
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 your stockbroker, a licensed dealer in securities, 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 with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or 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)

- I. PROPOSED SHARE CONSOLIDATION;
II. PROPOSED CHANGE IN BOARD LOT SIZE;
III. PROPOSED OPEN OFFER ON THE BASIS OF
FOUR OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE AT HK\$0.16 PER OFFER SHARE;
IV. CONNECTED TRANSACTION;
AND
V. NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company



AKRON
Corporate Finance Limited
亞貝隆資本有限公司

Underwriter of the Open Offer



Independent financial adviser to the Independent Board Committee and the Independent Shareholders



Grand Vinco Capital Limited
(a wholly-owned subsidiary of Vinco Financial Group Limited)

A letter from the Board is set out on pages 10 to 30 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 31 of this circular. A letter from Vinco Capital containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 32 to 54 of this circular.

A notice convening the EGM to be held at 11:00 a.m. on 9 February 2015 at Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish.

The Open Offer is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Open Offer” in the Letter from the Board of this circular. In particular, the Open Offer is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Open Offer may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and Consolidated Shares up to the date when the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer cannot become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealings in the securities of the Company.

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EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, the Change in Board Lot Size and the Open Offer is set below:

Events	2015
Despatch of the Circular and the notice of the EGM	Friday, 23 January
Latest time for return of proxy form of the EGM (not less than 48 hours prior to time of the EGM)	11:00 a.m. on Saturday, 7 February
EGM.	11:00 a.m. on Monday, 9 February
Announcement of results of the EGM.	Monday, 9 February
Effective date of the Share Consolidation	Tuesday, 10 February
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Tuesday, 10 February
Original counter for trading in Shares (in board lots of 125,000 Shares) (in the form of existing share certificates) temporarily closes.	9:00 a.m. on Tuesday, 10 February
Temporary counter for trading in Consolidated Shares, in board lots of 12,500 Consolidated Shares (in the form of existing share certificates) opens.	9:00 a.m. on Tuesday, 10 February
First day for the free exchange of existing certificates of the Shares into new share certificates of Consolidated Shares commences	9:00 a.m. on Tuesday, 10 February
Last day of dealings in Consolidated Shares on a cum-entitlement basis	Tuesday, 10 February
First day of dealings in Consolidated Shares on an ex-entitlement basis	Wednesday, 11 February
Latest time for lodging transfers of Consolidated Shares in order to qualify for the Open Offer.	4:30 p.m. on Thursday, 12 February
Register of members closes (both dates inclusive).	Friday, 13 February to Monday, 23 February

EXPECTED TIMETABLE

Record Date	Monday, 23 February
Register of members re-opens	Tuesday, 24 February
Despatch of the Prospectus Documents	Tuesday, 24 February
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Thursday, 26 February
Original counter for trading in Consolidated Shares in new board lots of 50,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 26 February
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences	9:00 a.m. on Thursday, 26 February
Latest time for acceptance of and payment for the Offer Shares	4:00 p.m. on Tuesday, 10 March
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Friday, 13 March
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Wednesday, 18 March
Temporary counter for trading in board lots of 12,500 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Wednesday, 18 March
Parallel trading in Consolidated Shares (in the form of new and existing certificates) ends	4:00 p.m. on Wednesday, 18 March
Announcement of the results of the Open Offer	Thursday, 19 March
Despatch of certificates for the Offer Shares	Friday, 20 March

EXPECTED TIMETABLE

Despatch of refund cheques if the Open Offer is terminatedFriday, 20 March

Last day of free exchange of existing certificates for
new certificates for Consolidated SharesFriday, 20 March

Expected first day of dealings in the Offer Shares9:00 a.m. on
Monday, 23 March

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

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES

The latest time for acceptance of and payment for the Offer Shares will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
 - a “black” rainstorm warning
- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same business day;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead, the latest time for acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Offer Shares is postponed in accordance with the foregoing, the dates mentioned in the above “EXPECTED TIMETABLE” may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

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

“Acceptance Date”	10 March 2015 (or such other date as the Company and the Underwriter may agree in writing) as the latest date for acceptance of, and payment for, the Offer Shares
“Announcement”	the announcement of the Company dated 15 December 2014 relating to, among other things, the proposed Share Consolidation, the proposed Change in Board Lot Size, the proposed Open Offer and connected transaction in relation to the Underwritten Shares Issue
“Application Form(s)”	the application form(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer
“Articles”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 125,000 Shares to 50,000 Consolidated Shares
“Company”	Unity Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on Main Board of the Stock Exchange

DEFINITIONS

“connected person”	has the meaning as ascribed thereto under the Listing Rules
“Consolidated Share(s)”	Share(s) of par value of HK\$0.02 each in the issued share capital of the Company upon completion of the Share Consolidation
“controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Custodian”	Chong Hing Bank Limited (formerly known as Liu Chong Hing Bank Limited), the custodian appointed by the Company
“Custodian Agreement”	the custodian agreement dated 8 November 2005 entered into between the Company and the Custodian
“Director(s)”	director(s) of the Company
“EA Absence”	absence of excess application for the Offer Shares under the Open Offer
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the proposed Share Consolidation, the proposed Open Offer and the Underwritten Shares Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors of the Company to advise the Independent Shareholders as to, inter alia, the fairness and reasonableness of the Open Offer and the Underwritten Shares Issue

DEFINITIONS

“Independent Financial Adviser” or “Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (Stock code: 8340), a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Underwritten Shares Issue
“Independent Shareholder(s)”	any Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Parties”	any person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties independent of the Company and its connected persons
“Investment Manager” or “CES”	China Everbright Securities (HK) Limited, a company incorporated in Hong Kong, the investment manager appointed by the Company
“Last Trading Day”	15 December 2014, being the date of the Underwriting Agreement
“Latest Practicable Date”	20 January 2015, being the latest practicable date before the printing of this circular for the purpose of ascertaining certain information contained herein
“Latest Time for Termination”	4:00 p.m. on 13 March 2015, being the third Business Day following the Acceptance Date (or such other time or date as the Underwriter and the Company may agree in writing) as the day for settlement of the Open Offer
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company

DEFINITIONS

“Net Asset Value”	the net asset value of the Company calculated in accordance with the provisions of the Articles
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Open Offer on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Offer Share(s)”	Consolidated Share(s) to be issued and allotted under the Open Offer, being 2,328,422,408 Consolidated Shares
“Open Offer”	the proposed issue of four (4) Offer Shares for every one (1) Consolidated Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of the business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“Posting Date”	24 February 2015 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only to the Non-Qualifying Shareholders
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be despatched to the Shareholders on the Posting Date containing details of the Open Offer in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus and the Application Forms

DEFINITIONS

“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) is/are registered on the register of the members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	23 February 2015 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Open Offer are expected to be determined
“Registrar”	the share registrar of the Company in Hong Kong, being Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being of HK\$0.002 each prior to the Share Consolidation
“Share Consolidation”	the proposed consolidation of every ten (10) Shares of par value of 0.002 each into one (1) Consolidated Shares of par value of HK\$0.02 each
“Shareholder(s)”	the holder(s) of Shares or Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.16 per Offer Share with nominal value of HK\$0.02 each
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Underwriter”	Enerchine Securities Limited, a licensed corporation to carry on businesses in type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Underwriting Agreement”	the underwriting agreement dated 15 December 2014 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	a maximum of 2,328,422,408 Offer Shares being underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Underwritten Shares Issue”	allotment and issue of the Offer Shares to the Underwriter in accordance with the Underwriting Agreement
“%” 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. NG Chi Hoi

(Chairman and Chief Executive Officer)

Ms. SHUM Kit Lan Anita

Independent Non-executive Directors:

Mr. HUNG Cho Sing

Mr. CHAN Yik Pun

Ms. CHUNG Fai Chun

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business in Hong Kong:

Unit 1A, Edmund's Mansion

233-235 Fa Yuen Street, Kowloon

Hong Kong

23 January 2015

To the Shareholders

Dear Sir or Madam,

- I. PROPOSED SHARE CONSOLIDATION;
II. PROPOSED CHANGE IN BOARD LOT SIZE;
III. PROPOSED OPEN OFFER ON THE BASIS OF
FOUR OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE AT HK\$0.16 PER OFFER SHARE;
IV. CONNECTED TRANSACTION;
AND
V. NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the proposed Share Consolidation, the proposed Change in Board Lot Size, the proposed Open Offer and the connected transaction in relation to Underwritten Shares Issue.

The purpose of this circular is to provide the Shareholders, among other things, (i) further details about the Share Consolidation, the Change in Board Lot Size, the Open Offer and the Underwritten Shares Issue; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer and the Underwritten Shares Issue; (iii) a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders on the Open Offer and the Underwritten Shares Issue; and (iv) the notice convening the EGM.

LETTER FROM THE BOARD

I. PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward to the Shareholders a proposal to effect the proposed Share Consolidation whereby every ten (10) issued and unissued Shares of par value of HK\$0.002 each will be consolidated into one (1) Consolidated Share of par value of HK\$0.02 each.

Conditions of the Share Consolidation

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

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

Effect of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$2,000,000,000 divided into 1,000,000,000,000 Shares of HK\$0.002 each, of which 5,821,056,025 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$2,000,000,000 divided into 100,000,000,000 Consolidated Shares of HK\$0.02 each, of which 582,105,602 Consolidated Shares will be in issue which are fully paid or credited as fully paid following the Share Consolidation but before the completion of the Open Offer.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company, if feasible and applicable.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

LETTER FROM THE BOARD

Reasons for and benefits of the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares and it is expected to bring about corresponding upward adjustment in the trading price of the Consolidated Shares. In addition, the Share Consolidation will increase the market value per board lot of the Shares, which will reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot. As a result of certain brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced shares or which tend to discourage individual brokers from recommending low-priced shares to their customers. Therefore, with a higher trading price of the Consolidated Shares and reduction of the transaction and handling costs as a proportion of the market value of each board lot, the Company believes that the Share Consolidation will make investing in Shares more attractive to a broader range of institutional and professional investors and other members of the investing public. As such, the Board believes that the Share Consolidation may attract more investors and extend the shareholders' base of the Company. In view of the above, the Board considers that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, which is expected to be on Tuesday, 10 February 2015, Shareholders may, during a period to be specified in this circular, submit share certificates for the existing Shares to the Registrar to exchange, at the expense of the Company, for new certificates of the Consolidated Shares. Thereafter, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be from time to time be specified by the Stock Exchange) for each new share certificate issued for the Consolidated Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. Nevertheless, the share certificates for the existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but are not acceptance for trading, settlement and registration upon completion of the Share Consolidation.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Enerchine Securities Limited to provide matching services for sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share for Shareholders, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares from Thursday, 26 February 2015 to Wednesday, 18 March 2015. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

LETTER FROM THE BOARD

Application for listing of the Consolidated Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares.

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

No part of the securities of the Company is listed or dealt in on which listing or permission to deal is being or is proposed to be sought on other stock exchanges.

II. PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Shares are traded in board lots of 125,000 Shares. The Company proposes to change the board lot size for trading on the Stock Exchange from 125,000 Shares to 50,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.041 per Share (equivalent to HK\$0.41 per Consolidated Share) as at the Latest Practicable Date, the value of each board lot of 50,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$20,500.

The Change in Board Lot Size is expected to bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs for dealings in the Consolidated Shares.

III. PROPOSED OPEN OFFER

Issue statistics

Basis of the Open Offer:	Four (4) Offer Shares for every one (1) Consolidated Share held on the Record Date
Subscription Price:	HK\$0.16 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	5,821,056,025 Shares

LETTER FROM THE BOARD

Number of Consolidated Shares in issue immediately upon the Share Consolidation having become effective:	582,105,602 Consolidated Shares (assuming no further issue of Shares or repurchase of Shares up to the effective date of the Share Consolidation)
Number of Offer Shares:	2,328,422,408 Offer Shares (assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before the Record Date)
	The aggregate nominal value of the Offer Shares is HK\$46,568,448.16

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

The Open Offer is fully underwritten by the Underwriter, who shall ensure that the Company will maintain the minimum public float requirement in compliance with Rule 8.08 of the Listing Rules. The terms of the Underwriting Agreement are agreed after arm's length negotiation between the Company and the Underwriter.

The Offer Shares

Assuming no further issue of new Shares and/or Consolidated Shares and/or repurchase of Shares and/or Consolidated Shares on or before the Record Date, 2,328,422,408 Offer Shares will be issued and allotted representing approximately 400% of the issued share capital of the Company immediately after the Share Consolidation and approximately 80% of the issued share capital of the Company as enlarged by the Offer Shares.

Subscription Price

The Subscription Price of HK\$0.16 per Offer Share will be payable in full upon application by a Qualifying Shareholder. The Subscription Price represents:

- (a) a discount of approximately 78.08% to the closing price of HK\$0.730 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (b) a discount of approximately 77.21% to the average closing price of approximately HK\$0.702 per Consolidated Share for the last 5 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (c) a discount of approximately 78.23% to the average closing price of approximately HK\$0.735 per Consolidated Share for the last 10 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;

LETTER FROM THE BOARD

- (d) a discount of approximately 41.61% to the theoretical ex-entitlement price (assuming there is no new Shares and/or Consolidated Shares issued by the Company and there is no Shares and/or Consolidated Shares being repurchased by the Company from the Latest Practicable Date up to the Record Date) of approximately HK\$0.274 per Consolidated Share based on the closing price of HK\$0.730 per Share as quoted on the Stock exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (e) a discount of approximately 82.67% to the audited consolidated net assets value per Consolidated Share of approximately HK\$0.923 as at 31 December 2013 (based on 582,105,602 Consolidated Shares in issue as at the Last Trading Day and adjusted for the effect of the Share Consolidation); and
- (f) a discount of approximately 60.98% to the closing price of HK\$0.41 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation.

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

The net price per Offer Share after deducting the related expenses of the Open Offer will be approximately HK\$0.155.

Conditions of the Open Offer

The Open Offer is conditional upon the fulfillment of the following conditions:

- (a) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (and all other documents required to be attached thereto);
- (b) the posting on the Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders;

LETTER FROM THE BOARD

- (c) compliance by the Company with all its obligations under the Underwriting Agreement in connection with the making of the Open Offer and offer of the Offer Shares pursuant to the terms specified in the Underwriting Agreement;
- (d) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Consolidated Shares and the Offer Shares either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Business Day prior to the commencement of trading of the Offer Shares and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listing and permission on or before Latest Time for Termination;
- (e) the Shares and/or the Consolidated Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares and/or the Consolidated Shares not having been withdrawn and no indication being received before Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Open Offer or in connection with the terms of the Underwriting Agreement or for any other reason;
- (f) the passing of the relevant resolutions by the Shareholders approving the Share Consolidation, the Open Offer and the transactions contemplated under the Underwriting Agreement (including but not limited to the arrangements for taking up of the Underwritten Shares Issue, if any, by the Underwriter) at the EGM in accordance with the Listing Rules;
- (g) the obligations of the Underwriter under the Underwriter Agreement not being terminated by the Underwriter in accordance with the terms thereof; and
- (h) the Share Consolidation becoming effective.

In the event that the conditions precedent (other than the conditions precedent set out in paragraphs (a) to (f) and (h) which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before the relevant dates set out therein (or if no time or date is set out, 31 March 2015) (or in each case, such later date as the Underwriter and the Company may agree), all liabilities of the parties thereto shall cease and determine and none of the parties shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter (but not the underwriting commission) shall to the extent agreed by the Company be borne by the Company.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank pari passu with the Consolidated Shares then in issue in all respects. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record

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date which falls on or after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares, which are registered in the register of members of the Company in Hong Kong, will be subject to payment of stamp duty and other applicable fees and charges in Hong Kong.

