
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any of the contents of this Prospectus or as to the action to be taken, you should obtain independent professional advice.

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

Dealings in Shares may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies” in appendix V to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of any of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of the Prospectus Documents.



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)

**RIGHTS ISSUE OF 569,279,762 RIGHTS SHARES
AT A PRICE OF HK\$0.15 PER RIGHTS SHARE
ON THE BASIS OF TWO RIGHTS SHARES
FOR EVERY SHARE HELD ON THE RECORD DATE**

Financial Adviser



結好融資有限公司
GET NICE CAPITAL LIMITED

Underwriter of the Rights Issue



結好證券有限公司
GET NICE SECURITIES LIMITED

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 11 May 2010. The procedure for acceptance and payment and/or transfer of the Right Shares is set out on pages 10 to 11 of this Prospectus.

Dealings in the Rights Shares in nil-paid form will take place from Thursday, 29 April 2010 to Thursday, 6 May 2010 (both dates inclusive). If the conditions of the Rights Issue (as defined herein) are not fulfilled or the Underwriting Agreement (as defined herein) is terminated, the Rights Issue will not proceed. Any dealing in Shares or nil-paid Rights Shares during the period from Thursday, 29 April 2010 to Thursday, 6 May 2010 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to 4:00 p.m. on the Settlement Date to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out under the section headed “Termination of the Underwriting Agreement” on pages 15 to 16 of this prospectus. If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. In addition, the Rights Issue is conditional on all conditions set out on pages 13 to 14 of this prospectus being fulfilled or waived (as applicable). If such conditions have not been satisfied or waived (as applicable) in accordance with the Underwriting Agreement on or before the time and dates specified therein, 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 and the Rights Issue will not proceed.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2010

First day of dealings in nil-paid Rights Shares	Thursday, 29 April
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Monday, 3 May
Last day of dealings in nil-paid Rights Shares	Thursday, 6 May
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Tuesday, 11 May
Rights Issue expected to become unconditional	after 4:00 p.m. on Thursday, 13 May
Announcement of results of acceptance and excess application of the Rights Issue	Tuesday, 18 May
Refund cheques for wholly and partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Wednesday, 19 May
Certificates for fully-paid Rights Shares expected to be despatched on or before	Wednesday, 19 May
First day of dealings in the fully-paid Rights Shares	Monday, 24 May

All times and dates in this prospectus refer to Hong Kong local times and dates.

Dates or deadlines specified above for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company. Any change to the expected timetable will be announced as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

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

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

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

“2009 Rights Issue Documents”	the circular dated 24 February 2009 and prospectus dated 16 March 2009 issued by the Company in relation to a rights issue of 512,155,110 rights shares on the basis of one rights share for every share held
“Acceptance Date”	11 May 2010 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Announcement”	the announcement of the Company dated 4 March 2010 relating to, inter alia, the Rights Issue and change in board lot size of the Shares
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which banks are generally open for business more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	The Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Unity Investments Holdings Limited (合一投資控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Custodian”	Chong Hing Bank Limited (formerly known as Liu Chong Hing Bank Limited)
“Custodian Agreement”	the custodian agreement dated 8 November 2005 entered into between the Company and the Custodian
“Director(s)”	director(s) of the Company

DEFINITIONS

“EAF(s)”	the excess application form(s) issued to the Qualifying Shareholders in connection with the Rights Issue
“EGM”	the extraordinary general meeting of the Company held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. on Monday, 26 April 2010 for the purpose of approving the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Management Agreement”	the management agreement dated 5 November 2003 entered into between the Company and the Investment Manager and renewed on 23 December 2009 for another one-year up to 31 December 2010 at the same term at a management fee of HK\$60,000 per month payable in advance
“Investment Manager”	CU Investment Management Limited, a company incorporated in Hong Kong
“Last Trading Day”	2 March 2010, being the last trading day before the suspension of the trading of the Shares, pending the release of the Announcement
“Latest Practicable Date”	21 April 2010, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company
“Net Asset Value”	the net asset value of the Company calculated in accordance with the provisions of the Articles

DEFINITIONS

“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	27 April 2010 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China which, for the purpose of this prospectus, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	this prospectus despatched to Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders
“Record Date”	26 April 2010 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are determined
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the issue by way of rights of two Rights Shares for every Share in issue and held on the Record Date at the Subscription Price
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being 569,279,762 Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Settlement Date”	13 May 2010, being the second Business Day following the Acceptance Date (or such other time or date as the Underwriter and the Company may agree in writing)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.15 per Rights Share
“Underwriter”	Get Nice Securities Limited, a licensed corporation to carry out business in 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
“Underwriting Agreement”	the underwriting agreement dated 2 March 2010 (as amended by a supplemental agreement dated 17 March 2010) entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	569,279,762 Rights Shares underwritten by the Underwriter pursuant to the terms of 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. KITCHELL Osman Bin

(Chairman and Chief Executive Officer)

Ms. DAVIS Angela Hendricks

Ms. CHOI Ka Wing

Independent non-executive Directors:

Mr. CHUNG Kong Fei, Stephen

Mr. TSANG Wing Ki

Mr. NGAI Wai Kin

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Room 2206, 22nd Floor

China United Centre

28 Marble Road

North Point

Hong Kong

27 April 2010

To the Qualifying Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE OF 569,279,762 RIGHTS SHARES
AT A PRICE OF HK\$0.15 PER RIGHTS SHARE
ON THE BASIS OF TWO RIGHTS SHARES
FOR EVERY SHARE HELD ON THE RECORD DATE**

INTRODUCTION

On 4 March 2010, the Board announced that the Company proposed to raise approximately HK\$85.39 million, before expenses, by way of the Rights Issue of issuing 569,279,762 Rights Shares at the Subscription Price of HK\$0.15 per Rights Share on the basis of two Rights Shares for every Share held on the Record Date payable in full on acceptance.

The purpose of this Prospectus is to provide the Shareholders with further information in relation to the Rights Issue, certain financial information and other information of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	two Rights Shares for every Share held on the Record Date
Number of Shares in issue as at the Record Date	:	284,639,881 Shares
Number of Rights Shares	:	569,279,762 Rights Shares
Subscription Price	:	HK\$0.15 per Rights Share with nominal value of HK\$0.10 each

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

The 569,279,762 nil-paid Rights Shares proposed to be provisionally allotted to the Qualifying Shareholders represent 200% of the Company's issued share capital as at the Record Date and approximately 66.67% of the Company's issued share capital as enlarged by the issue of the 569,279,762 Rights Shares.

Qualifying Shareholders

The Company has sent the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must have lodged any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 20 April 2010.

Rights of Overseas Shareholders

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

Based on the register of members of the Company, there was no Shareholder with registered address outside Hong Kong as at the Record Date. Therefore, there are no Non-Qualifying Shareholder for the purpose of the Rights Issue.

LETTER FROM THE BOARD

Subscription Price

The subscription price for the Rights Shares is HK\$0.15 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 68.75% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 42.31% to the theoretical ex-rights price of approximately HK\$0.26 per Share based on the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 69.26% to the average closing price of approximately HK\$0.488 per Share for the five consecutive trading days ended on the Last Trading Day; and
- (iv) a discount of approximately 35.90% to the closing price of HK\$0.234 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares prior to the Last Trading Day. The Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.143.

Basis of provisional allotment

The basis of the provisional allotment shall be two Rights Shares for every Share in issue and held on Record Date, being 569,279,762 Rights Shares at a price of HK\$0.15 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

LETTER FROM THE BOARD

Fractions of Rights Shares

On the basis of provisional allotment of two Rights Shares for every Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Procedures for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong so as to be received by no later than 4:00 p.m. on Tuesday, 11 May 2010. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Unity Investments Holdings Limited-Provisional Allotment Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been received by the Registrar by 4:00 p.m. on Tuesday, 11 May 2010, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 3 May 2010 with the Registrar who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of this prospectus, the PAL or the EAF in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/its behalf an application for the Rights Shares to satisfy himself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAFs for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares).

LETTER FROM THE BOARD

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, investors should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must have lodged all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on 20 April 2010.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/its provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with payment by cheque or cashier's order for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, so as to be received by not later than 4:00 p.m. on Tuesday, 11 May 2010. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a bank in Hong Kong and made payable to "Unity Investments Holdings Limited – Excess Application Account" and crossed "Account Payee Only". The Registrar will notify the applicants of any allotment of excess Rights Shares made to them.

