii) Grant to selected service providers

Since the Company is an investment company and its sole business is the investment in securities, services at brokerages used by the Company is a critical factor in determining how well the Company’s decisions are executed. Between 2005 and 2007, the Company granted Options to Chung Nam, its main securities broker. In 2010, the Company granted Options to its computing system service provider. It is the Company’s belief that granting of Options to directors and staff of the services providers that is, Chung Nam and its computing system service provider and/or others facilitates relationship building, improves co-operation and provides an incentive for improved quality and efficiency of services and generally to better the performance of services to the Company. In the case of Chung Nam, given that it is the main broker used by the Company and the Company’s business is investment in securities, Options were granted to its staff for the purpose of motivating and giving incentives to them to contribute to long term success and prosperity of the Group. However, it is not possible to quantify the contribution of the securities broker and the computing system service provider to the Company as a result of the grant of Options to each of them.

(iii) The selected grantees

The selected grantees of the Options are (i) for the financial year ended 31 December 2010, executive directors of the investee companies who take on a more managerial role, including chairman of the board, chief executive officer or chief financial controller; (ii) for

the financial year ended 31 December 2005 and 31 December 2007, executive directors of listed investments, directors of unlisted investments and staff of investee companies and service providers. These directors and staff (as the case may be) are the Company's main points of contact at the relevant companies and the Company has built up a steady working relationship with each of them. The Company does not have further information on the division of responsibility or the specific role of each of the grantees within their respective company, other than that as stated herein. The directors of Chung Nam which were grant Options were also the responsible officers of Chung Nam. All of such Options granted have been exercised.

The Board recognises that it is not practical to quantify how each of these selected grantees or investee companies have contributed or will contribute to the growth of the Company as a result of the grant of Options. Rather the Board has granted the Options for the purpose of motivating and giving incentives to the participants to continue to contribute to the long term success and prosperity of the invested entities of the Company (see paragraph (c) under the heading of "The purpose of the Share Option Scheme" in the Letter from the Board). The Board has granted the Options to directors and staff of such investee companies with the intention of attracting human resources valuable to such investee companies and to provide incentives to the grantees to work towards enhancing the value of the Group in future – by improving the performance of such investee companies, each of which is an underlying investment of the Company. The interest of Company and the directors and staff of such investee companies are aligned – they will both benefit from an improvement in the Company's share price. An increase in the share price of the Company could be seen as an improvement in value of the Company. At the same time, the Board hopes that an increase in share price of the Company would be a goal the directors and staff of the investee companies would work towards via improving the performance of their company. The Board considers that granting of Options to such investee companies' directors and staff is a tool of incentive and motivation without any material adverse effect on the Group's cash and working capital position.

(A) For financial year ended 31 December 2010

Information relating to the Options granted by the Company on 15 January 2010

On 15 January 2010, Options were granted to the directors of certain of its investee companies as follows: (i) Options were granted to Lam Suk Ping (appointed as executive director on 7 April 2008), Lo Yuen Wa Peter (appointed as executive director and acting chief executive officer on 24 July 2008 who joined in May 2008 as financial controller and company secretary) and Au Yeung Kai Chor (appointed as executive director on 6 June 2007), executive directors of Mascotte Holdings Limited (stock code: 136), to subscribe for 1,500,000 shares, 1,500,000 shares and 1,495,000 shares respectively; (ii) Options were granted to Chuang Yueheng, Henry (appointed as executive director and chairman in 2002) and Wong Ying Seung, Asiong (appointed as executive director in 2002), executive directors of Willie International Holdings Limited (stock code: 273), to subscribe for 1,500,000 shares and 1,500,000 shares respectively; (iii) Options were granted to Poon Chi Wan (appointed as executive director on 29 December 2001) and Wong Chun Hung (appointed as executive director on 27 May 2009), executive directors of Heritage International Holdings Limited (stock code: 412), to subscribe

for 1,500,000 shares and 1,500,000 shares respectively; (iv) Options were granted to Yeung Ming Kwong (appointed as executive director on 26 April 2007 and acting chairman on 27 February 2008), executive director and acting chairman of Forefront Group Limited (stock code: 885), to subscribe for 1,500,000 shares.