Qualifying Shareholders

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

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares/Consolidated Shares (together with the relevant share certificates) with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Thursday, 12 February 2015.

Closure of register of members

The Company's register of members will be closed from Friday, 13 February 2015 to Monday, 23 February 2015, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares or Consolidated Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with Rule 13.36 of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal advice, the Directors consider that it is necessary or expedient not to issue the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on the Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any application form to them.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

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No application for excess Offer Shares

No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to his/her/its entitlement. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application and will be taken up by the Underwriter.

The Directors hold the view that the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholding in the Company and to participate in the future growth and development of the Group. After arm's length negotiations with the Underwriter, and taking into account that the related administration costs would be lowered in the absence of excess applications, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscription for the Offer Shares which have not been taken up by the Qualifying Shareholders.

Fractions of Offer Shares

The Company will not issue fractional entitlements to the Offer Shares. All fractions of Offer Shares will be aggregated and rounded down to the nearest whole number and will be sold in the market. If a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit.

Share certificates for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for and paid for the Offer Shares on or before Friday, 20 March 2015 by ordinary post at their own risk. If the Open Offer is terminated, refund cheques are expected to be posted on or before Friday, 20 March 2015 by ordinary post to the applicants at their own risk.

Application for listing of the Offer Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange upon the Share Consolidation becoming effective.

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

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All necessary arrangements will be made to enable the Offer Shares to be admitted into CCASS.

Dealings in the Offer Shares which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Reasons for the Open Offer and the use of proceeds

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

The Directors also consider that the Company is in growth stage and revealed that the Company has encountered difficulties in competing with other sizeable local and overseas investors when potential investment opportunities were identified but eventually failed to conclude a contract as a result of the Company's insufficient financial resources. As such, the Directors are of the view that increasing the fund size of the Company is more practical and efficient in terms of economies of scale when making investments. Moreover, with the proceeds of the Open Offer, it will strengthen the cash position of the Group and increase the fund size of the Company. The Directors consider that with the increase in fund size, it will enable the Group to diversify the portfolio risks of its investments by investing in different industries. Taking into account that (i) Mr. Ng Chi Hoi ("**Mr. Ng**") and Ms. Shum Kit Lan Anita ("**Ms. Shum**"), the executive Directors, who are responsible for investment decisions of the Group, possess experiences in managing funds of size larger than the existing fund size of the Group. Prior joining the Group, size of funds managed by Mr. Ng and Ms. Shum were over HK\$1 billion; and (ii) Mr. Ng and Ms. Shum are not involved in other administrative functions of the Group, hence they will have enough time to make investment or divestment decisions of the Group, the Company considers that management of the Group can manage a more sizeable investment portfolio given the proceeds from the Open Offer. Hence, it will enable the Group to be in a more advantageous position to capture more sizeable investments with attractive returns.

The Group will continue to identify and pursue investment opportunities and manage the existing investments in accordance with the Group's investment objectives and policies of achieving medium-term to long-term growth in capital appreciation with the primary objective of generating profits. When making a new investment, the Directors will make reference to many factors, including but not limited to (i) management's knowledge and investment experience in the industries of the potential investments; (ii) industry development and

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management's perception of the industry prospects of the potential investments; (iii) financial performance of relevant investee company; (iv) readily available published corporate and business information for potential listed investments; and (v) the independent valuation reports for potential unlisted investments.

Based on the financial performance of the Group for the year ended 31 December 2013 (“**Year 2013**”) and the six months ended 30 June 2014 (“**Interim Period 2014**”), net profit of the Group of approximately HK\$105.2 million and HK\$244.7 million were recorded in Year 2013 and Interim Period 2014 respectively. Since 2014, the average size of an unlisted investment made by the Group is approximately HK\$100 million. As at 30 June 2014, the Group only held cash and bank balances of approximately HK\$74.7 million, which is not sufficient for the Group to capture suitable investment opportunities which may arise any time for expanding its investment portfolios and business and continue the growing performance without additional funding.

Therefore, the Board considers that the Open Offer will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments when suitable opportunities arise. Furthermore, the Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and participate in the growth and development of the Company. Accordingly, the Directors are of the view that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

In view of (i) the booming capital market performance in the last quarter of 2014 with SSE Composite Index rose by approximately 42.9%, Dow Jones Industrial Index rose by approximately 5.5% and Hang Seng Index rose by approximately 2.5%; and (ii) the Open Offer is fully underwritten by the Underwriter; and (iii) being an investment company, it is crucial for the Group to be provided with readily available funds for capturing suitable investment opportunities in a timely manner for its future investments and operation with the objective of bringing investment return to the Group and add value to the Shareholders; the Directors therefore took up the chance to conduct the fully underwritten Open Offer presented to it by the Underwriter. The Group will continue to adopt and maintain a conservative but proactive investment approach where investments will only be made when appropriate investment opportunities arise.

The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to debt financing and rights issue. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms on a timely basis under volatile market conditions. Although rights issue can provide a way out to those Independent Shareholders who do not wish to take up the entitlements by selling

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nil-paid rights, rights issue will involve extra administrative work and cost for the trading arrangements in relation to the nil-paid rights. In addition, in view of the downward trend of the historical trading price of the Shares, there is uncertainty of the existence of a market to trade the nil-paid rights. In view of the above, the Board (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) considered that raising funds by way of the Open Offer is more cost effective and efficient and beneficial to the Company and its Shareholders as a whole than a rights issue.

The estimated expense of the Open Offer is approximately HK\$10.5 million, which will be borne by the Company. Assuming all the Qualifying Shareholders taking up their entitlements under the Open Offer, the Company will receive gross proceeds of approximately HK\$372.5 million (assuming no further Shares and/or Consolidated Shares are issued or repurchased on or prior to the Record Date) and the estimated net proceeds of the Open Offer will be approximately HK\$362.0 million. The Company intends to apply such net proceeds from the Open Offer in the following manner:

- (a) approximately HK\$170.0 million for investment in listed securities in various industries including but not limited to natural resources, health and pharmaceutical, forestry, retail, communication technology, media, online and mobile game businesses, financial institutions, software and information technology, and manufacture of juvenile and infant products;
- (b) approximately HK\$170.0 million for investment in unlisted securities in various industries including but not limited to natural resources, health and pharmaceutical, forestry, retail, communication technology, media, online and mobile game businesses, financial institutions, software and information technology, manufacture of juvenile and infant products, and elderly care related business; and
- (c) approximately HK\$22.0 million for general working capital of the Group for the coming two years. Among the net proceeds from the Open Offer to be applied for general working capital, it will be applied for payment of employee salaries and benefits (including Directors' emoluments), operating lease charges in respect of office premises and office equipment, legal and professional fee, investment manager fee, investment relation expenses, auditor's remuneration and other operating expenses (such as travelling expenses, utilities expense and entertainment expenses, etc.).

In respect of the target industries as mentioned above where proceeds from the Open Offer may be applied for making potential investments, the Directors consider that those industries either have remarkable growth potentials and/or high profit margin. As such, the Directors believe that investments in those industries will provide the Group with satisfactory returns. Except for online and mobile game business and elderly care related business, the Company has experience in investing in other target industries. Along with the growing popularity of online and mobile game business and a number of companies which participate

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in this sector get listed on the Stock Exchange in recent years, the Directors are of the view that there are market benchmarks for the Group to make its investment decisions. Taking into account that aging population is one of the major issues of both the PRC and Hong Kong, the Directors envisage that there is growth potential for elderly care related business. The Group will conduct relevant research, analysis and/or due diligence prior making investments in this business sector.

As at the Latest Practicable Date, the Company has not identified any specific investment targets (save for the aforesaid industry sectors).

The Company is an investment company and its principal business is restricted to making investments. Accordingly, net proceeds of the Open Offer will be and can only be used for making investments and for general working capital purpose. Upon receiving proceeds from the Open Offer, the Group will continue to explore suitable investment opportunities actively. In the event that suitable investments are not identified after completion of the Open Offer, the Company will place the proceeds from the Open Offer with financial institution in Hong Kong and such proceeds will be reserved for future investments when suitable investment opportunities arise.

In assessing the fairness and reasonableness of the Open Offer, the Directors are of the view that:

- (i) the Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price of the Shares under the prevailing market conditions and the financial position of the Group;
- (ii) in view of the historical trading performance of the Shares which demonstrated downward trend of the trading price in recent months and the uncertainties in the financial market in Hong Kong, the Directors consider under it will be difficult to attract the Qualifying Shareholders to reinvest in the Company through the Open Offer if the Subscription Price was not set at a relatively deep discount to the historical trading prices of the Shares;
- (iii) under the Open Offer, all the Qualifying Shareholders will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Company. Should the Qualifying Shareholders participate in the Open Offer, they will be subscribing the Offer Shares at a lower price as compared to the historical and prevailing market price of the Shares;
- (iv) the relatively deep discount of the Subscription Price has reflected absence of excess application arrangement to Shareholders with an objective to lower the further investment cost of Shareholders to encourage them to take up their entitlements;
- (v) during the negotiation of the Underwriting Agreement, it has been indicated to the Company that a subscription price with a relatively deep discount to the closing price is necessary to induce the Underwriter to participate in the underwriting of the Underwritten Shares, which is an essential part of the Open Offer;

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- (vi) the Open Offer will enable the Group to enhance its financial position through strengthening its capital base. In addition, the Open Offer will provide the Group with readily available fund for its future development and enhance its existing operation; and
- (vii) inherent dilutive nature of open offer in general if the Qualifying Shareholders did not take up their entitlements under the Open Offer in full. However, the Qualifying Shareholders have the first right to decide whether to accept their entitlements of the Offer Shares.

Underwriting Agreement

Date:	15 December 2014 (after trading hours)
Underwriter:	Enerchine Securities Limited
Number of Offer Shares underwritten:	2,328,422,408 Offer Shares (assuming no new Shares and/or Consolidated Shares being issued and/or repurchased by the Company on or before the Record Date)
Commission:	2.5% of the aggregate Subscription Price of the maximum amount of Offer Shares agreed to be underwritten by the Underwriter as determined on the Record Date

The terms of the Underwriting Agreement are agreed after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Open Offer, and the current and expected market condition. The Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) consider that the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

The Underwriter undertakes with the Company that (i) it shall use all reasonable endeavours to provide that each of the subscribers or purchasers of Underwritten Shares procured by it shall be third parties independent of, not acting in concert with and shall not be connected with the Directors, chief executive or substantial Shareholders or their respective associates; (ii) the Underwriter will enter into sub-underwriting agreements such that none of the Underwriter and the sub-underwriters (together with parties acting in concert with each of them) will hold 29.9% or more of the issued share capital of the Company immediately after the Open Offer; and (iii) the Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Offer Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the Open Offer.

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Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the section headed “Proposed Open Offer – Conditions of the Open Offer” above.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to Latest Time for Termination if there occurs:-

- (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Open Offer or make it inadvisable or inexpedient to proceed with the Open Offer.

If, at or prior to Latest Time for Termination:

- (a) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (b) the Underwriter shall receive notification pursuant to relevant clauses of the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties of the Company contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in relevant clause of the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Open Offer; or

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- (c) the Company shall, after any matter or event referred to relevant clause of the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company;

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

Upon the giving of such notice by the Underwriter pursuant to the Underwriting Agreement, all obligations of the Underwriter thereunder shall cease and determine and none of the parties thereto shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay such fees and expenses pursuant to the Underwriting Agreement.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not carried out any fund raising exercises in the past twelve months immediately preceding the Latest Practicable Date.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Share Consolidation but before completion of the Open Offer; and (iii) immediately after completion of the Open Offer:

	As at the Latest Practicable Date		Immediately after the Share Consolidation but before completion of the Open Offer		Immediately after completion of the Open Offer assuming			
					All Offer Shares are subscribed for by the Qualifying Shareholders		None of Offer Shares are subscribed for by the Qualifying Shareholders	
	Number of Shares	%	Number of Consolidated Shares	%	Number of Consolidated Shares	%	Number of Consolidated Shares	%
Underwriter, sub-underwriters and subscribers procured by them (Note 2)	-	-	-	-	-	-	2,328,422,408	80%
Public Shareholders	5,821,056,025	100%	582,105,602	100%	2,910,528,010	100%	582,105,602	20%
Total	5,821,056,025	100%	582,105,602	100%	2,910,528,010	100%	2,910,528,010	100%

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Notes:

1. This scenario is for illustrative purpose only and will never occur. The Underwriter hereby undertakes with the Company that (i) it shall use all reasonable endeavours to provide that each of the subscribers or purchasers of Underwritten Shares shall be third parties independent of, not acting in concert with and shall not be connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; (ii) the Underwriter will enter into sub-underwriting agreements such that none of the Underwriter and the sub-underwriters (together with parties acting in concert with each of them) will hold 29.9% or more of the issued share capital of the Company immediately after the Open Offer; and (iii) the Underwriter shall and shall cause the sub-underwriters to procure independent places to take up such number of Offer Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the Open Offer.
2. On 16 December 2014, the Underwriter has entered into separate sub-underwriting agreements (collectively, the “**Sub-Underwriting Agreements**”) with 13 sub-underwriters (collectively, the “**Sub-Underwriters**”), which consist of individuals, companies and one sub-underwriting agent, HEC Securities Limited (the “**Sub-Agent**”), in respect of the sub-underwriting of all the Underwritten Shares. The Underwritten Shares have been sub-underwritten as to (i) approximately 26.84% by the Sub-Agent; and (ii) approximately 73.16% by the remaining 12 Sub-Underwriters (the “**Other Sub-Underwriters**”) in aggregate. The Sub-Agent is a licensed corporation which conducts Type 1 (dealing in securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO as its principal business. Each of the Sub-Underwriters are Independent Third Parties. The Sub-Underwriters shall procure independent places to take up such number of Offer Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the Open Offer. The sub-underwriting commitments of each of the Other Sub-Underwriters pursuant to the terms of their respective Sub-Underwriting Agreements are all less than 5% of the issued share capital of the Company as enlarged by the Open Offer. As such, the underwriting commitments of the Other Sub-Underwriters will be counted towards the public float.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Company is an investment company and its shares are listed on the Main Board of the Stock Exchange since 27 October 1999, pursuant to Chapter 21 of the Listing Rules. The Group will remain principally engaged in listed investments in Hong Kong, other major stock markets around the world, and in unlisted companies to achieve medium-term or long-term capital appreciation.

The US Federal Reserve continue to taper to US\$10 billion from its quantitative easing program at each FOMC meeting during the first half of 2014, but has ended the whole program in October 2014. FOMC anticipated in its October 2014 meeting, based on its current assessment, that it likely would be appropriate to maintain the 0 to 1/4 percent target range for the federal funds rate for a considerable time following the end of its asset purchase program in October 2014, especially if projected inflation continues to run below the FOMC’s 2 percent longer-run goal, and provided that longer-term inflation expectations remain well anchored. However, if incoming information indicates faster progress toward the FOMC’s employment and inflation objectives than the FOMC expects, then increases in the target range for the federal funds rate are likely to occur sooner than currently anticipated. Conversely, if progress proves slower than expected, then increases in the target range are likely to occur later than currently anticipated.