If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that the amount tendered on application will be refunded in full without interest on or before Wednesday, 19 May 2010. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be refunded to them without interest on or before Wednesday, 19 May 2010. If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement on or before 4:00 p.m. on Thursday, 13 May 2010, being the second Business Day following the Acceptance Date, the monies received in respect of the relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by the ordinary post at the risk of the relevant applicants as soon as practicable thereafter.

All cheques and cashier's orders will be presented for payment following receipt and any interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) named in it and is not transferable. All documents, including cheques or cashier's orders for refund, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by no later than Wednesday, 19 May 2010.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 19 May 2010. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 19 May 2010 by ordinary post to the applicants at their own risk.

Applicant(s) will receive one share certificate for all the Rights Shares issued to him/her/it.

LETTER FROM THE BOARD

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Monday, 24 May 2010.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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.

Nil-paid Rights Shares will be traded in board lots of 5,000 (as the Shares are currently traded on the Stock Exchange in board lots of 5,000). Fully-paid Rights Shares are expected to be traded in board lots of 10,000 (once the change in board lot size of Shares from 5,000 to 10,000 as set out in the Announcement and the announcement of the Company dated 17 March 2010 and the circular of the Company dated 9 April 2010 becomes effective after the Rights Issue becoming unconditional). Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company at the Registrar will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisors if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (i) 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 Ordinance (and all other documents required to be attached thereto);

LETTER FROM THE BOARD

- (ii) the posting on the Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders;
- (iii) compliance with certain obligations under the Underwriting Agreement;
- (iv) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms 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 Posting Date and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;
- (v) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days (other than any suspension pending clearance of the Announcement) and no indication being received before 4:00 p.m. on the Settlement Date 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 Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (vi) the passing of the relevant resolution by the Shareholders approving the Rights Issue at the EGM in accordance with the Listing Rules; and
- (vii) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof.

In the event that the above conditions (other than the conditions (i), (iv) and (vi) which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before the Posting Date (or the relevant dates mentioned therein) or in the event that the condition (iv) has not been satisfied on or before 4:00 p.m. on the Settlement Date or in the event that the condition (vi) has not been satisfied on or before the Record Date (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 and the Rights Issue will not proceed.

LETTER FROM THE BOARD

The Underwriting Agreement

Date	:	2 March 2010 (as amended by a supplemental agreement dated 17 March 2010)
Underwriter	:	Get Nice Securities Limited. To the best of the Directors' knowledge and information, Get Nice Securities Limited and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons
Total number of Rights Shares being underwritten by the Underwriter	:	The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis to a maximum extent, being 569,279,762 Rights Shares, subject to the terms and conditions of the Underwriting Agreement
Commission	:	2.5% of the aggregate Subscription Price of the 569,279,762 Underwritten Shares

The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

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 4:00 p.m. on the Settlement Date if there occurs:

1. an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
2. 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 of the Underwriting Agreement) 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
3. 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 Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

LETTER FROM THE BOARD

If, at or prior to 4:00 p.m. on the Settlement Date:

1. 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
2. the Underwriter shall receive notification pursuant to the Underwriting Agreement of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in 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 Rights Issue; or
3. the Company shall, after any matter or event referred to in the relevant clauses 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, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and none of the parties thereunder shall have any claim against the other party 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 as agreed by the parties as set out in the Underwriting Agreement but not the underwriting commission. If the Underwriter exercises such right, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from 19 April 2010. Dealings in the Rights Shares in the nil-paid form will take place from 29 April 2010 to 6 May 2010 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

LETTER FROM THE BOARD

Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from 29 April 2010 to 6 May 2010 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from 29 April 2010 to 6 May 2010 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers.

FUND RAISING EXERCISE OF THE COMPANY

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
2 February 2009	Rights issue of 512,155,110 rights shares on the basis of one rights Share for every Share held by qualifying Shareholders which was completed on 6 April 2009	HK\$48.2 million	For the general working capital of the Group	Used as intended (<i>Note 1</i>)
12 June 2009	Placing of 239,000,000 new Shares which was completed on 22 June 2009	HK\$23.3 million	For the general working capital of the Group	Used as intended (<i>Note 2</i>)
7 September 2009	Placing of 100,000,000 new Shares on a fully underwritten basis which was completed on 19 February 2010	HK\$36.1 million	For the general working capital of the Group and for future investment purposes	Used as intended (<i>Note 3</i>)
7 September 2009	Placing of 200,000,000 new Shares on a best effort basis	HK\$73.76 million	For the general working capital of the Group and for future investment purposes	This placing was terminated as disclosed in the Company's announcement dated 8 December 2009
5 January 2010	Placing of 28,770,000 new Shares on a fully underwritten basis which was completed on 14 January 2010	HK\$10.6 million	For future investments pursuant to the investment objectives of the Company	Used as intended (<i>Note 4</i>)

Notes:

- The detailed breakdown of the use of net proceeds are as follows: (i) approximately HK\$36.8 million had been used for investments in listed securities in properties and construction – properties sector; (ii) approximately HK\$3.5 million had been used for investments in listed securities in information technology – software and services sector; (iii) approximately HK\$2.1 million had been used for investments in listed securities in financial – other financial sector; (iv) approximately HK\$3.3 million had been used for investments in listed securities in consumer goods – household goods and electronics sector; (v) approximately HK\$0.7 million had been used for investments in listed securities in industrial goods sector; and (vi) the remaining balance had been used for general working capital.
- The net proceeds of approximately HK\$23.3 million had been fully used for investments in listed securities in information technology – software and services sector.

LETTER FROM THE BOARD

3. The detailed breakdown of the use of net proceeds are as follows: (i) approximately HK\$13.0 million had been used for investments in listed securities in financial – other financial sector; (ii) approximately HK\$14.3 million had been used for investments in listed securities in consumer goods – household goods and electronics sector; (iii) approximately HK\$4.8 million had been used for investments in listed securities in industrial goods sector; (iv) approximately HK\$0.9 million had been used for investments in listed securities in services – service support sector; (v) approximately HK\$2.2 million had been used for investments in listed securities in materials – basic material sector; and (vi) the remaining balance had been used for general working capital.
4. The net proceeds of approximately HK\$10.6 million had been fully used for investments in listed securities in financial – banks sector.

Save as abovementioned, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is principally engaged in investments in listed securities in Hong Kong and other main stock market around the world and also in unlisted companies.

The gross proceeds from the Rights Issue will be approximately HK\$85.39 million. The Company plans to use the entire net proceeds of approximately HK\$81.26 million from the Rights Issue for future investments pursuant to the investment objectives of the Company. The Directors are of the view that the international financial sector will be first in line to benefit from the continuing revival of the world economy. They are of the further view that banks and other financial sector are active in Hong Kong and China will be particularly well-placed. The Directors intend therefore to invest the net proceeds into Hong Kong banking and other financial sector stocks with particular emphasis on those with low price to book ratio.

The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position for future strategic investments as and when opportunities arise. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

SHAREHOLDING IN THE COMPANY

Set out below is the shareholding structure of the Company as the Latest Practicable Date and immediately after completion of the Rights Issue:

Shareholders	As at the		Immediately after completion		Immediately after completion	
	Latest Practicable Date		of the Rights Issue assuming		of the Rights Issue assuming	
	<i>Number of</i>	<i>Approximate</i>	all the Qualifying Shareholders		no Qualifying Shareholders	
	<i>Shares</i>	<i>%</i>	take up their respective		takes up any of the	
			allotment of Rights Shares in full		Rights Shares and the	
			<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>
			<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Public	284,639,881	100.00	853,919,643	100.00	284,639,881	33.33
Underwriter <i>(Note)</i>	–	–	–	–	569,279,762	66.67
Total	284,639,881	100.00	853,919,643	100.00	853,919,643	100.00
	284,639,881	100.00	853,919,643	100.00	853,919,643	100.00

Note: The Underwriter has confirmed to the Company that it has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriter and the sub-underwriters (together with their respective parties acting in concert as defined in The Hong Kong Code on Takeovers and Mergers) will not own 20% or more of the issued share capital of the Company immediately after completion of the Rights Issue. The Underwriter has further confirmed to the Company that each of the Underwriter and the sub-underwriters and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

THE MEMORANDUM AND ARTICLES OF THE COMPANY AND CAYMAN ISLANDS COMPANIES LAW

Rules 19.10(2) and (3) of the Listing Rules require the inclusion in this prospectus of a summary of certain provisions of the Memorandum and the Articles and certain aspects of the Companies Law.