Information relating to the Options granted by the Company on 15 October 2010

On 15 October 2010, Options were granted to the directors of certain of its investee companies as follows: (i) Options were granted to Lam Suk Ping (appointed as executive director on 7 April 2008) and Lo Yuen Wa Peter (appointed as executive director and acting chief executive officer on 24 July 2008 who joined in May 2008 as financial controller and company secretary), executive directors of Mascotte Holdings Limited (stock code: 136), to subscribe for 6,800,000 shares and 6,800,000 shares respectively; (ii) Options were granted to Chuang Yueheng, Henry (appointed as executive director and chairman in 2002) and Wong Ying Seung, Asiong (appointed as executive director in 2002), executive directors of Willie International Holdings Limited (stock code: 273), to subscribe for 6,800,000 shares and 6,800,000 shares respectively; (iii) Options were granted to Ching Yuen Man, Angela (appointed as executive director on 28 April 2010) and Au Yeung Kai Chor (appointed as executive director on 7 May 2010), executive directors of Dragonite International Limited (stock code: 329), to subscribe for 8,000,000 shares and 6,800,000 shares respectively; (iv) Options were granted to Poon Chi Wan (appointed as executive director on 29 December 2001), Kwong Kai Sing, Benny (appointed as executive director on 12 December 2001 and also being a chairman), Ong Peter (appointed as executive director and managing director on 27 June 2003) and Chow Chi Wah, Vincent (appointed as executive director on 13 October 2006 who joined in 2004 and as financial controller and company secretary), executive directors of Heritage International Holdings Limited (stock code: 412), to subscribe for 6,800,000 shares, 8,000,000 shares, 8,000,000 shares and 6,800,000 shares respectively; (v) Options were granted to Yeung Ming Kwong (appointed as executive director on 26 April 2007 and acting chairman on 27 February 2008), executive director and acting chairman of Forefront Group Limited (stock code: 885), to subscribe for 6,800,000 shares. In addition, Options were granted to Au Wing Keung, director of Pacific Cyber Business Systems Limited, a service provider of the Company, to subscribe for 6,990,000 shares.

So far as the Directors are aware, none of Lam Suk Ping, Lo Yuen Wa Peter, Au Yeung Kai Chor, Chuang Yueheng, Henry, Wong Ying Seung, Asiong, Poon Chi Wan, Wong Chun Hung, Yeung Ming Kwong, Ching Yuen Man, Angela, Kwong Kai Sing, Benny, Ong Peter, Chow Chi Wah, Vincent and Au Wing Keung in their individual capacity have any business relationship or otherwise with the Company.

Selection process of investee companies

Set out below are a summary of factors which the Board had considered in the process of selection of investee companies for the grant of Options to its directors. The financial and other information on the investee companies set out below are extracted from public information released by each of the respective companies.

(1) Mascotte Holdings Limited (“Mascotte”)

According to 2009 interim report and 2010 annual report of Mascotte for the six months period ended 30 September 2009 and the year ended 31 March 2010, the results of Mascotte has turned around from the loss of approximately HK\$68 million for the interim period ended 30 September 2008 to a profit of approximately HK\$162 million for the interim period ended 30 September 2009 and from a loss of approximately HK\$345 million for the year ended 31 March 2009 to a profit of approximately HK\$109 million for the year ended 31 March 2010.

Mascotte was amongst the three largest securities trade loss investments made by the Company in 2008 but no longer fell in that category for 2009 and 2010. Whilst Mascotte was not the top-ten investments bought by the Company in 2010, Mascotte was regularly traded in terms of volume in the 12 month period before the respective dates of grant of option. The Board is of the view that there is improvement in the results of Mascotte in the financial year ended 31 March 2010 as compared with the financial year ended 31 March 2009 and accordingly granted the Options to directors of Mascotte.