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In June 2014, the European Central Bank (“ECB”) continued to cut its refinancing rate by 10 basis points to a 0.15% and further to 0.05%, a historic low in September 2014 and made an unprecedented move to cut its deposit rate. From November 2014 onwards, ECB began to charge banks 0.20% to park funds at the central bank. The ECB President, Mario Draghi, said officials were unanimous in pushing for more stimulus if needed, and staff at the ECB have been asked for further easing.

In order to achieve the 7.5% GDP growth target in 2014, the Chinese government are implementing mini-stimulus plans in the first half of 2014, including: (i) increase railway infrastructure capex by RMB80 billion to RMB800 billion; (ii) PBoC has cut the RRR for rural commercial banks and banks with new loans to farm sector exceeded 50% of total new lending for 2014; and (iii) partial relaxation on home purchase restriction on certain provinces and cities. China’s economic growth in the third quarter of 2014 beat general analysts’ estimates last quarter as export demand quickened and services expanded, bolstering the government’s case for avoiding broader stimulus measures. Gross domestic product rose 7.3% in the July-September period from a year earlier, the statistics bureau said in October 2014. However, it was also the slowest expansion since the first quarter of 2009.

After the end of a quantitative easing program in the last quarter of this year, there is a risk of an early rate hike in 2015, in order to tackle the hidden inflation risk in the US. Additionally, withdrawing excess liquidity may affect the US economy recovery pace and thus increase the uncertainty of investment environment in the year of 2015. Even so, further easing in Europe and continuing economic growth in China still maintain good environment for investments. Therefore, the Board will continue to monitor the market dynamics and adopt a conservative but proactive approach on investment, so as to further enhance value for the Shareholders.

Warning of the risks of dealing in Shares and Consolidated Shares

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

Shareholders should note that the Shares and Consolidated Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 11 February 2015 and that dealing in Shares and Consolidated Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in Shares and Consolidated Shares up to the date on which all conditions to which the Open Offer are subject to are fulfilled (which is expected to be at 4:00 p.m. on Friday, 13 March 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

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IV. CONNECTED TRANSACTION

At the time of entering into the Underwriting Agreement, Enerchine Investment Management Limited (the “EIML”) was the investment manager of the Company. EIML ceased to be the investment manager of the Company with effect from 1 January 2015, details of which was disclosed in the announcement of the Company dated 31 December 2014. EIML is wholly owned by the Underwriter. The Underwriter is therefore a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules at the time of entering into the Underwriting Agreement.

The entering into of the Underwriting Agreement with the Underwriter and the payment of the underwriting commission to the Underwriter constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the underwriting commission to be received by the Underwriter of approximately HK\$9.3 million (based on 2,328,422,408 Underwritten Shares, being the maximum number of Offer Shares underwritten by the Underwriter under the Open Offer is on normal commercial terms and all applicable percentage ratios (as defined in the Listing Rules) are less than 5%, the payment of underwriting commission by the Company to the Underwriter is therefore subject to reporting and announcement requirements only but exempt from the independent shareholders’ approval requirement under Rule 14A.76(2)(a) of the Listing Rules.

The Underwritten Shares Issue in accordance with the Underwriting Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.92(2)(b) of the Listing Rules, such issue is fully exempt from the relevant requirements under Chapter 14A of the Listing Rules if Rule 7.26A of the Listing Rules is complied with.

Given that (i) there is no excess application for the Offer Shares under the Open Offer, as such it does not fulfill Rule 7.26A(1) of the Listing Rules; and (ii) as the Open Offer is underwritten by the Underwriter, which is not a director, chief executive or substantial Shareholder (or an associate of any of them), the EA Absence will not be subject to the approval of the Shareholders as required by Rule 7.26A(2) of the Listing Rules. Based on the aforesaid, the Open Offer does not fulfill Rule 7.26A of the Listing Rules and hence the Underwritten Shares Issue does not fulfill Rule 14A.92(2)(b) of the Listing Rules. In this connection, the Underwritten Shares Issue will be subject to reporting, announcement and the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. Any Shareholder who has a material interest in the Underwritten Shares Issue must abstain from voting at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting in relation to the Underwritten Shares Issue at the EGM.

LETTER FROM THE BOARD

GENERAL

The Open Offer is conditional upon, among other things, approval from the Independent Shareholders on vote taken by way of poll at the EGM. In accordance with Rule 7.24(5) of the Listing Rules, any controlling Shareholders of the Company and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer and the Underwritten Shares Issue. As at the Latest Practicable Date, since there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer in accordance with Rule 7.24(5) of the Listing Rules.

An Independent Board Committee, comprising Mr. HUNG Cho Sing, Mr. CHAN Yik Pun and Ms. CHUNG Fai Chun, all being the independent non-executive Directors, has been appointed to make recommendations to the Independent Shareholders in respect of the Open Offer and the Underwritten Shares Issue. Vinco Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held at 11:00 a.m. on 9 February 2015 at Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong for the Shareholders and the Independent Shareholders (as the case may be) to consider, and if thought fit, to approve, among other things, the proposed Share Consolidation, proposed Open Offer and the connected transaction in relation to Underwritten Shares Issue by way of poll.

The notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in an event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting should you so wish.

Upon approval of the Open Offer and the Underwritten Shares Issue by the Independent Shareholders at the EGM and the Share Consolidation as well as the Change in Board Lot Size becoming effective, the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors after taking into account of the advice of Vinco Capital) are of the opinion that the Open Offer and the Underwritten Shares Issue are fair and reasonable and is in the interest of the Company and the Shareholders as a whole. The Directors also believe that the Share Consolidation is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors after taking into account of the advice of Vinco Capital) recommend that all Shareholders to vote in favour of all resolutions to be proposed at the EGM.

Your attention is drawn to the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders set out on page 31 of this circular and the letter from Vinco Capital containing its recommendation to the Independent Shareholders and the principal factors which it has considered in arriving at its recommendation with regard to the Open Offer and the Underwritten Shares Issue, as set out on pages 32 to 54 of this circular.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Unity Investments Holdings Limited
合一投資控股有限公司
NG Chi Hoi
Chairman



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)

23 January 2015

To the Independent Shareholders

Dear Sirs or Madams,

PROPOSED OPEN OFFER AND UNDERWRITTEN SHARES ISSUE

We refer to the circular of the Company to the Shareholders dated 23 January 2015 (the “**Circular**”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as members to constitute the Independent Board Committee and to advise the Independent Shareholders in respect of the Open Offer and connected transaction in relation to Underwritten Shares Issue.

Vinco Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer and connected transaction in relation to Underwritten Shares Issue are fair and reasonable as far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 32 to 54 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 10 to 30 of the Circular.

Having considered the factors and reasons considered by, and the opinion of, Vinco Capital as set out in the “Letter from Vinco Capital” in the Circular, we are of the opinion that the terms of the Open Offer and connected transaction in relation to Underwritten Shares Issue are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Open Offer and connected transaction in relation to Underwritten Shares Issue.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. HUNG Cho Sing

Mr. CHAN Yik Pun

Ms. CHUNG Fai Chun

Independent non-executive Directors

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the Open Offer and the Underwritten Shares Issue which has been prepared for the purpose of incorporation in this circular:



Grand Vinco Capital Limited
Units 4909-4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

23 January 2015

To the Independent Board Committee and the Independent Shareholders of
Unity Investments Holdings Limited

Dear Sirs,

**I. PROPOSED OPEN OFFER ON THE BASIS OF
FOUR OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE AT HK\$0.16 PER OFFER SHARE
AND
II. CONNECTED TRANSACTION**

A. INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Open Offer and the Underwritten Shares Issue, details of which are set out in the "Letter from the Board" in the circular (the "**Circular**") issued by the Company to the Shareholders dated 23 January 2015 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the Announcement, on 15 December 2014, the Company announced, among other things, subject to the Share Consolidation and the Change in Board Lot Size becoming effective, the Company proposes to raise approximately HK\$372.5 million (before expenses) by way of an open offer of 2,328,422,408 Offer Shares at a subscription price of HK\$0.16 per Offer Share on the basis of four (4) Offer Shares for every one (1) Consolidated Share held on the Record Date.

Assuming no further issue of new Shares and/or Consolidated Shares and/or repurchase of Shares and/or Consolidated Shares on or before the Record Date, 2,328,422,408 Offer Shares will be issued and allotted representing approximately 400% of the issued share capital of the Company immediately after the Share Consolidation and approximately 80% of the issued share capital of the Company as enlarged by the Offer Shares.

LETTER FROM VINCO CAPITAL

As the Open Offer will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Open Offer.

At the time of entering into the Underwriting Agreement, Enerchine Investment Management Limited (the “EIML”) was the investment manager of the Company. EIML ceased to be the investment manager of the Company with effect from 1 January 2015, details of which are disclosed in the announcement of the Company dated 31 December 2014. EIML is wholly owned by the Underwriter. The Underwriter is therefore a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules at the time of entering into the Underwriting Agreement.

The Underwritten Shares Issue in accordance with the Underwriting Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.92(2)(b) of the Listing Rules, such issue is fully exempt from the relevant requirements under Chapter 14A of the Listing Rules if Rule 7.26A of the Listing Rules is complied with.

Given that (i) there is no excess application for the Offer Shares under the Open Offer, as such it does not fulfill Rule 7.26A(1) of the Listing Rules; and (ii) as the Open Offer is underwritten by the Underwriter, which is not a director, chief executive or substantial Shareholder (or an associate of any of them), the EA Absence will not be subject to the approval of the Shareholders as required by Rule 7.26A(2) of the Listing Rules. Based on the aforesaid, the Open Offer does not fulfill Rule 7.26A of the Listing Rules and hence the Underwritten Shares Issue does not fulfill Rule 14A.92(2)(b) of the Listing Rules. In this connection, the Underwritten Shares Issue will be subject to reporting, announcement and the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. Any Shareholder who has a material interest in the Underwritten Shares Issue must abstain from voting at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting in relation to the Underwritten Shares Issue at the EGM.

An Independent Board Committee, comprising Mr. HUNG Cho Sing, Mr. CHAN Yik Pun and Ms. CHUNG Fai Chun, all being the independent non-executive Directors, has been appointed to make recommendations to the Independent Shareholders in respect of the Open Offer and the Underwritten Shares Issue. We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Underwritten Shares Issue. In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give you an independent opinion as to whether the terms of the Open Offer and the Underwritten Shares Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole and whether the Independent Shareholders should vote in favour of or

LETTER FROM VINCO CAPITAL

against of the resolution to be proposed at the EGM to approve the Open Offer and the Underwritten Shares Issue. We are not connected with the directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and therefore is considered suitable as defined under Rule 13.84 of the Listing Rules to give independent advice to the Independent Board Committee and the Independent Shareholders. We have not acted as the independent financial adviser to the Company's other transactions during the last two years.

B. BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

LETTER FROM VINCO CAPITAL

In formulating our opinion, we have not considered the taxation implications on Independent Shareholders in relation to the subscription for, holding or disposal of the Offer Shares, since these are particular to their individual circumstances. It is emphasised that we will not accept responsibility for any tax effects on, or liabilities of any person resulting from the subscription for, holding or disposal of the Offer Shares. In particular, Independent Shareholders subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

We consider that we have reviewed all currently available information and documents (particularly, (i) board minutes approving the Open Offer; (ii) the Underwriting Agreement; (iii) the investment policies adopted by the Company; (iv) the historical financial information of the Company for the two years ended 31 December 2013 and the six months ended 30 June 2014; (v) the latest unaudited consolidated management account of the Company as at 30 November 2014 and (vi) market comparables listed on Stock Exchange in relation to open offer), which are made available to us and enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Open Offer and the Underwritten Shares Issue, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Open Offer and the Underwritten Shares Issue and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer and the Underwritten Shares Issue, we have considered the principal factors and reasons set out below:

1. Background information of the Company

Principal Business

The Company is an investment company under Chapter 21 of the Listing Rules with the primary objective of achieving earnings in the form of medium-term to long-term capital appreciation by investing in listed and unlisted companies in Hong Kong, PRC and other main markets around the world.

LETTER FROM VINCO CAPITAL

Historical financial information

Set out below is a summary of the audited consolidated financial results of the Group for the two years ended 31 December 2013, as extracted from the Company's annual reports 2013 (the "Annual Report") and the unaudited consolidated financial results of the Group for the six months ended 30 June 2014, as extracted from the Company's interim report 2014 (the "Interim Report"):

	For the year ended		For the six months ended	
	31 December		30 June	
	2012	2013	2014	2013
	(audited)	(audited)	(unaudited)	(unaudited)
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Revenue	(2,005,477)	(3,895,266)	51,607,000	(3,000)
(Loss)/Profit for the period/year attributable to equity holders of the Company	(86,232,011)	105,220,429	244,669,000	(32,947,000)
			As at	
			As at 31 December	30 June
			2012	2013
			(audited)	(audited)
			<i>HK\$</i>	<i>HK\$</i>
Total assets	566,184,917	240,677,383	673,186,000	
Total liabilities	28,939,606	356,367	319,000	
Net assets	537,245,311	240,321,016	672,867,000	

Sources: the Interim Report and the Annual Report

As stated in the Annual Report and above table, the Group recorded negative revenue of approximately HK\$3.9 million for the year ended 31 December 2013, representing a decrease as compared to the corresponding amount of 2012. Turnover of the Group resulted from (i) the sale of listed investments classified under investments held for trading and (ii) the sale of unlisted debt investments designated as at fair value through profit or loss upon initial recognition. The reason for the decrease in revenue in 2013 as compared to 2012 was due to the gain from the sale of unlisted debt investments designated as at fair value through profit or loss upon initial recognition of approximately HK\$7.9 million for the year ended 31 December 2012 while there was no such gain for the year ended 31 December 2013. Such gain from the sale of unlisted debt investments designated as at fair value through profit or loss upon initial recognition reported for the year ended 31 December 2012 had partially offset the loss from the sale of listed investments classified under investments held for trading. The combined effect has resulted the negative turnover

LETTER FROM VINCO CAPITAL

of approximately HK\$2.0 million for the year ended 31 December 2012. Despite the decrease in revenue, the Group recorded profit attributable to the equity holders of the Company of approximately HK\$105.2 million for the year ended 31 December 2013, while the Group recorded a loss attributable to the equity holders of the Company of approximately HK\$86.2 million for the year ended 31 December 2012. Such turnaround from loss to profit was mainly due to (i) the changes in fair value of listed equity investments classified under investments held for trading recorded of approximately HK\$91.3 million for the year ended 31 December 2013 as compared to approximately HK\$4.0 million for the year ended 31 December 2012 and (ii) the realised gain on disposal of listed equity investments classified under available-for-sale investments of approximately HK\$23.5 million for the year ended 31 December 2013 as compared to realised loss of approximately HK\$38.8 million for the year ended 31 December 2012.

As stated in the Interim Report and above table, the Group's turnover substantially increased to approximately HK\$51.6 million for the six months ended 30 June 2014 from a negative turnover of approximately HK\$3,000 for the six months ended 30 June 2013. Such turnaround from negative turnover to positive turnover was mainly due to the positive results from the sale of listed investments classified under investments held for trading. The Group also recorded profit attributable to the equity holders of the Company of approximately HK\$244.7 million for the six months ended 30 June 2014 as compared to loss attributable to the equity holders of the Company of approximately HK\$32.9 million for the six months ended 30 June 2013. The turnaround from loss to profit was mainly due to (i) the increase in turnover as explained above, (ii) the changes in fair value of listed equity investments classified under investments held for trading recorded of approximately HK\$62.5 million for the six months ended 30 June 2014 as compared to a negative figure of approximately HK\$32.0 million for the six months ended 30 June 2013 and (iii) the realised gain on disposal of listed equity investments classified under available-for-sale investments of approximately HK\$137.4 million for the six months ended 30 June 2014 as compared to merely approximately HK\$1.6 million for the six months ended 30 June 2013.