Given that a summary of the Memorandum and the Articles were included in the 2009 Rights Issue Documents and no changes have been made to the Memorandum and Articles since the issue of the 2009 Rights Issue Documents and that a copy of the Memorandum and Articles will be available for public inspection, the Company considers that reproducing the same information in this prospectus will not bring any added value to the Shareholders and the costs of doing so will not commensurate with the benefits of inclusion of such information. With respect to the summary of the Companies Law required to be included in this prospectus, the Company has included certain changes in the Companies Law in Appendix IV of this prospectus. The Stock Exchange has granted to the Company a waiver from strict compliance with Rules 19.10(2) and (3) of the Listing Rules on the terms set above.

A copy of the Memorandum and the Articles and the Companies Law will be available for inspection at the principal place of business of the Company at Room 2206, 22nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong during normal business hours from the date of this prospectus up to and including Tuesday, 18 May 2010.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

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

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited consolidated statement of comprehensive income and statement of financial position of the Group for the financial years ended 31 December 2009, 31 December 2008 and 31 December 2007, which are extracted from the annual reports of the Company for the years ended 31 December 2009 and 31 December 2008. The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 December 2009, 31 December 2008 and 31 December 2007.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2009 HK\$	2008 HK\$	2007 HK\$
Turnover	(16,039,273)	(6,334,669)	(91,529,295)
Other revenue	4,904,925	2,121,170	2,656,153
Changes in fair value of listed investments classified under investments held for trading	2,849,767	(38,819,960)	40,037,652
Changes in fair value of derivative financial instruments	–	(5,887,591)	(5,257,813)
Reversal of (Impairment on) unlisted debt investments classified under available-for- sale investments	5,011,515	(19,549,649)	–
Impairment of unlisted equity investments classified under available-for-sale investments	(4,401,751)	(2,000,000)	–
Impairment of listed investments classified under available-for-sale investments	–	(158,131,828)	–
Realised loss on disposal of listed investments classified under available- for-sale investments	(70,448,365)	(217,147,138)	(31,123,307)
Other operating expenses	(21,206,724)	(10,180,985)	(11,286,635)
Finance costs	(1,288,121)	(2,498,438)	(2,492,396)
Loss before taxation	<u>(100,618,027)</u>	<u>(458,429,088)</u>	<u>(98,995,641)</u>
Taxation	–	–	–
Loss for the year attributable to equity holders of the Company	<u>(100,618,027)</u>	<u>(458,429,088)</u>	<u>(98,995,641)</u>
Other comprehensive income (loss)			
Change in fair value of available-for-sale investments	80,259,057	(407,120,736)	(155,270,649)
Realisation upon disposal of available-for- sale investments	70,448,365	217,147,138	31,123,307
Transfer to profit or loss upon impairment of available-for-sale investments	4,401,751	179,681,477	–
Other comprehensive income (loss) for the year	<u>155,109,173</u>	<u>(10,292,121)</u>	<u>(124,147,342)</u>
Total comprehensive income (loss) for the year attributable to equity holders of the Company	<u>54,491,146</u>	<u>(468,721,209)</u>	<u>(223,142,983)</u>
		<i>(Restated)</i>	<i>(Restated)</i>
Loss per share – Basic and Diluted	<u>(0.89)</u>	<u>(16.11)</u>	<u>(18.40)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December		
	2009	2008	2007
	HK\$	HK\$	HK\$
Non-current assets			
Property, plant and equipment	4,408,327	3,447,082	1,430,491
Available-for-sale investments	258,797,699	143,437,613	280,991,825
	<u>263,206,026</u>	<u>146,884,695</u>	<u>282,422,316</u>
Current assets			
Investments held for trading	29,148,632	26,722,407	150,549,641
Other receivables	377,428	7,228,963	5,220,030
Bank balances and cash	6,359,142	4,245,589	9,732,245
	<u>35,885,202</u>	<u>38,196,959</u>	<u>165,501,916</u>
Current liabilities			
Other payables and accruals	2,575,834	520,521	865,483
Interest-bearing borrowings, unsecured	–	9,500,000	25,000,000
Derivative financial instruments	–	5,887,591	5,257,813
	<u>2,575,834</u>	<u>15,908,112</u>	<u>31,123,296</u>
Net current assets	<u>33,309,368</u>	<u>22,288,847</u>	<u>134,378,620</u>
Total assets less current liabilities	<u>296,515,394</u>	<u>169,173,542</u>	<u>416,800,936</u>
Non-current liabilities			
Zero-coupon convertible notes	–	15,722,690	–
NET ASSETS	<u><u>296,515,394</u></u>	<u><u>153,450,852</u></u>	<u><u>416,800,936</u></u>
Capital and reserves			
Share capital	14,387,488	37,579,147	313,159,563
Reserves	282,127,906	115,871,705	103,641,373
TOTAL EQUITY	<u><u>296,515,394</u></u>	<u><u>153,450,852</u></u>	<u><u>416,800,936</u></u>

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Set out below is the audited consolidated financial statements of the Group for the financial years ended 31 December 2008 and 31 December 2009 together with the relevant notes to the accounts, as extracted from the annual report of the Company for the year ended 31 December 2009.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	<i>Note</i>	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Turnover	4	(16,039,273)	(6,334,669)
Other revenue	4	4,904,925	2,121,170
Changes in fair value of listed investments classified under investments held for trading		2,849,767	(38,819,960)
Change in fair value of derivative financial instruments		–	(5,887,591)
Reversal of (Impairment on) unlisted debt investments classified under available-for-sale investments		5,011,515	(19,549,649)
Impairment of unlisted equity investments classified under available-for-sale investments		(4,401,751)	(2,000,000)
Impairment of listed investments classified under available-for-sale investments		–	(158,131,828)
Realised loss on disposal of listed investments classified under available-for-sale investments		(70,448,365)	(217,147,138)
Other operating expenses		(21,206,724)	(10,180,985)
Finance costs	6	(1,288,121)	(2,498,438)
Loss before taxation	6	(100,618,027)	(458,429,088)
Taxation	7	–	–
Loss for the year attributable to equity holders of the Company	8	(100,618,027)	(458,429,088)
Other comprehensive income (loss)			
Change in fair value of available-for-sale investments		80,259,057	(407,120,736)
Realisation upon disposal of available-for-sale investments		70,448,365	217,147,138
Transfer to profit or loss upon impairment of available-for-sale investments		4,401,751	179,681,477

		2009	2008
	<i>Note</i>	<i>HK\$</i>	<i>HK\$</i>
Other comprehensive income (loss) for the year		155,109,173	(10,292,121)
Total comprehensive income (loss) for the year attributable to equity holders of the Company		<u>54,491,146</u>	<u>(468,721,209)</u>
			(Restated)
Loss per share – Basic and Diluted	9	<u>(0.89)</u>	<u>(16.11)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	<i>Note</i>	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Non-current assets			
Property, plant and equipment	<i>11(a)</i>	4,408,327	3,447,082
Available-for-sale investments	<i>13</i>	258,797,699	143,437,613
		<u>263,206,026</u>	<u>146,884,695</u>
Current assets			
Investments held for trading	<i>14</i>	29,148,632	26,722,407
Other receivables	<i>16</i>	377,428	7,228,963
Bank balances and cash		6,359,142	4,245,589
		<u>35,885,202</u>	<u>38,196,959</u>
Current liabilities			
Other payables and accruals		2,575,834	520,521
Interest-bearing borrowings, unsecured	<i>17</i>	–	9,500,000
Derivative financial instruments	<i>18</i>	–	5,887,591
		<u>2,575,834</u>	<u>15,908,112</u>
Net current assets		<u>33,309,368</u>	<u>22,288,847</u>
Total assets less current liabilities		<u>296,515,394</u>	<u>169,173,542</u>
Non-current liabilities			
Zero-coupon convertible notes	<i>19</i>	–	15,722,690
NET ASSETS		<u><u>296,515,394</u></u>	<u><u>153,450,852</u></u>
Capital and reserves			
Share capital	<i>20</i>	14,387,488	37,579,147
Reserves	<i>21(a)</i>	282,127,906	115,871,705
TOTAL EQUITY		<u><u>296,515,394</u></u>	<u><u>153,450,852</u></u>

STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	<i>Note</i>	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Non-current assets			
Property, plant and equipment	<i>11(b)</i>	836,686	229,088
Interests in subsidiaries	<i>12</i>	278,759,962	160,536,698
		<u>279,596,648</u>	<u>160,765,786</u>
Current assets			
Investments held for trading	<i>14</i>	10,807,830	13,308,531
Other receivables	<i>16</i>	365,371	6,850,095
Bank balances and cash		6,031,585	4,084,765
		<u>17,204,786</u>	<u>24,243,391</u>
Current liabilities			
Other payables and accruals		286,025	448,021
Interest-bearing borrowings, unsecured	<i>17</i>	–	9,500,000
Derivative financial instruments	<i>18</i>	–	5,887,591
		<u>286,025</u>	<u>15,835,612</u>
Net current assets		<u>16,918,761</u>	<u>8,407,779</u>
Total assets less current liabilities		<u>296,515,409</u>	<u>169,173,565</u>
Non-current liabilities			
Zero-coupon convertible notes	<i>19</i>	–	15,722,690
NET ASSETS		<u><u>296,515,409</u></u>	<u><u>153,450,875</u></u>
Capital and reserves			
Share capital	<i>20</i>	14,387,488	37,579,147
Reserves	<i>21(b)</i>	282,127,921	115,871,728
TOTAL EQUITY		<u><u>296,515,409</u></u>	<u><u>153,450,875</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS*For the year ended 31 December 2009*

	<i>Note</i>	2009 <i>HK\$</i>	2008 <i>HK\$</i>
OPERATING ACTIVITIES			
Cash (used in) generated from operations	25	(34,275,362)	61,837,385
Interest paid		(171,838)	(2,152,172)
Net cash (used in) generated from operating activities		<u>(34,447,200)</u>	<u>59,685,213</u>
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(2,448,808)	(3,990,292)
Proceeds from disposal of property, plant and equipment		–	1,600,000
Acquisition of available-for-sale investments		(271,334,220)	(377,956,263)
Proceeds from disposal of available-for-sale investments		241,244,706	108,389,739
Proceed from disposal of a subsidiary	26	1,960,000	–
Dividends received		4,862,346	1,532,020
Interest received		42,306	50,584
Net cash used in investing activities		<u>(25,673,670)</u>	<u>(270,374,212)</u>
FINANCING ACTIVITIES			
Proceeds from rights issue		51,215,511	187,895,737
Proceeds from placement of shares		23,900,000	–
Share issue expenses		(3,381,087)	(5,193,393)
Share repurchase		(1)	(1)
New interest-bearing borrowings raised		15,000,000	179,000,000
Repayment of interest-bearing borrowings		(24,500,000)	(156,500,000)
Net cash from financing activities		<u>62,234,423</u>	<u>205,202,343</u>
Net increase (decrease) in cash and cash equivalents		2,113,553	(5,486,656)
Cash and cash equivalents at beginning of year		<u>4,245,589</u>	<u>9,732,245</u>
Cash and cash equivalents at year end, represented by bank balances and cash		<u><u>6,359,142</u></u>	<u><u>4,245,589</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the year ended 31 December 2009*

	2009	2008
	<i>HK\$</i>	<i>HK\$</i>
Total equity at 1 January	153,450,852	416,800,936
Total comprehensive income (loss) attributable to equity holders of the Company	54,491,146	(468,721,209)
Placement of shares	23,900,000	–
Issue of convertible notes	–	22,668,782
Issue of shares under convertible notes	16,838,973	–
Issue of shares under rights issue	51,215,511	187,895,737
Share issue expenses	(3,381,087)	(5,193,393)
Share repurchase	(1)	(1)
Total equity at 31 December	296,515,394	153,450,852

Notes to the Consolidated Financial Statements

For the year ended 31 December 2009

1. GENERAL INFORMATION

Unity Investments Holdings Limited was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and the principal place of business of the Company are disclosed in the corporate information of this annual report. The principal activity of the Company is investment holding and principal activities of its subsidiaries are detailed in note 12 to the consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES**Basis of preparation**

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements also comply with applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2008 financial statements. The adoption of the new/revised HKFRSs that are effective from the current year had no significant effects on the Group's results and financial position for the current and prior years. A summary of the principal accounting policies adopted by the Group is set out below.

Adoption of new/revised HKFRS*HKAS 1 (Revised): Presentation of Financial Statements*

HKAS 1 (Revised) requires transactions with owners to be presented separately from all other income and expenses in a revised statement of changes in equity. The revised Standard however allows non-owner changes in equity to be shown in a single statement (the statement of comprehensive income) or two statements (the income statement and the statement of other comprehensive income). The Group has elected to prepare one statement. In addition, the revised Standard requires that when comparative information is restated or reclassified, a statement of financial position as at the beginning of the comparative period, in addition to the statements of financial position as at the end of the current period and the comparative period, should be presented. Since the Group and the Company did not restate comparative information during the year, this new requirement has no impact on the financial statements.

Improvements to HKFRS (2008)

Improvements to HKFRS (2008) contain improvements to a number of Standards aiming to remove inconsistencies and clarify wording in the Standards. The adoption of those improvements had resulted in a number of changes in the details of the Group's accounting policies. Of those changes, only those as described below are considered more significant to the Group:

Amendments to HKAS 1: Presentation of Financial Statements

The Amendments clarify that financial assets and liabilities classified as held for trading that are not held for trading purposes are classified as "non-current" in the statement of financial position if they are settled more than twelve months after the end of the reporting period.

HKFRS 8: Operating Segments

The Standard, replacing *HKAS 14: Segment Reporting*, requires segment information to be reported based on internal information used by management to evaluate the performance of operating segments and allocate resources to those segments.

Amendments to HKFRS 7 Financial Instruments: Disclosures

Amendments to *HKFRS 7* require additional disclosure about fair value measurements and liquidity risk. The fair value measurement disclosures are presented in note 30, and the liquidity risk disclosures are not significantly impacted by the amendments. The Group has taken advantage of the transitional provisions set out in the amendments, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments are not provided in the financial statements.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost, except for investments held for trading, available-for-sale investments in listed securities and debt securities, which are measured at fair value as explained in the accounting policies.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceased.

Subsidiaries

A subsidiary is an entity in which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss. The carrying amount of the investments is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at the annual rate of 33-1/3%. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when the Group's contractual rights to future cash flows from the financial asset expire or when the Group transfers the financial asset and the Group has transferred substantially all the risks and rewards of ownership of the financial asset. A financial liability is derecognised only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which incorporates any dividend or interest earned on the financial assets.

Financial assets are classified as held for trading if they are (i) acquired principally for the purpose of selling in the near future; (ii) part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) derivatives that are not designated and effective hedging instruments.

Financial assets are designated at initial recognition as at fair value through profit or loss if (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or (ii) they are part of a group of financial assets and/or financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) they contain embedded derivatives that would need to be separately recorded.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Loans and receivables

Loans and receivables including other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the year to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. They are measured at fair value with changes in value recognised as a separate component of equity until the assets are sold, collected or otherwise disposed of, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in equity is transferred to the profit or loss. Available-for-sale equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

When a debt instrument with equity conversion option is classified as available-for-sale financial asset, the equity conversion option (the embedded derivative) is separated. The amount paid for the bond is split between the debt instrument without the conversion option and the equity conversion option. Changes in the fair value of the equity conversion option are recognised in profit or loss unless the option is part of a cash flow hedging relationship.

Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that financial assets, other than those at fair value through profit or loss, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and current fair value, less any previously recognised impairment loss, is transferred from equity to profit or loss. Impairment losses recognised in profit or loss in respect of available-for-sale equity instrument are not reversed through profit or loss. Any subsequent increase in fair value of available-for-sale equity instrument after recognition of impairment loss is recognised in equity. Reversal of impairment loss of available-for-sale debt instruments are reversed through the profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

Financial liabilities

The Group's financial liabilities include other payables and unsecured short-term borrowings. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Convertible notes

The component of the convertible note that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of issue costs.

On the issue of the convertible note, the fair value of the liability component is determined using a market rate for a similar bond that does not have a conversion option; and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in convertible notes reserve within shareholders' equity, net of issue costs. The value of the conversion option is not changed in subsequent years. When the conversion option is exercised, the balance of the convertible notes reserve is transferred to share premium account or other appropriate reserve. When the conversion option remains unexercised at the expiry date, the balance remained in the convertible notes reserve is transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Issue costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of proceeds.