(2) Willie International Holdings Limited (“Willie”)

According to 2009 interim report and 2009 annual report of Willie for the six months period ended 30 June 2009 and year ended 31 December 2009, the results of Willie reported a net profit of approximately HK\$136 million and approximately HK\$129 million, respectively, when compared with a loss for the corresponding comparative period/year. Although Willie recorded a loss of approximately HK\$150 million for the six months period ended 30 June 2010, this HK\$150 million loss mainly comprised net fair value losses on financial assets at fair value through profit or loss of approximately HK\$157 million, representing unrealised losses from securities trading.

During the interim period ended 30 June 2009, year ended 31 December 2009 and interim period ended 30 June 2010, Willie reported a positive turnover of approximately HK\$92 million, HK\$94 million and HK\$76 million, respectively as compared with negative turnover of approximately HK\$341 million for the year ended 31 December 2008. During the financial year ended 2008 and 2009, revenue is recognised when it is probable that the economic benefits will flow to Willie and when the revenue and costs, if applicable, can be measured reliably which includes net income from the sale of investment at fair value through profit or loss, interest income from financial assets, rental income under operating leases and dividend income from investments. The negative turnover in 2008 was incurred by net losses from the sale of the investments of approximately HK\$384 million (representing the proceeds from the sales of investments at fair value through profit or loss of HK\$518,543,000 less the cost of sales and carrying amount of the investments sold of HK\$902,573,000), whereas net gains of approximately HK\$26 million from the sale of investments in 2009 (representing the proceeds from the sales of investments at fair value through profit or loss of HK\$1,176,886,000 less the cost of sales and carrying amount of the investments sold of HK\$1,150,992,000).

The Board is of the view that given (1) the losses for the six months ended 30 June 2010 represented largely unrealised losses from securities trading and (2) there was steady improvement in the turnover of Willie during 2009 to 2010, there is improvement in the results of Willie in the financial period ended 30 June 2010 as compared with the financial period ended 30 June 2009 and accordingly granted the Options to directors of Willie.

(3) *Heritage International Holdings Limited (“Heritage”)*

According to 2009 interim report and 2010 annual report of Heritage for the six months period ended 30 September 2009 and year ended 31 March 2010 respectively, Heritage recorded a profit before tax of approximately HK\$126 million for the six months interim period ended 30 September 2009 but a loss before tax of approximately HK\$5 million for the year ended 31 March 2010. Nevertheless the Board considered the HK\$5 million losses for the year ended 31 March 2010 still represented a decrease in loss before tax from approximately HK\$432 million for the year ended 31 March 2009. Heritage was amongst the three largest securities trade loss investments made by the Company in 2008 but no longer fell in that category for 2009 and 2010.

Heritage was amongst the top ten largest securities trade loss investments made by the Company in 2009. The Board is of the view that notwithstanding the decline in the profits of Heritage for the second half of the financial year ended 31 March 2010, there was a decrease in the losses of Heritage in the full financial year ended 31 March 2010 as compared with the full financial year ended 31 March 2009. The Board considers this to represent improvement in the overall performance of Heritage and accordingly granted the Options to directors of Heritage.

(4) *Forefront Group Limited (“Forefront Group”)*

According to 2009 interim report of Forefront Group for the six months period ended 30 June 2009, Forefront Group recorded a profit from operation of approximately HK\$122 million when compared with a loss of approximately HK\$68 million in the corresponding period in 2008. The trade losses incurred for the Company’s investment in Forefront Group was also reduced in 2010 as compared with 2009. Although the net loss attributable to shareholders for the period ended 30 June 2010 was approximately HK\$88.36 million (2009: profit of approximately HK\$121.52 million), the operating loss was mainly due to an unrealised losses of HK\$124.90 million arisen from securities portfolio held during the period. On 17 August 2010, Forefront Group announced that under partnership documentations which have become effective it has agreed to invest US\$10,000,000 in AITS L.P. with future economic benefits expected from the co-investment vehicle.