2. Reasons for the Open Offer and proposed use of proceeds

As stated in the Letter from the Board, the Directors consider that the Group does not necessarily generate extensive cash income from operations as the Company is an investment company under Chapter 21 of the Listing Rules. In order to increase the size of its investment portfolio, the Company will require cash in order to make new investments. The Directors also consider that the Company is in growth stage and revealed that the Company has encountered difficulties in competing with other sizeable local and overseas investors when potential investment opportunities were identified but eventually failed to conclude a contract as a result of the Company's insufficient financial resources. As such, the Directors are of the view that increasing the fund size of the Company is more practical and efficient in terms of economies of scale when making

LETTER FROM VINCO CAPITAL

investments. We have discussed with the management of the Company regarding the risks of increasing fund size, the time allocation and experience of the Directors in managing the new investments. In addition, we have reviewed the relevant announcements of the Company in relation to the appointment of Mr. Ng Chi Hoi (“**Mr. Ng**”) and Ms. Shum Kit Lan Anita (“**Ms. Shum**”), being executive Directors. We noted that both Mr. Ng and Ms. Shum are experienced in managing funds and were responsible officers for their relevant former employers. As stated in the Letter from the Board, Mr. Ng and Ms. Shum possess experience in managing fund with size of over HK\$1 billion, and they are not involved in other administrative functions of the Group but responsible for investment decision and managing the investment portfolios. Based on the aforesaid, we are of the view that Mr. Ng and Ms. Shum will have time and experience to manage the investments so as to diversify the portfolio risks.

As stated in the section headed “Historical financial information” above, the Group recorded profit attributable to the equity holders of the Company for the year ended 31 December 2013 and the six months ended 30 June 2014 which was due to profitable investments made on the listed securities. After our discussion with the management of the Company, we noted that given the positive financial performance of the Group recently, the Group has considered to expand its investment portfolio by making new investments. However given the current cash and bank balances of the Group of approximately HK\$6.84 million as at 30 November 2014 per the latest consolidated management account provided by the Company, the Group does not have sufficient internal resources to expand its investment portfolio in order to capture the potential return of the investments. As stated in the Letter from the Board, since 2014, the average size of an unlisted investment made by the Group is approximately HK\$100 million. In addition, the conditions or sentiment of capital markets are volatile and keep changing, should an unlisted and/or listed investment opportunities arise, investment decisions have to be made promptly. If the Group does not have sufficient resources to finance such investment opportunities, the Group may lose the chance to capture the growth of the investments. Therefore, we are of the view that the Group is in the genuine need for funding for their potential investment in listed and unlisted securities as investment opportunities may not be available for a period of time or wait until the Group has obtained sufficient funding. Sufficient funding can allow the Group to respond promptly should such investment opportunities arise.

Assuming all the Qualifying Shareholders taking up their entitlements under the Open Offer, the Company will receive gross proceeds of approximately HK\$372.5 million (assuming no further Shares and/or Consolidated Shares are issued or repurchased on or prior to the Record Date) and the estimated net proceeds of the Open Offer will be approximately HK\$362.0 million. The Company intends to apply such net proceeds from the Open Offer in the following manner:

1. approximately HK\$170.0 million for investment in listed securities in various industries including but not limited to natural resources, health and pharmaceutical, forestry, retail, communication technology, media, online and mobile game businesses, financial institutions, software and information technology, and manufacture of juvenile and infant products;

LETTER FROM VINCO CAPITAL

2. approximately HK\$170.0 million for investment in unlisted securities in various industries including but not limited to natural resources, health and pharmaceutical, forestry, retail, communication technology, media, online and mobile game businesses, financial institutions, software and information technology, manufacture of juvenile and infant products, and elderly care related business; and
3. approximately HK\$22.0 million for general working capital of the Group for the coming two years.

We noted that the vast majority (i.e. approximately 93.9%) of the estimated net proceeds will be utilized to invest in listed and unlisted securities in various industries as mentioned above. After our discussion with the management of the Group and making reference to the investment policies adopted by the Company as stated in Appendix IV of the Circular, we noted that investment will 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. As such, we are of the view that the proposed investments are mostly in line with the Company's investment policies. In addition, as discussed in the above section headed "Historical financial information", the Group recorded profit attributable to equity holders of the Company for the year ended 31 December 2013 and the six months ended 30 June 2014. The profit was due to realised gain on disposal of listed securities and fair value gain on listed investments at fair value through profit and loss. As advised by the Directors, such realised gain and fair value gain was due to profitable investments made on the listed securities.

As stated in the Letter from the Board, save for the online and mobile game business and elderly care related business, the Company has experience in investing in other target industries. Regarding the online and mobile game business, as stated in the report published by PricewaterhouseCoopers in June 2014, Global entertainment and media outlook: 2014-2018, global mobile games revenue is forecasted to reach US\$15 billion by 2018, rising at a CAGR of 9.6% while China, Japan and the United States are key markets. Rising smartphone ownership is increasing access to mobile games globally and has enabled innovation in gameplay and business models. The gaining popularity of smartphones are bringing the positive effect on the online and mobile game. As such, we consider that the online and mobile game business may have high growth potential given the fact that a number of companies in this sector are being listed on the Stock Exchange in recent years.

Regarding the elderly care related business, as stated in the Letter from the Board, ageing population is one of the major issues of both the PRC and Hong Kong. According to the Hong Kong Monthly Digest of Statistics: November 2014 published by Census and Statistics Department, Hong Kong Special Administrative Region, the median age of the population increased from 26.7 in 1982 to 43.8 in 2014. The Hong Kong population is expected to remain on an ageing trend. The median age of the population is projected to

LETTER FROM VINCO CAPITAL

be 51.8 by 2040. China also experienced in ageing population. According to the press release published by Ministry of Civil Affairs of the People's Republic of China on February 2014, the population with aged 60 or above reached over 200 million, represents 14.9% of the total population, higher than the standard of 10% set by United Nations. Per the same press release, the PRC government has released a series of policies, including but not limited to financing, subsidies and deductions and exemptions of taxes, to speed up the development elderly care services and related industries. Based on aforesaid, we consider that investment in elderly care related business by the Group may be beneficial given the growth potential of such industry resulted from ageing population in Hong Kong and the PRC.

As such, we are of the view that applying most of the estimated net proceeds for (i) making further investments which are mostly in line with the Company's investment strategies and (ii) investment on the online and mobile game business and elderly care related business which may offer growth potentials to generate returns is in the ordinary course of business of the Company and in the interests of the Company and the Shareholders as a whole.

The remaining part of the estimated net proceeds (i.e. approximately 6.1%) is intended for general working capital of the Group. As discussed with the management of the Group, they intend to apply the remaining proceeds to different areas, including but not limited to directors' fee, salaries, investment management fee, audit fee, travelling expenses, rents and rates, etc.

As stated in the Letter from the Board, save for the aforesaid industry sectors, the Company has not identified any specific investment targets. In the event that suitable investments are not identified after completion of the Open Offer, the Company will place the proceeds from the Open Offer with financial institution in Hong Kong and such proceeds will be reserved for future investments when suitable investment opportunities arise.

Take into consideration of the funding needs of the Group to expand its fund size for investment purposes as mentioned above, we are of the view that the estimated net proceeds from the Open Offer will be utilized to invest in accordance to the investment objectives and policies of the Group and the intended utilization of the net proceeds from the Open Offer is fair and reasonable.

Financing alternatives

As stated in the Letter from the Board, the Company has not carried out any fund raising exercises in the past twelve months immediately preceding the Latest Practicable Date. After discussing with the management of the Group, we are given to understand that apart from the Open Offer, the management of the Group had also considered other means of fund raising, including alternative means of equity financing (such as rights issue or placement of Shares) and debt financing (such as

LETTER FROM VINCO CAPITAL

debt financing or bank borrowings). However, the Open Offer, which is on a fully underwritten basis, will remove a certain degree of uncertainty as compared to best-efforts placing. Although rights issue is similar to open offer and the rights issue enables the qualifying shareholders to trade in the nil-paid rights in the market for economic benefits. However, the arrangement for trading of the nil-paid rights arised from the rights issue, which would involve additional administration costs to the Group for trading of nil-paid rights and would require trading arrangements of the nil-paid rights with the share registrar and additional time for splitting and trading of nil-paid rights shares as well as reviewing relevant documents and liaising with other professional parties for such preparation and administration to be put in place to facilitate and administrate such trading, which in turn would require longer time to complete. In order to raise such large amount of proceeds from the Open Offer, the management of the Group are of the view that conducting the placement of Shares will not be fair to existing Shareholders as the potential Shareholders from the placement of Shares will result in an immediate dilution of existing shareholding interests in the Company. The management of the Group also considers that raising funds by way of the Open Offer is more cost-effective and efficient as compared to rights issue.

In addition to the equity financing, the Directors are also of the opinion that bank borrowing and/or debt financing will usually incur interest burden on the Group and may not be achievable on favourable terms on a timely basis, due to possibility of being subject to, including but not limited to, lengthy due diligence and negotiations with banks as well as pledge of assets by the Group. Given the fluctuating financial performance of the Group, the Directors are of the view that it may be difficult to obtain bank borrowings/debt financing with terms which the management of the Group consider acceptable to the Group, and incurring additional debts will increase the Group's liabilities burden. In addition, as discussed with management of the Company regarding the combination of funding measures in the form of both consideration issue and/or promissory note, we noted that the consideration issue will bring dilution effect to the existing Shareholders while the issue of promissory notes or other means of debt instrument will incur liabilities and may have interest burden to the Group. As such, we consider that (i) the other means of equity financing other than open offer, (ii) debt financing and (iii) combination of equity and debt financing are not fair and reasonable to the Shareholders, hence, we are of the view that the Open Offer is a suitable source of financing over the aforementioned alternatives. In addition, we have discussed with the management of the Group regarding the current structure of the Open Offer. The management of the Group are of the view that by increasing the Subscription Price and lowering the allotment ratio, the attractiveness of the Qualifying Shareholder to subscribe for the Offer Shares will decrease. Given that a deep discount of the Subscription Price (i) can provide an incentive for the Qualifying Shareholders to subscribe for the Offer Shares as the Company has funding needs to raise such amount of proceeds to finance the investments and (ii) are in line with the market practice as discussed in the section headed "Comparison with other open offer" below, we are of the view that the current structure of the Open Offer is fair and reasonable.

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Having considered that (i) the estimated proceed from the Open Offer will be utilized to finance for the investment which is mostly in line with the Group's investment objectives and policies; (ii) the Open Offer will strengthen the Group's capital base and enhance its financial position; (iii) the Open Offer allow the Qualifying Shareholders to maintain their respective pro rata shareholding interest and an equal opportunity to participate in the enlargement of the capital base of the Company; and (iv) the Open Offer is a preferred source of financing over other alternative fund-raising methods, we are of the view that raising funds by means of an open offer is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Open Offer

The table below summaries the issue statistics of the Open Offer:

Basis of the Open Offer	:	Four (4) Offer Shares for every one (1) Consolidated Share held on the Record Date
Subscription Price	:	HK\$0.16 per Offer Share
Number of Shares in issue as at the Latest Practicable Date	:	5,821,056,025 Shares
Number of Consolidated Shares in issue immediately upon the Share Consolidation having become effective	:	582,105,602 Consolidated Shares (assuming no further issue of Shares or repurchase of Shares up to the effective date of the Share Consolidation)
Number of Offer Shares	:	2,328,422,408 Offer Shares (assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before the Record Date)

The aggregate nominal value of the Offer Shares is HK\$46,568,448.16

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

LETTER FROM VINCO CAPITAL

Assuming no further issue of new Shares and/or Consolidated Shares and/or repurchase of Shares and/or Consolidated Shares on or before the Record Date, 2,328,422,408 Offer Shares will be issued and allotted representing approximately 400% of the issued share capital of the Company immediately after the Share Consolidation and approximately 80% of the issued share capital of the Company as enlarged by the Offer Shares.

Subscription Price

The Subscription Price of HK\$0.16 per Offer Share will be payable in full upon application by a Qualifying Shareholder. The Subscription Price represents:

- (a) a discount of approximately 78.08% to the closing price of HK\$0.730 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (b) a discount of approximately 77.21% to the average closing price of approximately HK\$0.702 per Consolidated Share for the last 5 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (c) a discount of approximately 78.23% to the average closing price of approximately HK\$0.735 per Consolidated Share for the last 10 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (d) a discount of approximately 41.61% to the theoretical ex-entitlement price (assuming there is no new Shares and/or Consolidated Shares issued by the Company and there is no Shares and/or Consolidated Shares being repurchased by the Company from the Latest Practicable Date up to the Record Date) of approximately HK\$0.274 per Consolidated Share based on the closing price of HK\$0.730 per Share as quoted on the Stock exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (e) a discount of approximately 60.98% to the closing price of HK\$0.41 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation; and
- (f) a discount of approximately 85.2% to the unaudited consolidated net assets value per Consolidated Share of approximately HK\$1.08 as at 30 November 2014 (based on 582,105,602 Consolidated Shares in issue as at the Last Trading Day and adjusted for the effect of the Share Consolidation).

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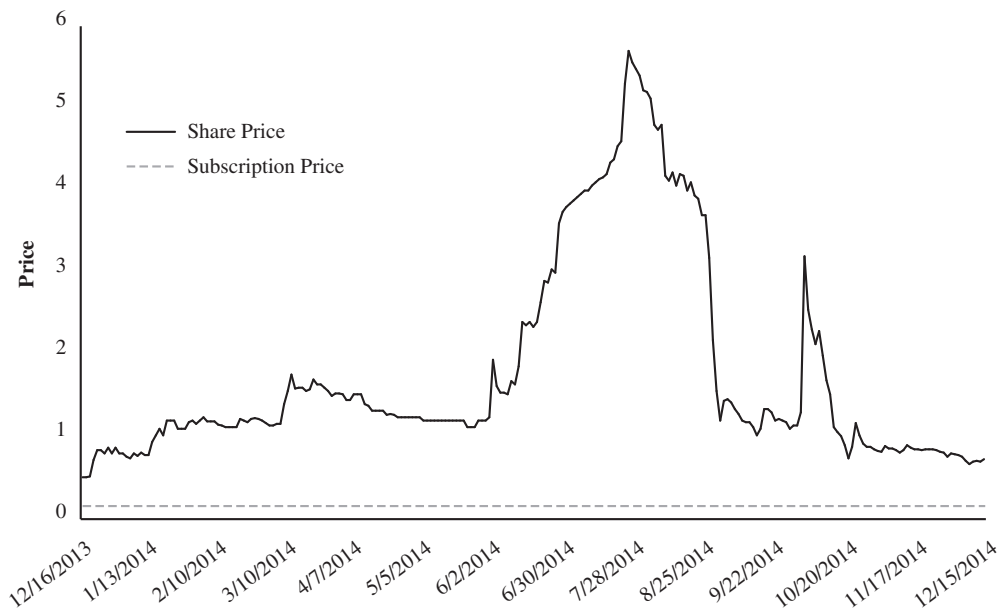
As stated in the Letter from the Board, the Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price of the Shares under the prevailing market conditions and the financial position of the Group.