Cash equivalents

For the purpose of consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following bases.

Net income from sale of investments held for trading are recognised on the transaction date when the relevant sale and purchase contract is entered into.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Interest income from financial assets is accrued on a time-apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in the currency of Hong Kong dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to determine whether its property, plant and equipment have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less cost to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income immediately.

Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease.

Employee benefits*Short term employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in the profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independent administered fund.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties/connected parties

A party is related to the Group if:

- (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venturer;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

In addition, transactions with connected parties as defined under the Listing Rules are disclosed in the Directors' Report of this annual report.

Critical accounting estimates and judgement

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Impairment of available-for-sale investments

For available-for-sale investments, a significant or prolonged decline in fair value below cost is considered to be objective evidence of impairment. Judgement is required when determining whether a decline in fair value has been significant or prolonged. In making this judgement, the historical data on market volatility as well as the price of the specific investment are taken into account. The Group also takes into account financial information regarding the issuers/investees.

Impairment of investments and receivables

The Company assesses annually if investment in subsidiaries has suffered any impairment in accordance with *HKAS 36* and follows the guidance of *HKAS 39* in determining whether amounts due from those entities are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and course the adjustment of their carrying amounts.

Fair value estimation

The Group's unlisted debt securities have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics, and taking into consideration the volatility of the underlying asset and duration to maturity. This valuation requires the Group to make estimates about expected future cash flows and discount rates, and hence they are subject to uncertainty. The fair value of the unlisted debt securities at the end of the reporting period was HK\$26,600,000 (2008: HK\$45,350,351). Details of the valuation methodology are set out in note 13(c).

3. FUTURE CHANGES IN HKFRS

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRS that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 1	First-time adoption of HKFRS – Additional exemptions for first-time adopters ²
HKFRS 3 (Revised)	Business Combinations ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKFRS 1 (Revised)	First-time adoption of HKFRS ¹
Amendments to HKAS 39	Eligible Hedged Items ¹
Improvements to HKFRS 2009	Improvements to HKFRS 2009 ²
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions ³
Amendments to HKAS 32	Financial Instruments: Presentation – Classification of Rights Issues ⁴
HKAS 24 (Revised)	Related Party Disclosures ⁵
HKFRS 9	Financial Instruments ⁶
HK(IFRIC) – Int 17	Distributions of non-cash Assets to Owners ¹

¹ Effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 July 2009 or 1 January 2010

³ Effective for annual periods beginning on or after 1 January 2010

⁴ Effective for annual periods beginning on or after 1 February 2010

⁵ Effective for annual periods beginning on or after 1 January 2011

⁶ Effective for annual periods beginning on or after 1 January 2013

The directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRS, but are not yet in a position to reasonably estimate their impact on the Group's financial statements.

4. TURNOVER AND REVENUE

The Group is principally engaged in the investment in listed and unlisted companies. Turnover and revenue recognised during the year are as follows:

	2009 HK\$	2008 HK\$
Turnover		
Loss from the sale of listed investments classified under investments held for trading	(16,039,273)	(6,334,669)
Other revenue		
Other income	273	10,860
Interest income	42,306	50,584
Dividend income – listed investments	4,862,346	1,532,020
Exchange gain	–	125,402
Gain on disposal of property, plant and equipment	–	402,304
	4,904,925	2,121,170
Total revenue	(11,134,348)	(4,213,499)

5. SEGMENT INFORMATION

The Group has adopted *HKFRS 8* with effect from 1 January 2009. However the adoption of this Standard has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with *HKAS 14*.

For the purpose of internal reporting, the Group only has one business segment, namely, investments in listed and unlisted securities. Business segment information, which is the Group's primary basis of segment reporting, is not required as the Group's turnover, contribution to operating profit, assets and liabilities are attributable to this only segment.

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue and (ii) the Group's non-current assets other than financial instruments ("specified non-current assets"). The geographical location from which the Group derives revenue is based on the location of the markets of the respective investments; and geographical location of the specified non-current assets is based on the physical location of the asset.

	Revenues		Specified non-current assets	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Hong Kong (place of domicile)	(16,853,305)	3,283,970	4,408,327	3,447,082
Taiwan	–	132	–	–
United States	928,332	(7,803,152)	–	–
Others	4,790,625	305,551	–	–
	5,718,957	(7,497,469)	–	–
	<u>(11,134,348)</u>	<u>(4,213,499)</u>	<u>4,408,327</u>	<u>3,447,082</u>

6. LOSS BEFORE TAXATION

	2009 HK\$	2008 HK\$
This is stated after charging (crediting):		
Finance costs		
Other borrowings wholly repayable within five years	171,838	2,106,966
Imputed interest expense from zero-coupon convertible notes	1,116,283	391,472
	<u>1,288,121</u>	<u>2,498,438</u>
Staff costs		
Employee benefits expense, excluding directors' remuneration	887,645	736,226
Contributions to defined contribution plans	31,400	26,701
	<u>919,045</u>	<u>762,927</u>

	2009 HK\$	2008 HK\$
This is stated after charging (crediting):		
Other items		
Auditors' remuneration	365,000	395,000
Depreciation	1,487,563	776,005
Exchange loss	24,071	–
Loss on disposal of a subsidiary	5,677,265	–
Operating leases in respect of:		
office premises	722,040	389,019
hire of machinery	48,308	63,432
	<u> </u>	<u> </u>
Disclosures pursuant to Rule 21.12(1)(c) of the Listing Rules		
Realised loss on disposal of listed investments	86,487,638	223,481,807
Unrealised (surplus) loss on listed investments	(2,849,767)	196,951,788
Unrealised (surplus) loss on unlisted investments	(609,764)	27,437,240
	<u> </u>	<u> </u>

7. TAXATION

Hong Kong Profits Tax has not been provided in the financial statements as companies within the Group incurred losses for taxation purpose for the years 2009 and 2008.

	2009 HK\$	2008 HK\$
Deferred taxation:		
Origination and reversal of temporary difference	485,653	–
Benefit of tax losses recognised	(485,653)	–
	<u> </u>	<u> </u>
Tax charge for the year	–	–
	<u> </u>	<u> </u>

Reconciliation of tax expense

	2009 HK\$	2008 HK\$
Loss before taxation	(100,618,027)	(458,429,088)
	<u> </u>	<u> </u>
Income tax at applicable tax rate of 16.5% (2008: 16.5%)	(16,601,974)	(75,640,799)
Tax exempt revenue	(2,215,694)	(381,141)
Non-deductible expenses	1,489,499	54,976,193
Unrecognised tax losses	17,092,544	20,989,175
Utilisation of previously unrecognised tax losses	238,494	–
Unrecognised temporary difference	(2,869)	(20,257)
Others	–	76,829
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

8. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the loss for the year attributable to equity holders of the Company of HK\$100,618,027 (2008: HK\$458,429,088), a profit of HK\$54,491,138 (2008: loss of HK\$539,195,927) is dealt with in the financial statements of the Company.

9. LOSS PER SHARE

The calculation of basic loss per share is based on the Group's loss attributable to the equity holders of HK\$100,618,027 (2008: HK\$458,429,088) and the weighted average number of 113,679,062 (2008 as restated: 28,452,085) ordinary shares in issue during the year. The comparative amount of the basic loss per share for 2008 has been adjusted to reflect the impact of the share consolidation and the rights issue effected during the year.

As there were no dilutive potential ordinary shares, diluted loss per share for the year was the same as basic loss per share. In 2008, as there was an anti-dilutive effect after adjusting for the effects of all dilutive potential ordinary shares, diluted loss per share was the same as the basic loss per share.