Forefront Group was amongst the top ten largest securities trade loss investments made by the Company in 2009. The Board is of the view that there is improvement in the results of Forefront Group in the financial period ended 30 June 2010 as compared with the financial period ended 30 June 2009. In addition, the Board considers the partnership arrangements to be positive development for Forefront Group with a promising outlook and accordingly granted the Options to directors of Forefront Group.

(5) *Dragonite International Limited (“Dragonite International”)*

Dragonite International owns both the original patents for the electronic cigarette and the RUYAN brand around the world. Dragonite International aim to develop mass, specialty, highend and re-packaged products to meet the varied demand for non-tobacco smoking

alternatives in various market including United States, Korea, United Kingdom and Ireland. Dragonite International paid effort in enforcing and protecting its proprietary rights in e-cigarette technology in 2010. During the year of 2010, a core RUYAN patent was approved in the United States, three patents were granted in Korea and two patents were granted in Israel. An additional design patent was granted in the United States. RUYAN began launching new core products in late 2010 – in particular, its disposable cigarette, and intended to regain market-share by offering affordable, practical solutions to adult smokers and to those who are affected by second-hand smoke.

The Board focused the selection of Dragonite International based on its business and product, rather than purely on financials of this Company and accordingly granted the Options to directors of Dragonite International.

Financial information of investee companies subsequent to grant of Options on 15 January 2010 and 15 October 2010

The Company was not aware of the top ten largest securities trade loss investments made for the financial years ended 31 December 2010 and 31 December 2011 at the time of the grant of options on 15 January 2010 and 15 October 2010. In the financial year ended 31 December 2010, Willie, Dragonite International and Forefront Group were amongst the top ten largest securities trade loss investments made by the Company. In the financial year ended 31 December 2011, Mascotte, Willie and Heritage were amongst the top ten largest securities trade loss investments made by the Company.

(B) For financial year ended 31 December 2007

Information relating to the Options granted by the Company on 15 February 2007

On 15 February 2007, Options were granted to the directors of certain of its investee companies as follows: (i) Options were granted to Kwong Kai Sing, Benny and Poon Chi Wan, both executive directors of Heritage International Holdings Limited (stock code: 412) to subscribe for 1,100,000 shares and 670,000 shares respectively; and (ii) Options were granted to Au Yeung Kai Chor and Chu See Ming, Bonnie, both directors of Found Macau Investments International Limited, an unlisted investment of the Group, to subscribe for 1,100,000 shares each. In addition, (iii) Options were granted to Mr. Chung Wilson (appointed as an executive Director on 12 June 2006), Mr. Kitchell Osman Bin (appointed as an executive Director on 10 January 2005) and Ms. Choi Ka Wing (appointed as an executive Director on 9 October 2006), the executive Directors, to subscribe for 1,100,000 shares each.

Information relating to the Options granted by the Company on 31 May 2007

On 31 May 2007, Options were granted to the staff of certain of its investee companies as follows: (i) Options were granted to a staff of Willie International Holdings Limited (stock code: 273) to subscribe for 13,144,000 shares; and (ii) Options were granted to staff members of Freeman Corporation Limited (stock code: 279) to subscribe for 39,432,000 shares in aggregate. In addition, Options were granted to Cheng Wai Chung and Ng Kwai Cho, both directors of Chung Nam to subscribe for 13,144,000 shares each and to staff members of Chung Nam to subscribe for 52,576,000 shares in aggregate.