In order to assess the fairness and reasonableness of the Subscription Price, we compared the Subscription Price with reference to (i) the recent price performance of the Shares (adjusted for the effect of the Share Consolidation) and trading liquidity of the Company; and (ii) the market comparables analysis, as follows:

Share prices and trading liquidity of the Company

We have reviewed the closing prices and the trading liquidity of the Shares during the twelve-month period from 16 December 2013, up to and including 15 December 2014, being the Last Trading Day and the date of the Underwriting Agreement, (the "**Review Period**"). During the Review Period, the Company had completed (i) share subdivision with each be subdivided into five subdivided shares and (ii) the issue of bonus shares on a basis of four bonus shares with one share held. Adjustment to the Share price has been made taking into account of the share subdivision and the issue of bonus shares and assuming the Share Consolidation has been effective since the beginning of the Review Period.

Daily closing price of the Shares during the Review Period (Adjusted to the effect of the Share Consolidation)



Source: The Stock Exchange

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				Number of issued Shares as at end of the period/ month	Approximately % of average daily trading volume to the then total number of issued Shares as at end of the period/month <i>(Note 3)</i>
	Total	Number of trading days	Average Daily Volume		
2013			(Shares)	(Shares)	
December <i>(Note 1)</i>	6,442,209	10	644,221	232,842,241	0.28%
2014					
January	3,460,116	21	164,767	232,842,241	0.07%
February	1,527,966	19	80,419	232,842,241	0.03%
March	2,627,447	21	125,117	232,842,241	0.05%
April	2,703,866	20	135,193	232,842,241	0.06%
May	80,526	20	4,026	232,842,241	0.002%
June	38,845,625	20	1,942,281	1,164,211,205	0.17%
July	22,837,510	22	1,038,069	1,164,211,205	0.09%
August	107,849,700	21	5,135,700	1,164,211,205	0.44%
September	732,761,695	21	34,893,414	1,164,211,205	3.00%
October	8,907,627,530	20	445,381,377	5,821,056,025	7.65%
November	3,512,050,500	20	175,602,525	5,821,056,025	3.02%
December <i>(Note 2)</i>	959,631,510	11	87,239,228	5,821,056,025	1.50%

Source: The Stock Exchange

Notes:

1. The Review Period commenced on 16 December 2013.
2. The Review Period ended on 15 December 2014.
3. Based on the total number of issued Shares as at end of the period/month.

For illustrative purpose, we have adjusted the closing price of the Share and assumed that the Share Consolidation took effect from the beginning of the Review Period. As shown in the chart above, the daily closing price of the Shares during the Review Period ranged from a low of HK\$0.51 per Share on 16 December 2013 and 17 December 2013 to the high of HK\$5.7 per Share on 28 July 2014. The average closing price of Shares within the Review Period was approximately HK\$1.78 per Share, and the Subscription Price represents a discount of approximately 91.0% to the average closing price of Shares within the Review Period. The Subscription Price represents a discount to the closing price of the Shares throughout the Review Period and to the average closing price of Shares. We noted that the Share price substantially increased from June to July in 2014. We also noted that in 10 July 2014, the Company announced positive profit alert and the Group is expected to record a substantial consolidated net profit for the interim period ended 30 June 2014 as compare to the unaudited consolidated net loss for the same period in 2013. However, the Share price did not sustain and decreased significantly in August. Further, the Share price fluctuated in October. As discussed with the management of the Group, they are not aware of any reasons for the fluctuation in the Share price during the Review Period.

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Regarding the liquidity of the Shares, as shown in the table above, the highest average daily turnover was approximately 445.4 million Shares in October 2014, representing approximately 7.65% of the total number of issued Shares as at the end of October 2014. After the discussion with the management of the Company, we noted that they were not aware of any reasons for the increase in trading volumes in October 2014. During the Review Period, the trading liquidity of the Shares were very thin from December 2013 to August 2014, with less than 1% to the then total number of issued Shares as at the end of the period/month. The trading volume then increased from September 2014 to October 2014 but then decreased until the end of the Review Period.

As discussed section headed “Comparison with other open offer” below, we noted that it is a common market practice that, in order to enhance the attractiveness of an open offer to existing shareholders, the subscription price represents a discount to the prevailing market prices of the relevant shares. As such, we consider that the setting of the Subscription Price at a discount to the closing price of the Shares (adjusted by taking into effect of the Share Consolidation) at the last trading date prior to the open offer announcement and the Latest Practicable Date is in line with general market practice.

Comparison with other open offer

To further assess the fairness and reasonableness of the Open Offer, we have selected and identified a list of 14 open offers conducted by companies (the “**Comparables**”) listed on the Stock Exchange for the three months period from 16 September 2014 up to and including the Last Trading Day (the “**Comparable Period**”), which is considered to be exhaustive, for comparison purpose. We are of the view that the Comparable Period would provide us with the recent relevant information on the market sentiment, which plays an important role in the determination of the subscription price of an open offer in general. We also noted that the business activities of the Comparables are not directly comparable to those carried out by the Group and the terms of the open offer of the Comparables may vary from companies with different financial standings, business performance and future prospects. Since the Comparables are the most recent open offer transactions announced to the public, we consider that the Comparables could represent the recent trend of the open offer transactions in the prevailing market condition and

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could provide a general reference for the terms of the Open Offer. Our relevant findings are summarised in the table below:

Date of announcement	Company	Stock code	Basis of entitlement	Excess application	Premium/ (Discount) of subscription price to/over the closing price on the last trading date prior to the release of the open offer announcement (Approximate %)	Premium/ (Discount) of subscription price to/over the theoretical entitlement price on the last trading date prior to the release of the open offer announcement (Approximate %)	Underwriting Commission (%)
5/12/2014	Man Sang International Limited	938	1 for 2	No	(11.39)	(7.94)	1.5
4/12/2014	Kith Holdings Limited	1201	1 for 2	Yes	(1.43)	0.00	0% & HK\$50,000 (Note 1)
25/11/2014	Mastermind Capital Limited	905	1 for 2	No	(13.46)	(9.46)	3.5
21/11/2014	New Times Energy Corporation Limited	166	1 for 2	No	(53.42)	(43.33)	2.5
17/11/2014	Vitop Bioenergy Holdings Limited	1178	1 for 2	No	(81.13)	(74.16)	3.5
10/11/2014	China Best Group Holdings Limited	370	1 for 2	No	(39.76)	(30.56)	2.5
7/11/2014	Allied Cement Holdings Limited	1312	1 for 2	No	(52.38)	(42.31)	2.5
27/10/2014	China Fortune Investments (Holding) Limited	8116	2 for 1	No	(58.16)	(31.65)	3.0
24/10/2014	Sage International Group Limited	8082	2 for 1	No	(56.99)	(30.63)	2.0
24/10/2014	Heng Tai Consumables Group Limited	197	1 for 5	Yes	(37.50)	(33.30)	0.00
24/10/2014	Yueshou Environmental Holdings Limited	1191	1 for 1	No	(54.75)	(37.69)	2.0
9/10/2014	Sustainable Forest Holdings Limited	723	1 for 6	No	(86.63)	(61.85)	2.5
24/9/2014	Van Shung Chong Holdings Limited	1001	1 for 2	No	(63.24)	(53.42)	2
23/9/2014	Artini China Co. Ltd.	789	3 for 1	Yes	(78.00)	(46.90)	1
		Maximum			(1.43)	0.00	3.50
		Minimum			(86.63)	(74.16)	0.00
		Average			(52.07)	(38.10)	2.04
	The Company		4 for 1	No	(78.08)	(41.61)	2.5

Source: The Stock Exchange

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Note:

1. There are two underwriters for the open offer conducted by this comparable. The underwriting commissions to the two underwriters are 0% and HK\$50,000 respectively. The aggregate of HK\$50,000 commission is used to calculate the commission rate based on the gross proceeds of the open offer (i.e. 0.06%). Therefore, 0.06% has been used for the analysis of the maximum, minimum and mean of the underwriting commission of the Comparables.

Based on the above table, we noted that (i) the subscription prices to the closing price on the last trading day prior to the open offer announcement of the Comparables ranged from a discount of 1.43% to a discount of 86.63%, with the mean at discount of approximately 52.07%. The discount of the Subscription Price of the Open Offer to the closing price of the Consolidated Shares on the Last Trading Day and adjusted for the effect of the Share Consolidation is approximately 78.08%, which represents within the range and higher discount than the mean of the Comparables; and (ii) the subscription prices to the theoretical ex-entitlements prices per share based on the last trading day prior to the open offer announcement of the Comparables ranged from 0.00% to a discount of 74.16%, with the mean at discount of approximately 38.10%. The discount of the Subscription Price of the Open Offer to the theoretical ex-entitlement price per Consolidated Share of 41.61%, based on the closing price of the Consolidated Shares on the Last Trading Day and adjusted for the effect of the Share Consolidation, are within the range of the Comparables and higher than average of the Comparables.

We noted that the discount of the Subscription Price and the theoretical ex-entitlement price are higher than the average of the Comparables, however, having considered that (i) the section headed in “Reasons for the Open Offer and proposed use of proceeds”; (ii) the discount represented by the Subscription Price to the closing price of the Consolidated Shares on the Last Trading Day (adjusted for the effect of the Share Consolidation) falls within the relevant range of the Comparables; (iii) the discount represented by the Subscription Price to the theoretical ex-entitlement price of the Consolidated Shares on the Last Trading Day (adjusted for the effect of the Share Consolidation) falls within the relevant range of the Comparables; (iv) the common practice by the Comparables to set their subscription prices of their open offer at a discount to the prevailing market prices of the relevant shares before the relevant announcements; (v) all Qualifying Shareholders are offered an equal opportunity to subscribe for the Offer Shares at the Subscription Price which represents discount to market price; (vi) it is common for the listed issuers in Hong Kong to offer large discount of the subscription prices to the shareholders in order to increase the attractiveness of an open offer exercise; and (vii) the possibility of participating in the future benefits which may be brought by the Group for investing in the listed and unlisted securities, we are of the view that the discount of the Subscription Price is fair and reasonable, and thus is in the interests of the Company and the Shareholders as a whole.

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4. No application for excess Offer Shares

As stated in the Letter from the Board, no Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to his/her/its entitlement. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application and will be taken up by the Underwriter.

The Directors hold the view that the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholding in the Company and to participate in the future growth and development of the Group. After arm's length negotiations with the Underwriter, and taking into account that the related administration costs would be lowered in the absence of excess applications, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders.

After reviewing the announcement and/or the circulars of the Comparables in relation to the open offer, we noted that the above practice (i) is in line with the market practice (i.e. 11 out of 14 Comparables had no excess application for their open offer exercises); (ii) is able to lower the related administration costs in the absence of excess applications; and (iii) allows the Qualifying Shareholders to maintain their respective pro rata shareholding, we are of the view that such arrangement is fair and reasonable to the Company and the Shareholders as a whole.

5. Underwriting Agreement

Based on the Underwriting Agreement, the Company will pay the Underwriter 2.5% of the aggregate Subscription Price of the maximum amount of Offer Shares agreed to be underwritten by the Underwriter as determined on the Record Date. With reference to the above paragraph headed "Comparison with other open offer", the underwriting commission of the Comparables ranged from nil to 3.5% with a mean of 2.04%. On this basis, we noted the commission is higher than the mean but falls within the range of the commission of the Comparables. As such, we are of the view that the commission charged by the Underwriter is under normal commercial terms and is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

6. Termination of the Underwriting Agreement

It should also be noted that the Open Offer would not proceed if the Underwriter exercises their termination rights under the Underwriting Agreement. Details of the provisions granting the Underwriter such termination rights are included in the Letter from the Board section headed "Termination of the Underwriting Agreement". After reviewing the announcement and/or the circulars of the Comparables, we consider such provisions are on normal commercial terms and in line with the market practice.

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7. Dilution effects of the Open Offer on shareholding interests

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Share Consolidation but before completion of the Open Offer; and (iii) immediately after completion of the Open Offer:

	As at the Latest Practicable Date		Immediately after the Share Consolidation but before completion of the Open Offer		Immediately after completion of the Open Offer assuming			
					All Offer Shares are subscribed for by the Qualifying Shareholders		None of Offer Shares are subscribed for by the Qualifying Shareholders	
	Number of Shares	%	Number of Consolidated Shares	%	Number of Consolidated Shares	%	Number of Consolidated Shares (Note 1)	%
Underwriter, sub-underwriters and subscribers procured by them (Note 2)	–	–	–	–	–	–	2,328,422,408	80%
Public Shareholders	5,821,056,025	100%	582,105,602	100%	2,910,528,010	100%	582,105,602	20%
Total	5,821,056,025	100%	582,105,602	100%	2,910,528,010	100%	2,910,528,010	100%

Notes:

- This scenario is for illustrative purpose only and will never occur. The Underwriter hereby undertakes with the Company that (i) it shall use all reasonable endeavours to provide that each of the subscribers or purchasers of Underwritten Shares shall be third parties independent of, not acting in concert with and shall not be connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; (ii) the Underwriter will enter into sub-underwriting agreements such that none of the Underwriter and the sub-underwriters (together with parties acting in concert with each of them) will hold 29.9% or more of the issued share capital of the Company immediately after the Open Offer; and (iii) the Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Offer Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the Open Offer.
- On 16 December 2014, the Underwriter has entered into separate sub-underwriting agreements (collectively, the “**Sub-Underwriting Agreements**”) with 13 sub-underwriters (collectively, the “**Sub-Underwriters**”), which consist of individuals, companies and one sub-underwriting agent, HEC Securities Limited (the “**Sub-Agent**”), in respect of the sub-underwriting of all the Underwritten Shares. The Underwritten Shares have been sub-underwritten as to (i) approximately 26.84% by the Sub-Agent; and (ii) approximately 73.16% by the remaining 12 Sub-Underwriters (the “**Other Sub-Underwriters**”) in aggregate. The Sub-Agent is a licensed corporation which conducts Type 1 (dealing in securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO as its principal business. Each of the Sub-Underwriters are Independent Third Parties. The Sub-Underwriters shall procure independent placees to take up such number of Offer Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the Open Offer. The sub-underwriting commitments of each of the Other Sub-Underwriters pursuant to the terms of their respective Sub-Underwriting Agreements are all less than 5% of the issued share capital of the Company as enlarged by the Open Offer. As such, the underwriting commitments of the Other Sub-Underwriters will be counted towards the public float.

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As stated from the Letter from the Board, pursuant to the Underwriting Agreement, the Underwriter undertakes with the Company that (i) it shall use all reasonable endeavours to provide that each of the subscribers or purchasers of Underwritten Shares procured by it shall be third parties independent of, not acting in concert with and shall not be connected with the Directors, chief executive or substantial Shareholders or their respective associates; (ii) the Underwriter will enter into sub-underwriting agreements such that none of the Underwriter and the sub-underwriters (together with parties acting in concert with each of them) will hold 29.9% or more of the issued share capital of the Company immediately after the Open Offer; and (iii) the Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Offer Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the Open Offer.

The Independent Shareholders who are Qualifying Shareholders should note that, if they decide to subscribe for their full provisional allotment entitlements of the Offer Shares, there would not be any dilution effect on their shareholding interests in the Company. However, we would like to draw the Qualifying Shareholders' attention to the fact that, for those Qualifying Shareholders who do not wish to take up all or part of their provisional allotment entitlements to the Offer Shares, their corresponding interest in the Company will be diluted. In view that the Company sets the Subscription Price at a substantial discount, the Qualifying Shareholders are more likely to be attracted to participate in the Open Offer so as their shareholding are not to be diluted. Nevertheless, if all the Qualifying Shareholders (other than the Underwriters) still decide not to take up the provisional allotments of the Open Offer and the Underwriter has taken up all the provisional allotments in its capacity as the Underwriter, the percentage of shareholding of the existing Shareholders will be reduced from 100% to 20%.