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amount of emoluments received or receivable by the Company's directors were as follows:

	2009			Total HK\$
	Directors' fees HK\$	Salaries, allowances and benefits in kind HK\$	Retirement scheme contributions HK\$	
Executive directors				
Kitchell Osman Bin	–	630,000	12,000	642,000
Davis Angela Hendricks	–	420,000	12,000	432,000
Choi Ka Wing	–	435,000	12,000	447,000
Independent non-executive directors				
Chung Kong Fei, Stephen	120,000	–	–	120,000
Tsang Wing Ki	120,000	–	–	120,000
Swartz Kristi Lynn	120,000	–	–	120,000
Ngai Wai Kin	120,000	–	–	120,000
	<u>480,000</u>	<u>1,485,000</u>	<u>36,000</u>	<u>2,001,000</u>
	2008			Total HK\$
	Directors' fees HK\$	Salaries, allowances and benefits in kind HK\$	Retirement scheme contributions HK\$	
Executive directors				
Kitchell Osman Bin	–	600,000	12,000	612,000
Chung Wilson	–	36,210	735	36,945
Davis Angela Hendricks	–	225,167	6,758	231,925
Choi Ka Wing	–	430,000	12,000	442,000
Independent non-executive directors				
Chung Kong Fei, Stephen	120,000	–	–	120,000
Tsang Wing Ki	120,000	–	–	120,000
Swartz Kristi Lynn	120,000	–	–	120,000
Ngai Wai Kin	52,903	–	–	52,903
	<u>412,903</u>	<u>1,291,377</u>	<u>31,493</u>	<u>1,735,773</u>

Note: All executive directors are the key management personnel, also as the related parties, of the Company.

(b) Individuals with highest emoluments

Of the five individuals with highest emoluments of the Group, three (2008: three) are directors whose emoluments are disclosed in note 10(a). The aggregate of the emoluments in respect of the other two (2008: two) individuals are as follows:

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Salaries and other emoluments	680,000	628,226
Retirement scheme contributions	21,250	19,500
	<u>701,250</u>	<u>647,726</u>

Their emoluments were within the following band:

	Number of employee	
	2009	2008
HK\$Nil to HK\$1,000,000	<u>2</u>	<u>2</u>

(c) Share options granted to the directors of the Company

Under the share option scheme (the "Scheme") approved by the shareholders of the Company in 2003, the directors of the Company may grant options to those participants who, in the opinion of the Board, have contributed or may contribute to the development and growth of the Group and any entity in which the Group holds any equity interest. During the year, no share options were granted to the directors. Details of the share option scheme are disclosed in note 22.

11. PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Leasehold improvements <i>HK\$</i>	Office equipment <i>HK\$</i>	Furniture and fixtures <i>HK\$</i>	Motor vehicle <i>HK\$</i>	Total <i>HK\$</i>
Reconciliation of carrying amount – year ended 31 December 2008					
At 1 January 2008	177,019	80,292	102,371	1,070,809	1,430,491
Additions	–	112,772	140,495	3,737,025	3,990,292
Disposals	(163,090)	(2,046)	(80,730)	(951,830)	(1,197,696)
Depreciation	(13,929)	(74,204)	(49,862)	(638,010)	(776,005)
At 31 December 2008	<u>–</u>	<u>116,814</u>	<u>112,274</u>	<u>3,217,994</u>	<u>3,447,082</u>
Reconciliation of carrying amount – year ended 31 December 2009					
At 1 January 2009	–	116,814	112,274	3,217,994	3,447,082
Additions	671,400	84,008	–	1,693,400	2,448,808
Depreciation	(18,650)	(77,220)	(51,940)	(1,339,753)	(1,487,563)
At 31 December 2009	<u>652,750</u>	<u>123,602</u>	<u>60,334</u>	<u>3,571,641</u>	<u>4,408,327</u>
At 1 January 2009					
Cost	–	424,069	278,121	3,737,025	4,439,215
Accumulated depreciation	–	(307,255)	(165,847)	(519,031)	(992,133)
	<u>–</u>	<u>116,814</u>	<u>112,274</u>	<u>3,217,994</u>	<u>3,447,082</u>
At 31 December 2009					
Cost	671,400	349,728	154,715	5,430,425	6,606,268
Accumulated depreciation	(18,650)	(226,126)	(94,381)	(1,858,784)	(2,197,941)
	<u>652,750</u>	<u>123,602</u>	<u>60,334</u>	<u>3,571,641</u>	<u>4,408,327</u>

(b) Company

	Leasehold improvements <i>HK\$</i>	Office equipment <i>HK\$</i>	Furniture and fixtures <i>HK\$</i>	Total <i>HK\$</i>
Reconciliation of carrying amount – year ended 31 December 2008				
At 1 January 2008	177,019	80,292	102,371	359,682
Additions	–	112,772	140,495	253,267
Disposals	(163,090)	(2,046)	(80,730)	(245,866)
Depreciation	(13,929)	(74,204)	(49,862)	(137,995)
	<u>–</u>	<u>116,814</u>	<u>112,274</u>	<u>229,088</u>
At 31 December 2008				
Reconciliation of carrying amount – year ended 31 December 2009				
At 1 January 2009	–	116,814	112,274	229,088
Additions	671,400	84,008	–	755,408
Depreciation	(18,650)	(77,220)	(51,940)	(147,810)
	<u>652,750</u>	<u>123,602</u>	<u>60,334</u>	<u>836,686</u>
At 31 December 2009				
At 1 January 2009				
Cost	–	424,069	278,121	702,190
Accumulated depreciation	–	(307,255)	(165,847)	(473,102)
	<u>–</u>	<u>116,814</u>	<u>112,274</u>	<u>229,088</u>
At 31 December 2009				
Cost	671,400	349,728	154,715	1,175,843
Accumulated depreciation	(18,650)	(226,126)	(94,381)	(339,157)
	<u>652,750</u>	<u>123,602</u>	<u>60,334</u>	<u>836,686</u>

12. INTERESTS IN SUBSIDIARIES

	Company 2009 <i>HK\$</i>	2008 <i>HK\$</i>
Unlisted shares, at cost		
At 1 January	33	41
Disposal	(8)	(8)
	<u>25</u>	<u>33</u>
At 31 December		
Due from subsidiaries	656,031,144	620,228,479
Provision for doubtful debts	(377,271,207)	(459,691,814)
	<u>278,759,937</u>	<u>160,536,665</u>
Total	<u>278,759,962</u>	<u>160,536,698</u>

The amounts due from subsidiaries are unsecured, interest-free and have no fixed term of repayment.

The following is a list of the details of the subsidiaries held by the Company at 31 December 2009:

Name of subsidiary	Place of incorporation and type of legal entity	Principal activities	Particulars of issued share capital	Proportion of nominal value of issued capital held by the Company	
				Directly	Indirectly
Ample Spring International Limited	The British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US\$1 each	100%	-
Anchor Talent Limited	The British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US\$1 each	100%	-
Gedaulia Investments Limited	The British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US\$1 each	-	100%
Great Panorama International Limited	The British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US\$1 each	-	100%
Gufalore Investments Limited	The British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US\$1 each	100%	-
Pacific Kingdom International Limited	The British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US\$1 each	100%	-
Triumph Way Limited	Hong Kong, limited liability company	Investment holding	1 ordinary share of HK\$1 each	100%	-
Visionary Limited	The Cayman Islands, limited liability company	Dormant	1 ordinary share of US\$1 each	-	100%

13. AVAILABLE-FOR-SALE INVESTMENTS

	Note	Group	
		2009 HK\$	2008 HK\$
Equity investment, at fair value			
Listed in Hong Kong		214,556,799	87,685,511
Equity investment, at cost			
Unlisted in Hong Kong		36,058,300	36,058,300
Impairment loss	13(b)	(30,058,300)	(25,656,549)
		6,000,000	10,401,751
Unlisted overseas		11,640,900	-
		17,640,900	10,401,751
Debt investment, unlisted in Hong Kong at fair value			
Loan and receivable portion		24,023,251	39,205,078
Embedded derivative		2,576,749	6,145,273
	13(c)	26,600,000	45,350,351
Total		258,797,699	143,437,613

- (a) As at 31 December 2009, the carrying amount of the Group's interest in the shares or underlying shares in the following Hong Kong listed company exceeded 10% of the total assets of the Group.