Information relating to the Options granted by the Company on 31 October 2007

On 31 October 2007, Options were granted to Ng Kwai Cho and Cheng Wai Chung, both directors of Chung Nam to subscribe for 11,500,000 shares and 11,382,833 shares respectively and to staff members of Chung Nam to subscribe for 148,000,000 shares in aggregate. As at 31 October 2007, the issued share capital of the Company comprised of 2,550,593,997 of HK\$0.10 each. Accordingly, the total number of shares to be issued on exercise of the Options granted on 31 October 2007 represented around 7% of the issued share capital of the Company on the date of grant.

Selection process of investee company

Set out below are a summary of factors which the Board had considered in the process of selection of investee company for the grant of Options. The financial and other information on the investee company set out below are extracted from public information released by that company.

(1) *Freeman Corporation Limited (“Freeman”)*

According to 2006 interim report of Freeman for the six months period ended 30 September 2006, the results of Freeman reported a net loss of approximately HK\$105 million which was mainly comprised impairment loss recognised in respect of loans receivable and loss on changes in fair value of investments held for trading of approximately HK\$119 million and HK\$26 million, respectively. On 20 October 2006, Freeman had entered into an agreement to acquire a company to expand into the insurance service business.

The Board is of the view that, excluding the loss on changes in fair value of investments held for trading and impairment and loss on loans receivable and take into account increase in turnover, there is an improvement in the interim results of Freeman for the period ended 30 September 2006 as compared with the interim period ended 30 September 2005. In addition, the Board considers the expansion into the insurance service business enables Freeman to enlarge its coverage in the financial services industry and accordingly granted the Options to staff members of Freeman.

(2) *Heritage International Holdings Limited (“Heritage”)*

According to 2006 interim report of Heritage for the six months period ended 30 September 2006, the results of Heritage reported a net loss of approximately HK\$204 million. Although Heritage recorded a loss of approximately HK\$204 million for the six months period ended 30 September 2006, this HK\$204 million loss mainly comprised net fair value losses on equity investments at fair value through profit or loss of approximately HK\$161 million and with gross profit of approximately HK\$38 million for the interim period ended 30 September 2006 when compared to gross loss of approximately HK\$36 million for the interim period ended 30 September 2005.

The Board is of the view that given the losses for the six months ended 30 September 2006 represented largely net fair value losses on equity investments and there is improvement in the turnover and gross profit for the interim period ended as compared to the interim period ended 30 September 2005 and accordingly granted Options to directors of Heritage.

(3) Willie International Holdings Limited (“Willie”)

According to 2006 annual report of Willie for the year ended 31 December 2006, the results of Willie reported a net loss of approximately HK\$115 million. Although Willie recorded a loss for the year ended 31 December 2006, this HK\$115 million loss mainly comprised loss on disposal of convertible note issued by an associate and share of loss of associates of approximately HK\$31 million and HK\$79 million, respectively. The turnover of Willie for the year ended 31 December 2006 had substantially increased to HK\$296 million (2005: HK\$125 million) with gross profit of HK\$2 million when compared to gross loss of HK\$9 million same period last year.

Given improvements in the turnover and overall annual results of Willie for the year ended 31 December 2006, the Board granted the Options to staff members of Willie.

(4) Found Macau Investments International Limited (“Found Macau”)

Found Macau is an unlisted company intended to invest in gambling, entertainment and related businesses in Macau and to build a hotel housing a casino in Macau. Based on the nature of business of Found Macau and the Company’s intention to invest in the business identified above, the Board selected Found Macau and granted Options to the directors of Found Macau.

(C) For financial year ended 31 December 2005**Information relating to the Options granted by the Company on 1 April 2005**

On 1 April 2005, Options were granted to the directors and staff of certain of its investee companies as follows: (i) Options were granted to Chung Wilson (appointed as executive director on 29 September 1999), an executive director of Willie International Holdings Limited (stock code: 273) to subscribe for 3,500,000 shares and staff members of Willie International Holdings Limited to subscribe for 10,600,000 shares in aggregate respectively; and (ii) Options were granted to Au Yeung Kai Chor and Chu See Ming, Bonnie, both directors of Found Macau Investments International Limited, an unlisted investment of the Group, to subscribe for 3,600,000 shares each. In addition, Options were granted to staff members of Chung Nam to subscribe for 18,600,000 shares in aggregate.