Having considered that (i) the intended use of proceeds from the Open Offer will enable the Group to strengthen its capital base and to invest in listed and unlisted securities, which is part of the Group's principal activities; (ii) lower subscription price which represents discount to the Share price as at the Last Trading Day and to the theoretical ex-entitlement price may likely to attract the Qualifying Shareholders to participate in the Open Offer; (iii) the inherent dilutive nature of open offer is a general market practice; and (iv) the Open Offer are on the basis that all Qualifying Shareholders have been offered the same opportunity to maintain their proportional interests in the Company, we are of the view that the potential dilution effect on the shareholding is fair and reasonable to the Independent Shareholders and is not prejudicial to the Independent Shareholders' interests in the Company if they choose to subscribe for their full entitlement of the Offer Shares under the Open Offer.

8. Financial effects of the Open Offer

(a) Net assets value

With reference to the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as set out in the Appendix II to the Circular, the unaudited consolidated net tangible assets value of the Group attributed to the equity shareholders of the Company was HK\$672,867,000 as at 30 June 2014. After taking into account the net proceeds from the Open Offer, the unaudited pro forma adjusted consolidated net tangible assets value of the Group attributed to the equity shareholders of the Company will be raised to HK\$1,034,915,000.

The consolidated net tangible assets value per Share of the Group attributed to the equity shareholders of the Company as at 30 June 2014 was approximately HK\$0.58 per Share. After the adjustment by the bonus issue of four bonus share for every one existing share, the unaudited adjusted consolidated net tangible assets value per Share of the Group attributed to the equity shareholders of the Company after the bonus issue will be approximately HK\$0.12 per Share. Taking into effect of the Share Consolidation, the unaudited adjusted consolidated net tangible assets value per Share of the Group attributed to the equity shareholders of the Company after the bonus issue will be approximately HK\$1.16 per Share. Upon completion of the Open Offer, the total number of Consolidated Shares shall be increased to 2,910,528,010 Shares, the unaudited pro forma adjusted consolidated net tangible assets per Share attributed to the equity shareholders of the Company will be approximately HK\$0.36 per Share. This represents a decrease from HK\$0.58 per Share for consolidated net tangible assets value per Share of the Group attributed to the equity shareholders of the Company as at 30 June 2014.

(b) Working capital

With reference to the Annual Report, the audited net current assets of the Group was HK\$180,915,035 as at 31 December 2013. Immediately after completion of the Open Offer, the net current assets of the Group would increase by not less than HK\$362 million. In this regard, we are of the view that the Open Offer will improve the liquidity position of the Group.

Based on the foregoing, although the unaudited net tangible assets value per Share of the Group attributed to the equity shareholders of the Company will be diminished, the Open Offer will enhance the net assets value of the Group and improve the liquidity position of the Group. Hence, we are of the view that the Open Offer is in the interest of the Company and the Shareholders as a whole.

9. Connected Transaction

At the time of entering into the Underwriting Agreement, EIML was the investment manager of the Company. EIML ceased to be the investment manager of the Company with effect from 1 January 2015, details of which are disclosed in the announcement of the Company dated 31 December 2014. EIML is wholly owned by the Underwriter. The Underwriter is therefore a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules at the time of entering into the Underwriting Agreement.

The Underwritten Shares Issue in accordance with the Underwriting Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.92(2)(b) of the Listing Rules, such issue is fully exempt from the relevant requirements under Chapter 14A of the Listing Rules if Rule 7.26A of the Listing Rules is complied with. Given that (i) there is no excess application for the Offer Shares under the Open Offer, as such it does not fulfill Rule 7.26A(1) of the Listing Rules; and (ii) as the Open Offer is underwritten by the Underwriter, which is not a director, chief executive or substantial Shareholder (or an associate of any of them), the EA Absence will not be subject to the approval of the Shareholders as required by Rule 7.26A(2) of the Listing Rules. Based on the aforesaid, the Open Offer does not fulfill Rule 7.26A of the Listing Rules and hence the Underwritten Shares Issue does not fulfill Rule 14A.92(2)(b) of the Listing Rules. In this connection, the Underwritten Shares Issue will be subject to reporting, announcement and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Any Shareholder who has a material interest in the Underwritten Shares Issue must abstain from voting at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting in relation to the Underwritten Shares Issue at the EGM.

As discussed in the above sections headed "No application for excess Offer Shares", "Underwriting Agreement" and "Termination of the Underwriting Agreement", we are of the view that the terms of the Underwriting Agreement including the commission rate, conditions of the Underwriting Agreement and the conditions for termination of the Underwriting Agreement are in line with the recent market practice and are on normal commercial terms and are fair and reasonable to the Company and the Shareholders as a whole. In addition, Independent Shareholders should note that if all the Qualifying Shareholders decide to subscribe for their full provisional allotment entitlements of the Offer Shares, the Underwriter will not be subject to the allotment and issue of the Offer Shares in accordance with the Underwriting Agreement. Furthermore, as discussed above, the Open Offer will (i) replenish the capital base, net asset value of the Group and enhance the financial position of the Company; (ii) allow the Qualifying Shareholders to maintain their respective pro rata shareholding in the Company and to participate in the future growth and development of the Group; and the intended use of proceeds will be utilized to invest the listed and unlisted securities in accordance to the investment objectives and policies of the Group, therefore, we consider that the Underwritten Shares Issue is fair and reasonable to the Company and the Shareholders as a whole.

LETTER FROM VINCO CAPITAL

D. CONCLUSION

Having taken into consideration of the following principal factors and reasons regarding the Open Offer and the Underwritten Shares Issue including:

- (a) the net proceeds from the Open Offer will enhance the capital base as well as to finance the investment in listed and unlisted securities in accordance to the investment objectives and policies of the Group;
- (b) the Open Offer would be a preferred method of equity financing as it will allow all the Qualifying Shareholders to maintain their proportionate interests in the Company and to participate in the future growth and development of the Company;
- (c) the discount of the Subscription Price falls within the range of the discount of the subscription prices of the Comparables;
- (d) the major terms and conditions of the Underwriting Agreement is in line with the market practice;
- (e) the dilution effect is not prejudicial to the Independent Shareholders' interests in the Company if they choose to subscribe for their full entitlement of the Offer Shares under the Open Offer;
- (f) the Open Offer will enhance the net assets value of the Group and improve the liquidity position of the Group; and
- (g) the Underwritten Shares Issue is fair and reasonable to the Company and the Shareholders as a whole,

we are of the view that the terms of the Open Offer and the Underwritten Shares Issue are in the ordinary and usual course of business of the Group, on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Open Offer and the connected transaction in relation to the Underwritten Shares Issue.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Grand Vinco Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for the year ended 31 December 2011, the year 31 December 2012, the year ended 31 December 2013 and the six month ended 30 June 2014 are disclosed on pages 36-103 of the 2011 annual report published on 26 April 2012, pages 40-107 of the 2012 annual report published on 22 March 2013, pages 42-107 of the 2013 annual report published on 3 April 2014 and pages 4-23 of the 2014 Interim Report published on 8 September 2014 respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.unity913.com). Please refer to the hyperlinks as stated below:

2011 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0426/LTN20120426854.pdf>

2012 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0322/LTN20130322441.pdf>

2013 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0403/LTN20140403620.pdf>

2014 interim report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0908/LTN20140908484.pdf>

2. INDEBTEDNESS STATEMENT

As at 15 December 2014, apart from intra-group liabilities, the Company did not have any other outstanding bank or other borrowings, mortgages, charges, debentures or other loan capital, bank overdrafts, loans or other similar indebtedness, guarantee, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase or other finance lease commitments or other contingent liabilities.

The Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Company since 15 December 2014 up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances and other internal resources available and also the estimated net proceeds from the Open Offer, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2013, being the date to which the latest published audited financial statements of the Group was made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Company is an investment company and its shares are listed on the Main Board of the Stock Exchange since 27 October 1999, pursuant to Chapter 21 of the Listing Rules. The Group will remain principally engaged in listed investments in Hong Kong, other major stock markets around the world, and in unlisted companies to achieve medium-term or long-term capital appreciation.

The US Federal Reserve continue to taper to US\$10 billion from its quantitative easing program at each FOMC meeting during the first half of 2014, but has ended the whole program in October 2014. FOMC anticipated in its October 2014 meeting, based on its current assessment, that it likely would be appropriate to maintain the 0 to 1/4 percent target range for the federal funds rate for a considerable time following the end of its asset purchase program in October 2014, especially if projected inflation continues to run below the FOMC's 2 percent longer-run goal, and provided that longer-term inflation expectations remain well anchored. However, if incoming information indicates faster progress toward the FOMC's employment and inflation objectives than the FOMC expects, then increases in the target range for the federal funds rate are likely to occur sooner than currently anticipated. Conversely, if progress proves slower than expected, then increases in the target range are likely to occur later than currently anticipated.

In June 2014, the European Central Bank ("ECB") continued to cut its refinancing rate by 10 basis points to a 0.15% and further to 0.05%, a historic low in September 2014 and made an unprecedented move to cut its deposit rate. From November 2014 onwards, ECB began to charge banks 0.20% to park funds at the central bank. The ECB President, Mario Draghi, said officials were unanimous in pushing for more stimulus if needed, and staff at the ECB have been asked for further easing.

In order to achieve the 7.5% GDP growth target in 2014, the Chinese government are implementing mini-stimulus plans in the first half of 2014, including: (i) increase railway infrastructure capex by RMB80 billion to RMB800 billion; (ii) PBoC has cut the RRR for rural commercial banks and banks with new loans to farm sector exceeded 50% of total new lending for 2014; and (iii) partial relaxation on home purchase restriction on certain provinces and cities. China's economic growth in the third quarter of 2014 beat general analysts' estimates last quarter as export demand quickened and services expanded, bolstering the government's case for avoiding broader stimulus measures. Gross domestic product rose 7.3% in the July-September period from a year earlier, the statistics bureau said in October 2014. However, it was also the slowest expansion since the first quarter of 2009.

After the end of a quantitative easing program in the last quarter of this year, there is a risk of an early rate hike in 2015, in order to tackle the hidden inflation risk in the US. Additionally, withdrawing excess liquidity may affect the US economy recovery pace and thus increase the uncertainty of investment environment in the year of 2015. Even so, further easing in Europe and continuing economic growth in China still maintain good environment for investments. Therefore, the Board will continue to monitor the market dynamics and adopt a conservative but proactive approach on investment, so as to further enhance value for the Shareholders.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The unaudited pro forma financial information of the Group (the “**Unaudited Pro Forma Financial Information**”) attributable to equity shareholders of the Company is prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the proposed Share Consolidation for every ten issued Share consolidated into one Consolidated Share and the proposed Open Offer on the basis of four Offer Shares for every one existing Share held on the Record Date at HK\$0.16 per Offer Share on the consolidated net tangible assets of the Group as if the Share Consolidation and Open Offer had been completed on 30 June 2014.

The Unaudited Pro Forma Financial Information of the Group is prepared for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Share Consolidation and Open Offer as at the date to which it is made up or at any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets attributable to equity shareholders of the Company as at 30 June 2014 and adjusted to reflect the effect of the Share Consolidation and Open Offer.

	<i>Notes</i>	<i>HK\$</i>	No. of Shares outstanding	Per Share HK\$
Consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at 30 June 2014	<i>Note 1</i>	672,867,000	1,164,211,205	0.5780
Adjusted for bonus issue of four bonus shares for every one existing share (“ Bonus Issue ”)	<i>Note 2</i>	–	<u>4,656,844,820</u>	
Unaudited adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company after Bonus Issue	<i>Note 3</i>	<u>672,867,000</u>	<u>5,821,056,025</u>	0.1156

	<i>Notes</i>	<i>HK\$</i>	No. of Shares outstanding	Per Share HK\$
Effect on Share Consolidation	<i>Note 4</i>	672,867,000	582,105,602	1.1559
Estimated net proceeds from the Open Offer	<i>Note 5</i>	<u>362,048,000</u>	<u>2,328,422,408</u>	
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company after the completion of Share Consolidation and Open Offer	<i>Note 6</i>	<u>1,034,915,000</u>	<u>2,910,528,010</u>	<u>0.3556</u>

Notes:

- (1) The unaudited consolidated net tangible assets attributable to equity shareholders of the Company at 30 June 2014 is extracted from the published interim report of the Company for the period ended 30 June 2014.
- (2) Pursuant to the circular dated 12 September 2014, the Company issue bonus shares on the basis of four bonus share for every one existing share. Prior to the Bonus Issue, the number of Shares in issue was 1,164,211,205. Number of Shares in issue immediately upon the Bonus Issue is 5,821,056,025. No proceeds were received from the Bonus Issue.
- (3) The calculation of the unaudited adjusted consolidated net tangible assets attributable to owners of the Company after Bonus Issue per Share is based on the unaudited adjusted consolidated net tangible assets attributable to owners of the Company of HK\$672,867,000 after the completion of Bonus Issue and on the basis of 5,821,056,025 Shares in issue after the Bonus Issue.
- (4) The Company proposed to Share Consolidation on the basis of ten shares in issue consolidated into one Consolidated Share. Prior to the Share Consolidation, the number of Shares in issue was 5,821,056,025. Number of Shares in issue immediately upon the Share Consolidation is 582,105,602.
- (5) The estimated net proceeds from the issue of the Open Offer of HK\$362,048,000 are based on 2,328,422,408 Offer Shares to be issued at the Subscription Price of HK\$0.16 per Offer Share (on the basis of 2,328,422,408 Shares in issue as at the Latest Practicable Date) and after deduction of estimated related expenses of approximately HK\$10,500,000.
- (6) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share after completion of the Share Consolidation and Open Offer is calculated based on the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company after the completion of the Share Consolidation and Open Offer of HK\$1,034,915,000 and on the basis of 2,910,528,010 Shares in issue, representing an aggregate of 5,821,056,025 Shares in issue consolidated into 582,105,602 Consolidated Shares (calculated on the basis of 5,821,056,025 Shares in issue as at the Latest Practicable Date) issued under the Share Consolidation and 2,328,422,408 Offer Shares (on the basis of four Offer Shares for every one Consolidated Shares taken up) assuming the Share Consolidation and Open Offer have been completed on 30 June 2014.
- (7) No adjustment other than those adjusted above has been made to reflect any trading results or other transactions of the Group subsequent to 30 June 2014 except for the Bonus Issue stated in note 2 above.

**B. INDEPENDENT REPORT ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION
INCLUDED IN AN INVESTMENT PROSPECTUS**

The following is the text of a report received from the independent reporting accountants, Cheng & Cheng Limited, Certified Public Accountants, Hong Kong, prepared for the sole purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Company.