Name	Place of incorporation	Principal activities	Particulars of issued share capital	Proportion of nominal value of issued capital held by the Group
China Public Healthcare (Holding) Limited	Cayman Islands	Hospital data evaluation analytics, hospital information technology system for medical data acquisition, processing and application system, mining of mineral resources and accessories in the People's Republic of China ("PRC"), radio trunking systems integration and provision of telemedia-related and other value-added telecommunication-related technical services	Ordinary share of HK\$0.01 each	2.65%
China Strategic Holdings Limited	Hong Kong	Manufacturing and trading of battery products and related accessories and investments in securities	Ordinary share of HK\$0.10 each	2.61%

- (b) Provision for diminution in value on unlisted equity investments

	Effective shareholding interest	Cost HK\$	Recoverable amount HK\$	Impairment loss HK\$	Classification of financial assets
(i) Hennabun Capital Group Limited ("Hennabun")	0.91%	31,000,000	6,000,000	25,000,000	Available-for-sale
(ii) Cosmedia Group Holdings Limited ("Cosmedia")	0.49%	5,058,300	–	5,058,300	Available-for-sale
		<u>36,058,300</u>	<u>6,000,000</u>	<u>30,058,300</u>	

- (i) Hennabun is a private company incorporated in British Virgin Island and is principally engaged in investment holding and its subsidiaries are engaged in securities trading, investment holding and provision of brokerage and financial services.

- (ii) Cosmedia is a private company incorporated in Cayman Islands and is principally engaged in business of advertising, media services and television home shopping.

The recoverable amount has been assessed by the directors with reference to latest available financial information of the investee companies.

- (c) The debt investments are unlisted convertible notes issued by listed companies in Hong Kong. At the end of the reporting period, the convertible notes were revalued by independent professional qualified valuers using the Trinomial Tree Pricing Model. The contractual maturity of the convertible notes is used as an input to this model.

	Issuer		Total
	GR Vietnam Holdings Limited	Rising Development Holdings Limited	
Principal amount	HK\$25,000,000	HK\$3,600,000	HK\$28,600,000
Date of maturity	15 November 2010	15 October 2011	
Volatility	137%	126%	
Risk-free interest rate (with reference to Hong Kong Exchange Fund Note)	0.187%	0.237%	
Fair value at 31 December 2009	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Loan component	21,625,202	2,398,049	24,023,251
Embedded derivative	1,374,798	1,201,951	2,576,749
	<u>23,000,000</u>	<u>3,600,000</u>	<u>26,600,000</u>

14. INVESTMENTS HELD FOR TRADING

	Group		Company	
	2009 <i>HK\$</i>	2008 <i>HK\$</i>	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Equity investment				
Listed in Hong Kong	18,340,802	6,097,069	–	303,800
Listed overseas	10,807,830	20,625,338	10,807,830	13,004,731
	<u>29,148,632</u>	<u>26,722,407</u>	<u>10,807,830</u>	<u>13,308,531</u>

15. INVESTMENTS PORTFOLIO

Pursuant to the requirements stipulated in Rule 21.12 of the Listing Rules, the Group discloses:

- (a) provision for diminution in value on other investments as disclosed in note 13(b); and
- (b) its ten largest investments with brief description of the investee companies as follows:

Top ten investments**2009**

Name of investee company	Number of shares held	Effective shareholding interest	Cost/carrying value up to 31 December 2009 HK\$	Market value/fair value as at 31 December 2009 HK\$	Unrealised holding gain (loss) arising on revaluation HK\$	Dividends received/receivable during the year HK\$	Classification of financial assets
(i) China Public Healthcare (Holding) Limited	285,000,000	2.65%	58,895,000	60,420,000	1,525,000	-	Available-for-sale
(ii) China Strategic Holdings Limited	96,666,666	2.61%	26,711,866	54,133,333	27,421,467	-	Available-for-sale
(iii) GR Vietnam Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	17,991,016	23,000,000	5,008,984	-	Available-for-sale
(iv) Poly Development Holdings Limited	28,456,000	1.43%	7,825,400	21,911,120	14,085,720	-	Available-for-sale
(v) G-Resources Group Limited	41,216,352	0.29%	32,480,857	20,196,013	(12,284,844)	-	Available-for-sale
(vi) China Sci-Tech Holdings Limited	63,891,645	2.01%	14,920,211	15,653,453	733,242	-	Available-for-sale
(vii) China Chief Cable TV Group Limited	28,125,000	1.50%	9,421,875	14,906,250	5,484,375	-	Available-for-sale
(viii) LIC Opportunities Fund (Cayman) Limited	Not applicable	Not applicable	11,640,900	Not applicable	-	-	Available-for-sale
(ix) Pacific Century Regional Developments Limited	11,000,000	0.36%	8,192,800	10,807,830	2,615,030	4,793,042	Held for trading
(x) G-Prop (Holdings) Limited	27,000,000	1.11%	10,071,000	8,235,000	(1,836,000)	-	Available-for-sale

2008

Name of investee company	Number of shares held	Effective shareholding interest	Cost up to 31 December 2008 HK\$	Market value/ fair value as at 31 December 2008 HK\$	Unrealised holding gain (loss) arising on revaluation HK\$	Dividend received/receivable during the year HK\$	Classification of financial assets
eSun Holdings Limited	43,086,578	3.47%	91,966,445	44,810,041	(47,156,404)	-	Available-for-sale
China Strategic Holdings Limited (unlisted convertible notes)	Not applicable	Not applicable	36,300,000	23,761,866	(12,538,134)	-	Available-for-sale
GR Vietnam Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	25,000,000	17,991,016	(7,008,984)	-	Available-for-sale
Forefront Group Limited	46,347,250	4.95%	43,532,253	9,223,103	(34,309,150)	-	Available-for-sale
Pacific Century Regional Developments Limited	11,000,000	0.36%	19,601,064	8,192,800	(11,408,264)	307,575	Held for trading
Universal Technology Systems Inc.	13,684,715	29.96%	17,044,389	7,620,607	(9,423,782)	-	Held for trading
Willie International Holdings Limited	12,849,400	3.30%	120,515,110	6,810,182	(113,704,928)	-	Available-for-sale
Heritage International Holdings Limited	12,714,070	4.97%	42,429,046	6,357,035	(36,072,011)	-	Available-for-sale
Radford Capital Investment Limited	54,947,321	10.64%	22,720,455	6,209,047	(16,511,408)	-	Available-for-sale
Freeman Corporation Limited	42,825,299	4.38%	9,053,693	6,124,018	(2,929,675)	-	Available-for-sale

- (i) China Public Healthcare (Holding) Limited (“C Public Health”) was incorporated in Cayman Islands and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8116). C Public Health is principally engaged in hospital data evaluation analytics, hospital information technology system for medical data acquisition, processing and application system, mining of mineral resources and accessories in the People’s Republic of China, radio trunking systems integration and provision of telemedia-related and other value-added telecommunication-related technical services. For the financial year ended 31 December 2009, the audited consolidated loss from continuing operations attributable to equity holders of C Public Health was HK\$357,796,000 with basic loss per share from continuing operations of HK7.05 cents. As at 31 December 2009, its audited consolidated net assets of C Public Health was HK\$727,437,000.
- (ii) China Strategic Holdings Limited (“China Strategic”) was incorporated in Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 235). China Strategic is principally engaged in manufacturing and trading of battery products and related accessories and investment in securities. For the financial year ended 31 December 2008, the audited consolidated loss attributable to equity holders of China Strategic was HK\$452,365,000 with basic loss per share of HK\$0.23. As at 31 December 2008, its audited consolidated net assets was HK\$349,098,000.
- (iii) GR Vietnam Holdings Limited (“GR Vietnam”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139). GR Vietnam is principally engaged in trading and distribution of electronic products and other merchandise and securities investment and trading. For the financial year ended 31 March 2009, the audited consolidated loss attributable to equity holders of GR Vietnam was HK\$280,707,000 with basic loss per share of HK\$9.94 cents. As at 31 March 2009, its audited consolidated net assets was HK\$214,536,000.