Selection process of investee company

Set out below are a summary of factors which the Board had considered in the process of selection of investee company for the grant of Options to its directors and staff. The financial and other information on the investee company set out below are extracted from public information released by that company.

Willie International Holdings Limited (“Willie”)

According to 2004 interim report of Willie for the six month period ended 30 June 2004, the results of Willie reported a net loss of approximately HK\$105 million. Although Willie recorded a loss for the six months period ended 30 June 2004, the net loss was mainly due to share of loss of an associate for the interim period ended 30 June 2004.

The Board is of the view that, excluding the share of loss of an associate, there is an improvement in the interim results of Willie for the period ended 30 June 2004 as compared with the interim period ended 30 June 2003 and accordingly granted Options to a director and staff members of Willie.

SHAREHOLDING INTEREST OF THE COMPANY IN THE INVESTEE COMPANIES

Set out below is a summary of the Company's shareholding interests in the selected investee companies (i) as at the time of the grants of share options on 15 January 2010 and 15 October 2010; (ii) as at the Latest Practicable Date; and (iii) the latest financial summary of the selected investee companies as at the Latest Practicable Date:

	Shareholding interest in the investee companies			Latest financial summary as at the Latest Practicable Date
	as at 15 January 2010	as at 15 October 2010	as at the Latest Practicable Date	
Mascotte Holdings Limited	0.32%	0.17%	0.00%	Interim period ended 30 September 2011 Net loss: HK\$351 million Net asset value: HK\$2,705 million
Willie International Holdings Limited	0.21%	11.26%	0.00%	Year ended 31 December 2011 Net loss: HK\$555 million Net asset value: HK\$1,790 million
Heritage International Holdings Limited	1.70%	1.49%	2.20%	Interim period ended 30 September 2011 Net loss: HK\$268 million Net asset value: HK\$690 million
Forefront Group Limited	0.69%	0.03%	4.06%	Year ended 31 December 2011 Net loss: HK\$329 million Net asset value: HK\$955 million
Dragonite International Limited	0.00%	0.78%	12.28%	Year ended 31 December 2011 Net loss: HK\$314 million Net asset value: HK\$236 million

As at the relevant date of grant of Options (i.e. 1 April 2005, 31 May 2007 and 31 October 2007) to Chung Nam's directors and staff members and as at the Latest Practicable Date, the Company did not hold any shares in Chung Nam.

FINANCIAL INFORMATION ON THE LISTED INVESTEE COMPANIES

Set out below is a summary of the certain financial information of Mascotte, Willie, Heritage, Forefront Group and Dragonite International as extracted from public information released by each of these companies. Shareholders are advised to review the annual reports of each of these companies to obtain a full picture of the financial performance of each of these companies.

(1) Mascotte Holdings Limited (“Mascotte”)*Results*

	2008	2009	2010	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit (loss) for the year	(232,788)	(345,290)	108,850	(244,313)

Detailed management discussion and analysis of Mascotte can be viewed from the published annual report of Mascotte for the four financial years ended 31 March 2008 (pages 3 to 6), 2009 (pages 6 to 9), 2010 (pages 6 to 8) and 2011 (pages 6 to 10) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of Mascotte (<http://www.irasia.com/listco/hk/mascotte/index.htm>).

(2) Willie International Holdings Limited (“Willie”)*Results*

	2008	2009	2010	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit (loss) for the year	(797,828)	129,345	(195,599)	(554,815)

Detailed management discussion and analysis of Willie can be viewed from the published annual report of Willie for the four financial years ended 31 December 2008 (pages 11 to 18), 2009 (pages 11 to 16), 2010 (pages 5 to 11) and 2011 (pages 5 to 10) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of Willie (<http://www.willie273.com>).