TO THE DIRECTORS OF UNITY INVESTMENTS HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Unity Investments Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors for illustrative purposes only. The pro forma financial information consists of the pro forma net assets statement as at 30 June 2014 and related notes as set out in section A of Appendix II of the investment circular issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in section A of Appendix II of the investment circular.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Share Consolidation and Open Offer on the Group's financial position as at 30 June 2014 as if the transaction had taken place at 30 June 2014. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the six months ended 30 June 2014, on which an unaudited interim report has been published.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the respective dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires

that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant transaction on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction at 30 June 2014 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the Group, the transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Cheng & Cheng Limited
Certified Public Accountants
Chan Shek Chi
Practising Certificate Number: P05540

23 January 2015

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors and the directors of the Investment Manager collectively and individually accept full responsibility, include particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors and the directors of the Investment Manager, 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.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

Authorised:

	<i>HK\$</i>
<u>1,000,000,000,000</u> Shares of HK\$0.002 each	<u>2,000,000,000.00</u>

Issued and fully paid or credited as fully paid:

	<i>HK\$</i>
<u>5,821,056,025</u> Shares of HK\$0.002 each	<u>11,642,112.05</u>

Immediately following the Share Consolidation becoming effective and completion of the Open Offer (assuming no further issue of new Shares or repurchase of Shares from the Latest Practicable Date to completion of the Open Offer) will be as follows:

Authorised:

	<i>HK\$</i>
<u>100,000,000,000</u> Consolidated Shares of HK\$0.02 each	<u>2,000,000,000.00</u>

Issued and fully paid or credited as fully paid:

		<i>HK\$</i>
582,105,602	Consolidated Shares of HK\$0.02 each in issue as at the effective date of the Share Consolidation	11,642,112.04
2,328,422,408	Offer Shares to be issued	46,568,448.16
<u>2,910,528,010</u>	Total	<u>58,210,560.20</u>

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date. All the Offer Shares when allotted, issued and fully paid, will rank pari passu in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Consolidated Shares in issue as at the date of allotment and issue of the Open Offer.

The Offer Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares, the Consolidated Shares or the Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangement under which future dividends are waived or agreed to be waived.

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

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought, on any other stock exchange.

3. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (“SFO”)

(including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Interest of substantial shareholders

As at the Latest Practicable Date, the Directors were not aware of any other person who had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

4. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors had any interest, either direct or indirect, in any assets which have, since 31 December 2013 (being the date to which the latest published audited accounts of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which is subsisting as at the date of this circular and is significant in relation to the business of the Group.

5. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

6. SERVICE CONTRACTS

Pursuant to the appointment letter dated 10 October 2014 entered into between Mr. Hung Cho Sing and the Company, Mr. Hung was appointed as an independent non-executive Director for a fixed term of three years commencing from 10 October 2014. His appointment shall be subject to retirement by rotation and re-election at general meeting of the Company in accordance with the articles of association of the Company. Mr. Hung is entitled to a monthly director's fee of HK\$10,000 and such remuneration is determined with reference to his responsibilities, the Company's remuneration policy and the prevailing market condition.

Pursuant to the appointment letter dated 10 October 2014 entered into between Mr. Chan Yik Pun and the Company, Mr. Chan was appointed as an independent non-executive Director for a fixed term of three years commencing from 10 October 2014. His appointment shall be

subject to retirement by rotation and re-election at general meeting of the Company in accordance with the articles of association of the Company. Mr. Chan is entitled to a monthly director's fee of HK\$10,000 and such remuneration is determined with reference to his responsibilities, the Company's remuneration policy and the prevailing market condition.

Pursuant to the appointment letter dated 19 December 2014 entered into between Ms. Chung Fai Chun and the Company, Ms. Chung was appointed as an independent non-executive Director for a fixed term of three years commencing from 19 December 2014. Her appointment shall be subject to retirement by rotation and re-election at general meeting of the Company in accordance with the articles of association of the Company. Ms. Chung is entitled to a monthly director's fee of HK\$10,000 and such remuneration is determined with reference to her responsibilities, the Company's remuneration policy and the prevailing market condition.

Save as disclosed in this section, as at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling Shareholder or their respective close associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

8. MATERIAL CONTRACTS

The following contracts (being contracts not entered into in the ordinary course of business of the Group) have been entered into by the members of the Group within two years immediately preceding the date of this circular and are or may be material:

- (a) the placing agreement dated 20 May 2013 entered into between the Company and Chung Nam Securities Limited relating to the placing of 38,807,040 new shares at HK\$0.69 per placing share;
- (b) the master transactions agreement in respect of investment management services entered into between the Company and EIML dated 21 March 2013;
- (c) the investment management agreement entered into between the Company and CES dated 6 January 2015; and
- (d) the Underwriting Agreement.

9. EXPERTS AND CONSENTS

The followings are the names and the qualifications of the professional advisers who have given opinions or advice which are contained or referred to in this document:

Name	Qualification
Cheng & Cheng Limited ("Cheng & Cheng")	Certified Public Accountants
Vinco Capital	licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, each of Cheng & Cheng and Vinco Capital had no beneficial interest in the share capital of any member of the Group nor any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group or have any interest, either directly or indirectly, in any assets which have been, since 31 December 2013, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

Each of Cheng & Cheng and Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its reports and/or its letters dated 23 January 2015 and/or references to its name and/or its advice in the form and context in which they respectively appear.

10. EXPENSES

The expenses in connection with the Open Offer, including underwriting commission, printing, registration, legal, accounting and financial adviser fees, are estimated to be approximately HK\$10.5 million and will be payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	Unit 1A, Edmund's Mansion 233-235 Fa Yuen Street Kowloon, Hong Kong

Company secretary	Mr. Ong King Keung, who is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has extensive experience in company secretarial practices in respect of listed companies.
Investment Manager	China Everbright Securities (HK) Limited 36/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Authorised representatives	Mr. Ng Chi Hoi Unit 1A, Edmund's Mansion 233-235 Fa Yuen Street Kowloon, Hong Kong Mr. Ong King Keung Unit 1A, Edmund's Mansion 233-235 Fa Yuen Street Kowloon, Hong Kong
Share registrar and transfer office in Hong Kong	Tricor Tengis Limited 22/F., Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited 1 Des Voeux Road Central Hong Kong Chong Hing Bank Limited Chong Hing Bank Centre 24 Des Voeux Rd. Central Hong Kong
Auditors	Mazars CPA Limited <i>Certified Public Accountants</i> 42nd Floor, Central Plaza 18 Harbour Road Wanchai Hong Kong

Reporting accountants	Cheng & Cheng Limited 10th Floor, Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong
Legal advisers to the Company in relation to the Open Offer	<i>As to Hong Kong law</i> Shum & Co. Room 2801-03, 28th Floor China United Centre 28 Marble Road North Point Hong Kong
Underwriter	Enerchine Securities Limited 25/F China United Centre 28 Marble Road North Point Hong Kong

12. PARTICULARS OF THE DIRECTORS

(a) Name and address of the Directors

Executive Directors

Name	Address
Mr. Ng Chi Hoi	Unit 1A, Edmund's Mansion 233-235 Fa Yuen Street Kowloon, Hong Kong
Ms. Shum Kit Lan Anita	Unit 1A, Edmund's Mansion 233-235 Fa Yuen Street Kowloon, Hong Kong

Independent Non-executive Directors

Name	Address
Mr. Hung Cho Sing	Unit 1A, Edmund's Mansion 233-235 Fa Yuen Street Kowloon, Hong Kong
Mr. Chan Yik Pun	Unit 1A, Edmund's Mansion 233-235 Fa Yuen Street Kowloon, Hong Kong
Ms. Chung Fai Chun	Unit 1A, Edmund's Mansion 233-235 Fa Yuen Street Kowloon, Hong Kong

(b) Profile of the Directors*Executive Directors*

Mr. Ng Chi Hoi, aged 44, holds a Master degree of Finance of Hong Kong Polytechnic University and a Bachelor degree of Business Administration of Hong Kong Baptist University. Mr. Ng is currently a licensed person to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Mr. Ng has over 18 years of experience in the financial services industry, and has joined the Company as an executive Director on 3 December 2014. He is also directors of subsidiaries of the Company, and a responsible officer of each of KVB Kunlun Securities (HK) Limited and KVB Kunlun Asset Management (HK) Limited (collectively “**KVB Kunlun**”). Prior to joining KVB Kunlun, he was an executive director of Pureheart Capital Asia Limited. Mr. Ng was appointed as the Chairman, Chief Executive Officer and an authorised representative of the Company on 19 December 2014.

Ms. Shum Kit Lan Anita, aged 53, is a director and a responsible officer of Chariot Capital Management Limited (“**CCML**”). She is currently a licensed person to carry out type 9 (asset management) regulated activities under the SFO. Ms. Shum has a wealth of working experience in securities advisory, corporate finance, corporate management and fund management. Prior to joining CCML, she worked in HT Capital Management Limited for thirteen years as a senior manager and a responsible officer. Ms. Shum was appointed as an executive Director on 6 November 2014.

Independent Non-Executive Directors

Mr. Hung Cho Sing, aged 73, has over 30 years of experience in the film distribution industry and founded Delon International Film Corporation in 1970. Mr. HUNG has been the chairman of Hong Kong, Kowloon and New Territories Motion Picture Industry Association Limited since 1991 and was the chairman of Hong Kong Film Awards Association Limited from 1993 to 1995. Mr. Hung was appointed by the Hong Kong Special Administrative Region (“**HKSAR**”) Government as a member of the Hong Kong Film Development Council from 2007 to 31 March 2013. Mr. Hung was also appointed as a consultant of the China Film Association since 2013. Mr. Hung is also a member of HKSAR Election Committee and a vice chairman of the Cultural Profession Committee of the Guangdong, Hong Kong and Macau Cooperation Promotion Council (廣東省粵港澳合作促進會文化專業委員會副主任委員). Mr. Hung was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government in 2005 in recognition of his contribution to the Hong Kong Film industry. Mr. Hung has been appointed by the HKSAR Government as member of the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries under the Economic Development Commission on an ad personam basis for a term of two years with effect from 17 January 2013. Mr. Hung has been appointed as an executive director of Universe International Holdings Limited (stock code: 1046) in October 2013. He is also an independent non-executive director of Freeman Financial Corporation Limited (stock code: 279), China Star Entertainment Limited (stock code: 326) and Mascotte Holdings Limited (stock code: 136). Mr. HUNG was a non-executive director of Capital VC Limited (stock code: 2324) from September 2011 to January 2014. All these companies are listed on the main board of the Stock Exchange. Mr. Hung was appointed as independent non-executive Director on 10 October 2014.

Mr. Chan Yik Pun, aged 33, is currently working in a sole proprietorship, which engages in the provision of accounting consultancy services to private entities. He holds a Bachelor Degree of Business (Major in Accounting) awarded by Monash University in 2004. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has over 9 years of experience in accounting and auditing field. Mr. Chan was appointed as independent non-executive Director on 10 October 2014. He has been appointed as an independent non-executive director of Chaoda Modern Agriculture (Holdings) Limited on 5 January 2015.

Ms. Chung Fai Chun, aged 49, is currently a deputy general manager of a watchcase factory. She has over 15 years’ ample experience in the watchcase production industry, and has a wealth of experience in marketing, business operation and management. Ms. Chung was appointed as independent non-executive Director on 19 December 2014.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 6:00 p.m. on Monday to Friday) at the principal place of business of the Company in Hong Kong at Unit 1A, Edmund's Mansion, 233-235 Fa Yuen Street, Kowloon, Hong Kong from 23 January 2015, the date of this circular up to and including 5 February 2015:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the year ended 31 December 2012 and 31 December 2013 of the Company;
- (c) the interim report of the Company for the six months ended 30 June 2014;
- (d) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 31 of this circular;
- (e) the letter of advice from Vinco Capital, the text of which is set out on pages 32 to 54 of this circular;
- (f) the accountants' report on the unaudited pro forma financial information of the Group set out in Appendix II to this circular;
- (g) the letters of consent referred to under the paragraph headed "Experts and Consents" in this Appendix;
- (h) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix;
- (i) the service contracts disclosed in the paragraph under the heading "Service Contracts" in this Appendix; and
- (j) this circular.

14. MISCELLANEOUS

- (a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) In case of inconsistencies, the English text of this prospectus shall prevail over the Chinese text.

This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of the Listing Rules in connection with the listing document of investment companies. This appendix includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Company. The Directors and the directors of the Investment Manager collectively and individually accept full responsibility for the accuracy of the information contained in this appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

INFORMATION ON THE INVESTMENT MANAGER AND THE CUSTODIAN

Investment Manager	China Everbright Securities (HK) Limited 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Directors of the Investment Manager	Cheung Pang To 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
	So Hin Pong 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
	Li Bingtao 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
	Ho Chi Ho 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Custodian	Chong Hing Bank Limited Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong

The Investment Manager

CES is a company incorporated in Hong Kong on 4 January 1991 with limited liability and is a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

The biographical details of the directors of the Investment Manager are set out as follows:

Mr. Cheung Pang To

Mr. Cheung Pang To (“**Mr. Cheung**”) is the managing director and one of the responsible officers of the CES. Mr. Cheung is currently licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO accredited to CES. He is also licensed to carry out Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities accredited to China Everbright Forex & Futures (HK) Limited.

Mr. Cheung has over twenty years of experience in the finance and investment industry. In the past, he has been working in dealing, marketing and portfolio management and operations and has also been actively involved in the investment management industry for the last ten years.

Mr. So Hin Pong

Mr. So Hin Pong (“**Mr. So**”) is a director and one of the responsible officers of CES. Mr. So is currently licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO accredited to CES. He is also licensed to carry out Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities accredited to China Everbright Forex & Futures (HK) Limited, and Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities accredited to China Everbright Securities Asset Management Limited.

Mr. So has over twenty years of experience in the finance and investment industry. In the past, he has been working in dealing, marketing and portfolio management and operations and has also been actively involved in the investment management industry for the last ten years.

Mr. Li Bingtao

Mr. Li Bingtao (“**Mr. Li**”) is the Director of CES. He joined CES on 13 October 2014. Mr. Li holds several degrees including a Master of Arts from New York University. Mr. Li started his financial career at Lianhe Securities in 2001, and worked for

Washington Mutual and JP Morgan Chase Bank later on. From April 2009 to March 2014, Mr. Li served at China Securities Regulation Committee, and joined Everbright Securities Company Limited in April 2014. Since September 2014, Mr. Li has been the Executive Director and Chief Executive Officer of China Everbright Securities International Limited. Mr. Li also holds the CFA and FRM designation.

Mr. Ho Chi Ho

Mr. Ho Chi Ho (“**Mr. Ho**”) is the Director of China Everbright Capital Limited and CES. He joined China Everbright Capital Limited on 20 June 2005. Mr. Ho graduated from the Chinese University of Hong Kong in 1996 with a bachelor degree in Business Administration. Mr. Ho has been in the corporate finance industry for over 16 years. Mr. Ho is the Principal and the Responsible Officer for carrying on types 1, 4, 6 regulated activities pursuant to the SFO of China Everbright Capital Limited and CES. Prior to joining China Everbright Capital Limited, Mr. Ho worked for Guotai Junan Capital Limited and First Shanghai Capital Limited as their senior management.

The Custodian

Chong Hing Bank Limited (formerly known as Liu Chong Hing Bank Limited) was appointed as the custodian in relation to the investments which the Company may from time to time deposit with the Custodian.

The Directors confirm that none of the directors of the investment company, the management company, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the investment company, or any reallocation of other types on purchases charged to the investment company.

RISKS RELATING TO THE COMPANY

The Company is an investment company and its funds will be invested in listed and unlisted companies in Hong Kong, PRC and other main markets around the world. These investments will be subject to market fluctuations and to the risks inherent in all investments. Investors should also be aware that the Company’s income and its Net Asset Value are likely to be adversely affected by external factors beyond the control of the Company. As a result, income of the fund and its Net Asset Value may therefore go down as well as go up, subject to the prevailing market conditions.

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:

- (a) 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.
- (b) 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 to be in special or recovery situations.
- (c) 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.
- (d) 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 realization can be achieved are believed by the Board to be particularly favourable to the Company.

There are no requirements under the Listing Rules and/or the Articles that any alterations to the investment objectives and policies of the Company require Shareholders' approval except that Chapter 21 of the Listing Rules require, inter alia, that the investment objectives and policies as set out in the listing document at the time of listing will not be changed for at least 3 years without the consent of shareholders of the investment company in general meeting. Therefore, the investment objectives and policies of the Company as stated above may be altered without Shareholders' approval. As at the Latest Practicable Date, the Board has no present intention to change the stated investment objectives and policies above.

INVESTMENT RESTRICTIONS

Under the Articles and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company. In part to meet such restriction, the Board has resolved that the Company may not:

- (a) either on its own or in conjunction with any connected person, make legal, or effective, management control of any company or other entity in which it invests or owns or controls more than 30% (or such lower percentage as may from time to time be specified in The Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) of the voting rights in such company or entity, except in relation to wholly-owned subsidiaries of the Company.
- (b) invest in any company or entity other than wholly-owned subsidiaries of the Company if such investment will result in more than 20% of the Net Asset Value being invested in such company or entity as at the date the investment is made.
- (c) buy or sell commodities, commodity contracts or precious metals, except that it may purchase and sell futures contracts on stock indices and securities which are secured by commodities or precious metal.
- (d) invest more than 20% of the Company's assets outside Hong Kong and the PRC to the extent of contravening its primary objective of achieving medium-term or long-term capital appreciation by investing in listed and unlisted companies in Hong Kong and the PRC.

The Company has to comply with investment restrictions 1 and 2 above, in accordance with its Articles, and at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules.

The investment restrictions set out in items 3 and 4 above can only be changed subject to the approval of Shareholders by way of an ordinary resolution. The Board has no present intention to change any of the abovementioned investment restrictions.

As the Latest Practicable Date, the Company's investment portfolio does not consist of investments in options, warrants, commodities, futures contracts and precious metals. Save for the unlisted securities, the Company has no present intention to invest in options, warrants, commodities, futures contracts and precious metals, it may do so in the future should suitable opportunities or market condition arise.

DISTRIBUTION POLICY

It is the Board's intention to distribute any excess balance by way of dividend to the extent permitted by law, the Memorandum and the Articles. Dividends will only be paid to the extent that they are covered by net income received from underlying investments. Distribution will be made annually after the annual accounts of the Company are approved by the Shareholders but interim distribution may be made from time to time to Shareholders as appear to the Board to be justified by the position of the Company. Distributions will be made in Hong Kong dollars.

FEES AND EXPENSES

The Company will pay the fees of the Investment Manager and the Custodian, as described below. In addition, the Company will pay certain other costs and expenses incurred in its operation, including taxes, expenses for legal, auditing and consulting services, promotional expenses, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest and brokerage cost.

Investment management fees

The Company currently pays the Investment Manager a monthly investment management fee payable at HK\$50,000 per month from 7 January 2015 up to 6 January 2018.

Custodian fees

Pursuant to the Custodian Agreement, the Company will pay the Custodian such reasonable fees, costs and expenses in respect of the custodian account as may from time to time be prescribed by the Custodian. All fees, costs and expenses of the Custodian shall accrue on a daily basis. The Company also agrees to pay all costs, taxes, expenses and fees (including any applicable fees of any clearing house) in connection with or arising out of the operation of the custodian account. The Custodian shall be entitled to charge interest (both before and after judgment) on any amount owed to the Custodian by the Company at 6% above the prime rate from time to time of the Custodian.

TAXATION

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

BORROWING POWER

Pursuant to the provision of the Articles, the Company may exercise its borrowing power to borrow up to an aggregate principal amount for the time being remaining discharged of all money borrowed by the Group not exceeding 50% of the Net Asset Value. The Group's assets may be charged or pledged as security for borrowing.

FOREIGN CURRENCY MANAGEMENT AND EXCHANGE CONTROL

As a result of overseas investments denominated in Singapore Dollars (“SG\$”) and Renminbi (“RMB”), the Group is exposed to the fluctuation in the exchange rates of HK\$/SG\$ and HK\$/RMB. The Group's exposure to foreign exchange risk was not significant, therefore, no financial instrument was made to hedge such exposures.

INVESTMENT PORTFOLIO

The following are the details of the ten largest investments of the Group as at 30 June 2014, which include all listed investments and all other investments with a value of more than 5% of the Group's gross assets as at 30 June 2014. Save for the investments disclosed herein, there are no other listed investments and all other investments with a value of more than 5% of the Company's gross assets as at 30 June 2014.

<i>Note</i>	Name of investee company	Number of shares held	Effective shareholding interest	Cost as at 30 June 2014	Market value/ Fair value as at 30 June 2014	Accumulated unrealised holding gain (loss) arising on revaluation	Dividends received/ receivable during the period	Classification of financial assets
				<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	
(i)	Keen Champ Investments Limited	16	16.00%	128,000,000	128,000,000	-	-	Available-for-sale
(ii)	Heritage International Holdings Limited	140,363,803	4.97%	66,042,380	95,447,386	29,405,006	-	Held for trading
(iii)	Starfame Investments Limited	297	29.70%	90,000,000	90,000,000	-	-	Available-for-sale
(iv)	Willie International Holdings Limited	55,000,000	7.31%	11,550,000	66,000,000	54,450,000	-	Available-for-sale
(v)	Forefront Group Limited	35,517,382	4.91%	26,540,194	36,582,903	10,042,709	-	Held for trading
(vi)	Poly Capital Holdings Limited	123,123,965	3.60%	28,777,227	34,474,710	5,697,483	-	Held for trading
(vii)	Mascotte Holdings Limited	325,792,250	1.34%	32,679,479	32,579,225	(100,254)	-	Available-for-sale
(viii)	Rising Development Holdings Limited	4,698,000	0.32%	47,635,402	21,094,020	(26,541,382)	-	Available-for-sale
(ix)	Gain All Investments Limited	1,990	15.31%	19,900,000	19,900,000	-	-	Available-for-sale
(x)	Pacific Century Regional Developments Limited	11,000,000	0.36%	21,121,548	17,282,727	(3,838,821)	-	Held for trading

Notes:

- (i) Keen Champ Investments Limited (“**Keen Champ**”) is a private company incorporated in British Virgin Islands and is principally engaged in investment holding and management of the forestland. For the financial year ended 31 March 2014, the unaudited consolidated loss attributable to equity holders of Keen Champ was HK\$773,425. As at 31 March 2014, its unaudited consolidated net liabilities attributable to the equity holders was HK\$1,965,916. As at 30 June 2014, the recoverable amount of Keen Champ has been assessed by the Directors with reference to a valuation report on the fair value of the biological assets issued by independent professional valuer before the investment made in April 2014.
- (ii) Heritage International Holdings Limited (“**Heritage International**”) was incorporated in Bermuda and its shares are listed on the Main Board of the Stock Exchange (stock code: 412). Heritage International is principally engaged in property investment, investments in securities, money lending, investment holding, Chinese medicine clinic operations and management of the forestlands. For the financial year ended 31 March 2014, the audited consolidated profit attributable to equity holders of Heritage International was HK\$281,025,000 with basic and diluted earnings per share of HK\$0.11. As at 31 March 2014, its audited consolidated net assets attributable to the equity holders was HK\$1,509,074,000.
- (iii) Starfame Investments Limited (“**Starfame**”) is a private company incorporated in British Virgin Islands and is principally engaged in investment holding and wholesale and distribution of products encompassing various aspects of production and livelihood. For the financial year ended 31 December 2013, the unaudited consolidated profit attributable to equity holders of Starfame was approximately HK\$28.9 million. As at 31 March 2014, its unaudited consolidated net assets attributable to the equity holders was approximately HK\$81.9 million.
- (iv) Willie International Holdings Limited (“**Willie International**”) was incorporated in Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 273). Willie International is principally engaged in trading of investments, provision of financial services, property investment and investment holding. For the six months ended 30 June 2014, the unaudited consolidated profit attributable to equity holders of Willie International was HK\$454,627,000 with basic and diluted earnings per share of HK\$0.88. As at 30 June 2014, its unaudited consolidated net assets attributable to the equity holders was HK\$2,268,831,000.
- (v) Forefront Group Limited (“**Forefront**”) was incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 885). Forefront is principally engaged in provision of logistic services in Hong Kong and the PRC, properties investment, securities trading and money lending business. For the six months ended 30 June 2014, the unaudited consolidated profit attributable to equity holders of Forefront was HK\$593,552,000 with basic and diluted earnings per share of HK\$0.82. As at 30 June 2014, its unaudited consolidated net assets attributable to the equity holders was HK\$1,533,842,000.
- (vi) Poly Capital Holdings Limited (“**Poly Capital**”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1141). Poly Capital is principally engaged in supply and procurement of commodities, provision of finance and securities investment. For the financial year ended 31 March 2014, the audited consolidated profit attributable to equity holders of Poly Capital was K\$417,083,000 with basic and diluted earnings per share of HK13.85 cents and HK13.71 cents respectively. As at 31 March 2014, its audited consolidated net assets attributable to the equity holders was HK\$1,593,425,000.
- (vii) Mascotte Holdings Limited (“**Mascotte**”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 136). Mascotte is principally engaged in manufacturing of solar grade polycrystalline silicon, investment and trading of securities, loan financing, holding properties for rental and capital appreciation, manufacturing and sale of accessories for photographic products. For the financial year ended 31 March 2014, the audited consolidated loss attributable to equity holders of Mascotte was HK\$545,696,000 with basic and diluted loss per share of HK\$0.04. As at 31 March 2014, its audited consolidated net liabilities attributable to the equity holders was HK\$99,927,000.

- (viii) Rising Development Holdings Limited (“**Rising Development**”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1004). Rising Development is principally engaged in share investment, trading of fur garment and skins and business of mining natural resources and solar energy. For the financial year ended 31 March 2014, the audited consolidated loss attributable to equity holders of Rising Development was HK\$118,084,000 with basic and diluted loss per share of HK8.44 cents. As at 31 March 2014, its audited consolidated net assets attributable to the equity holders was HK\$780,607,000.
- (ix) Gain All Investments Limited (“**Gain All**”) is a private company incorporated in British Virgin Islands and is principally engaged in investment holding. For the financial period ended 31 March 2013, the audited net loss attributable to equity holders of Gain All was HK\$137,124. As at 31 March 2013, its audited net liabilities attributable to the equity holders was HK\$137,116. As at 30 June 2014, the recoverable amount of Gain All has been assessed by the Directors with reference to latest available financial information of Gain All as at 31 March 2014.
- (x) Pacific Century Regional Developments Limited (“**Pacific Century**”) is listed on the Singapore Exchange Securities Trading Limited (SGX: P15) and is incorporated and domiciled in Singapore. Pacific Century is principally engaged in investment holding, business management and consultancy services. For the six months ended 30 June 2014, the unaudited consolidated profit attributable to equity holders of Pacific Century was SG\$36,313,000 with basic and diluted earnings per share of SG1.193 cents. As at 30 June 2014, its unaudited consolidated net assets attributable to the equity holders was SG\$854,368,000.

Pursuant to the requirements stipulated in Rule 21.12 of the Listing Rules, the Company did not make any provision for diminution in value of investments of the Group as at 30 June 2014.

NOTICE OF EGM



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 an extraordinary general meeting (the “**EGM**”) of Unity Investments Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on 9 February 2015 at Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution:

ORDINARY RESOLUTION(S)

1. “**THAT** subject to and condition upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, the Consolidated Shares (as defined below), with effect from the business day (as defined below) immediately following the date on which this resolution is passed:
 - (a) every ten (10) issued and unissued shares of par value of HK\$0.002 each in the share capital of the Company be consolidated into one (1) share of HK\$0.02 each (the “**Consolidated Share**”) in the share capital of the Company (the “**Share Consolidation**”);
 - (b) the Consolidated Shares shall rank pari passu in all respects with each other and have the same rights and privileges as regards dividend, capital, redemption, attendance at meetings, voting, etc. and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company;
 - (c) all fractional Consolidated Shares will be disregarded and will not be issued to the holders of the existing shares of HK\$0.002 each in the share capital of the Company but all fractional Consolidated Shares will be aggregated, sold and retained for the benefit of the Company, if possible and applicable; and
 - (d) the directors of the Company be and are hereby generally authorised to do all such acts, deeds and things and execute all such documents, including under the seal of the Company, where applicable, as they may consider necessary or expedient to complete, implement and give effect to any and all the arrangements set out in this Resolution.

For the purpose of this resolution, “business day” means a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours.”

NOTICE OF EGM

2. “**THAT** conditional upon fulfilment or waiver (where applicable) of the conditions of the Underwriting Agreement (as defined below):
- (a) the allotment and issue of 2,328,422,408 Consolidated Shares in the share capital of the Company (the “**Offer Shares**”) by way of open offer (the “**Open Offer**”) at a subscription price of HK\$0.16 per Offer Share on the basis of four (4) Offer Shares for every one Consolidated Share to the qualifying holders of the Shares (the “**Qualifying Shareholders**”) of the Company whose names appear on the register of members of the Company on Monday, 23 February 2015 (or such later date as the Company and the Underwriter may agree to be the record date for such Open Offer) (the “**Record Date**”) other than those shareholders with addresses on the Record Date are outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Open Offer to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place (the “**Non-Qualifying Shareholders**”) as described in further details in the Company’s circular dated 23 January 2015 and on and subject to such terms and conditions as may be determined by the Directors and otherwise pursuant to and subject to the fulfillment of the conditions set out in the underwriting agreement (the “**Underwriting Agreement**” including all supplemental agreement(s) relating thereto, if any) (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) dated 15 December 2014 and made between the Company and Enerchine Securities Limited as underwriter (the “**Underwriter**”), and the transactions contemplated thereunder, be and are hereby approved;
 - (b) any one Director be and is hereby authorised to allot and issue the Offer Shares pursuant to or in connection with the Open Offer notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to Non-Qualifying Shareholders as they deem necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong;
 - (c) the entering into of the Underwriting Agreement by the Company be and is hereby approved, confirmed and ratified and the performance of the transactions contemplated thereunder by the Company (including but not limited to the arrangements for taking up of the underwritten Offer Shares, if any, by the Underwriter (the “**Underwritten Shares Issue**”)) be and are hereby approved;

NOTICE OF EGM

- (d) any one Director be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to the Open Offer or as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder or in this resolution.”

By order of the Board
Unity Investments Holdings Limited
合一投資控股有限公司
NG Chi Hoi
Chairman

Hong Kong, 23 January 2015

Notes:

1. Any shareholder entitled to attend and vote at the extraordinary general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the extraordinary general meeting (or any adjournment thereof).
3. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the extraordinary general meeting and in such event, the instrument appoint a proxy shall be deemed to be revoked.
4. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the extraordinary general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
5. A form of proxy for use at the extraordinary general meeting is attached herewith.
6. Any voting at the extraordinary general meeting shall be taken by poll.
7. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

As at the date of this notice, the board comprise:

Executive Directors:

Mr. NG Chi Hoi
(Chairman and Chief Executive Officer)
Ms. SHUM Kit Lan Anita

Independent non-executive Directors:

Mr. HUNG Cho Sing
Mr. CHAN Yik Pun
Ms. CHUNG Fai Chun