(3) *Heritage International Holdings Limited (“Heritage”)**Results*

	2008	2009	2010	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	(367,751)	(432,340)	(7,382)	(391,908)

Detailed management discussion and analysis of Heritage can be viewed from the published annual report of Heritage for the four financial years ended 31 March 2008 (pages 9 to 11), 2009 (pages 8 to 10), 2010 (pages 8 to 10) and 2011 (pages 8 to 11) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of Heritage (<http://www.heritage.com.hk/main.html>).

(4) *Forefront Group Limited (“Forefront Group”)**Results*

	2008	2009	2010	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	(274,302)	(61,612)	(229,463)	(329,308)

Detailed management discussion and analysis of Forefront Group can be viewed from the published annual report of Forefront Group for the four financial years ended 31 December 2008 (pages 4 to 11), 2009 (pages 4 to 10), 2010 (pages 4 to 11) and 2011 (pages 4 to 10) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of Forefront Group (www.forefront.com.hk).

(5) *Dragonite International Limited (“Dragonite International”)**Results*

	2008	2009	2010	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	(164,644)	(443,907)	(233,331)	(314,081)

Detailed management discussion and analysis of Dragonite International can be viewed from the published annual report of Dragonite International for the four financial years ended 31 December 2008 (pages 3 to 10), 2009 (pages 3 to 10), 2010 (pages 3 to 9) and 2011 (pages 4 to 13) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of Dragonite International (www.dragonite.com.hk).

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of Unity Investments Holdings Limited 合一投資控股有限公司 (the “**Company**”) will be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Wednesday, 20 June 2012 at 4:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2011 and the reports of the directors and auditor of the Company for the year ended 31 December 2011.
2. To re-elect Ms. DAVIS Angela Hendricks as an executive director of the Company.
3. To re-elect Mr. CHUNG Kong Fei, Stephen as an independent non-executive director of the Company.
4. To re-elect Mr. NGAI Wai Kin as an independent non-executive director of the Company.
5. To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
6. To re-appoint Mazars CPA Limited as auditor of the Company and its subsidiaries and to authorise the board of directors of the Company to fix their remuneration.
7. “**THAT:**
 - (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval given in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of aforesaid powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given in paragraph (a) and (b) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the time of passing of this resolution until whichever is the earlier of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
 - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

8. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the articles of association of the Company and all applicable laws of the Cayman Islands and/or other applicable laws in this regards, be and the same is hereby generally and unconditional approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the Shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the time of passing of this resolution until whichever is the earlier of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
 - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

9. “**THAT** conditional upon the passing of resolutions numbered 7 and 8 set out in the notice of the annual general meeting (the “**Notice of AGM**”) at which this resolution is considered, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with new shares of the Company (the “**Shares**”) pursuant to resolution numbered 7 set out in the Notice of AGM of which this resolution forms part be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company repurchased or agreed to be repurchased by the Company under the authority granted pursuant to the resolution numbered 8 set out in the Notice of AGM, provided that such amount of Shares so repurchased by the Company shall not exceed 10% of aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modification, the following resolution as ordinary resolution:

10. “**THAT** conditional upon Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares of the Company (the “**Shares**”) to be issued upon the exercise of options under the share option scheme adopted by the Company on 2 May 2003 (the “**Share Option Scheme**”), the existing scheme mandate limit in respect of granting of options to subscribe for shares of the Company under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the shares of the Company in issue as at the date of passing this resolution (the “**Refreshed Limit**”) and that the directors of the Company be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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, 21 May 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any member of the Company entitled to attend and vote at the Annual General Meeting shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. On poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at the Annual General Meeting.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- (3) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at 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, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be) at which the person named in such instrument proposes to vote. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the Annual General Meeting or at any adjourned meeting (as the case may be) or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) Where there are joint registered holders of any share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
- (5) A form of proxy for use at the Annual General Meeting is enclosed herewith.

As at the date of this notice, the board of the Company comprises the following directors:

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