- (iv) Poly Development Holdings Limited (“Poly Development”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1141). Poly Development is principally engaged in supply and procurement business operations and securities investment. During the financial year of 2009, Poly Development has expanded the business scope of its supply and procurement business into commodities of fuel, metal minerals and recycled metal materials. For the financial year ended 31 March 2009, the audited consolidated loss attributable to equity holders of Poly Development was HK\$4,907,000 with basic and diluted loss per share of HK0.40 cents. As at 31 March 2009, its audited consolidated net assets was HK\$228,033,000.
- (v) G-Resources Group Limited (“G-Resources”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1051). G-Resources is principally engaged in gold and related metals mining business. For the financial year ended 30 June 2009, the audited consolidated loss from continuing operations and discontinued operation attributable to equity holders of G-Resources was HK\$153,287,000 and HK\$10,997,000 respectively with basic and diluted loss per share from continuing and discontinued operations of HK38.4 cents. As at 30 June 2009, its audited consolidated net assets was HK\$497,117,000.
- (vi) China Sci-Tech Holdings Limited (“China Sci-Tech”) was incorporated in Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 985). China Sci-Tech is principally engaged in investment in financial instruments and property investment. For the financial year ended 31 March 2009, the audited consolidated loss attributable to equity holders of China Sci-Tech was HK\$366,522,000 with basic and diluted loss per share of HK69.07 cents. As at 31 March 2009, its audited consolidated net assets was HK\$2,123,686,000.
- (vii) China Chief Cable TV Group Limited (“CCC TV”) was incorporated in Bermuda and the shares of which are listed on Growth Enterprise Market of the Stock Exchange (stock code: 8153). CCC TV is principally engaged in provision of pre-mastering and other media services, audiovisual playout services in Hong Kong, development of digital TV system platform and program database, sales and rental of set-top boxes, design and manufacture digital TV equipment and facilities in PRC. For the financial year ended 31 March 2009, the audited consolidated loss attributable to equity holders of CCC TV was HK\$283,421,000 with basic loss per share of HK33.65 cents. As at 31 March 2009, its audited consolidated net assets was HK\$295,535,000.
- (viii) LIC Opportunities Fund (Cayman) Limited (“LIC Opportunities Fund”) was an open-ended fund at issue price of US\$1,000 per unit and Fortis Prime Fund Solutions (Cayman) Limited and Fortis Prime Fund Solutions (Asia) Limited is the administrator and sub-administrator of the LIC Opportunities Fund respectively. The strategy of LIC Opportunities Fund is to achieve absolute returns through a multi-strategy approach towards investments. Investments of LIC Opportunities Fund would primarily focus in Asia-pacific equity market.
- (ix) Pacific Century Regional Developments Limited (“Pacific Century”) is listed on the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore. The principal activities of Pacific Century and its subsidiaries are the holding of investments and development of infrastructure and properties. For the financial year ended 31 December 2008, the audited consolidated profit from continuing operations attributable to equity holders of Pacific Century was SG\$32,369,000 with basic and diluted earnings per share of SG1.05 cents. As at 31 December 2008, its audited consolidated net assets was SG\$12,078,000.
- (x) G-Prop (Holdings) Limited (“G-Prop”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 286). G-Prop is principally engaged in the business of property investments and investment and finance. For the financial year ended 31 December 2009, the audited consolidation profit attributable to equity holders of G-Prop was HK\$11,788,000 with basic and diluted earnings per share of HK0.53 cents. As at 31 December 2009, its audited consolidated net assets was HK\$481,577,000.

16. OTHER RECEIVABLES

	Group		Company	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Deposits and prepayments	377,405	367,633	365,348	367,262
Other receivables	23	6,861,330	23	6,482,833
	<u>377,428</u>	<u>7,228,963</u>	<u>365,371</u>	<u>6,850,095</u>

17. INTEREST-BEARING BORROWINGS, UNSECURED

The amounts in 2008 represented loans from third parties which were unsecured, bore interests at prime rate and repayable within one year.

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Company	
	2009 HK\$	2008 HK\$
Forward contracts		
Listed equity investments	–	5,887,591
	<u>–</u>	<u>5,887,591</u>

19. ZERO-COUPON CONVERTIBLE NOTES

On 8 October 2008, the Company entered into settlement deeds with two short-term loan lenders pursuant to which convertible notes with a principal amount of HK\$38,000,000 (the “Convertible Notes”) were issued on 26 November 2008 to settle HK\$38,000,000 outstanding loan principal. The Convertible Notes are non-interest bearing with maturity date on 25 November 2011. The holders of the Convertible Notes shall have the right to convert whole or any part of the Convertible Notes on any business day at any time on or after 26 November 2008 up to and including 18 November 2011 (7 days before and excluding the maturity date on 25 November 2011), into ordinary share of the Company at an initial conversion price of HK\$0.132, subject to adjustments for dilutive events throughout the conversion period. The conversion price was adjusted from HK\$0.132 to HK\$0.114 with effect from 3 April 2009 as a result of completion of the right issue.

On initial recognition, the fair value of the liability component of Convertible Notes is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the gross proceeds of the issue of the Convertible Notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the Convertible Notes into equity, is included in equity (convertible notes reserve).

On 24 February 2009, the Company received a conversion notice from the notes holder in respect of the exercise of the conversion rights attached to the Convertible Notes in the principal amount of HK\$18,000,000 at the initial conversion price of HK\$0.132 and the Company issued a total of 136,363,636 shares.

On 7 April 2009, the Company received a conversion notice from the notes holder in respect of the exercise of the conversion rights attached to the Convertible Notes in the principal amount of HK\$20,000,000 at the adjusted conversion price of HK\$0.114 and the Company issued a total of 175,438,596 shares.

As a result, all Convertible Notes had been converted to ordinary shares of the Company during the year.

The movement of the liability component of the Convertible Notes for the year ended 31 December 2009 is set out below:

	Group and Company	
	2009	2008
	<i>HK\$</i>	<i>HK\$</i>
At 1 January	15,722,690	–
Issue of Convertible Notes	–	15,331,218
Imputed interest expense included in finance costs	1,116,283	391,472
Exercise of conversion rights	(16,838,973)	–
	<u>–</u>	<u>15,722,690</u>
At 31 December	<u>–</u>	<u>15,722,690</u>

20. SHARE CAPITAL

	<i>Note</i>	Number of ordinary shares of HK\$0.1 each	Nominal value <i>HK\$</i>
Authorised:			
At 31 December 2008, 1 January 2009 and 31 December 2009		<u>20,000,000,000</u>	<u>2,000,000,000</u>
Issued and fully paid:			
At 1 January 2008		3,131,595,629	313,159,563
Capital reduction		–	(281,843,606)
Share consolidation		(2,818,436,058)	–
Rights issue		1,565,797,810	156,579,781
Share repurchase		(11)	(1)
Capital reduction		–	(150,316,590)
Share consolidation		(1,503,165,896)	–
		<u>375,791,474</u>	<u>37,579,147</u>
At 31 December 2008 and 1 January 2009		375,791,474	37,579,147
Conversion of convertible notes	(i) & (iii)	311,802,232	31,180,223
Rights issue	(ii)	512,155,110	51,215,511
Share repurchase	(iv)	(6)	(1)
Placement of shares	(v)	239,000,000	23,900,000
Capital reduction	(vi)(a) (c)	–	(129,487,392)
Share consolidation	(vi)(b)	(1,294,873,929)	–
		<u>143,874,881</u>	<u>14,387,488</u>
At 31 December 2009		<u>143,874,881</u>	<u>14,387,488</u>

Notes:

- (i) On 24 February 2009, convertible notes in principal amount of HK\$18,000,000 was converted into 136,363,636 ordinary share of HK\$0.10 each of the Company at the conversion price of HK\$0.132.
- (ii) At the extraordinary general meeting of the Company held on 13 March 2009, an ordinary resolution was passed for the issue of 512,155,110 rights shares at a price of HK\$0.10 each to qualifying shareholders on the basis of one rights share for every share held on 13 March 2009. The rights shares were issued on 6 April 2009.
- (iii) On 7 April 2009, convertible notes in principal amount of HK\$20,000,000 was converted into 175,438,596 ordinary shares of HK\$0.10 each of the Company at the conversion price of HK\$0.114.
- (iv) On 5 May 2009, the Company repurchased 6 shares at a market price of HK\$0.088 per share. The title documents of all repurchased shares were cancelled and destroyed on 8 May 2009.
- (v) On 12 June 2009, the Company entered into a placing agreement with a placing agent to place 239,000,000 ordinary shares of HK\$0.10 per placing share. The placing was completed on 22 June 2009.
- (vi) At the extraordinary general meeting of the Company held on 8 June 2009, a resolution in respect of the capital reorganisation, including capital reduction, adjustment of nominal value of the issued shares and share consolidation, were approved by the shareholders. The capital reduction was approved by the Grand Court of the Cayman Islands on 31 July 2009 and become effective after 4:00 p.m. on 5 August 2009, details of which are as follows:
 - (a) the nominal value of all the issued shares be reduced from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid-up capital on each issued shares by way of a reduction of capital;
 - (b) every ten issued reduced shares of HK\$0.01 each were consolidated into one consolidated share of HK\$0.10 each. As a result, the adjusted share capital of the Company became HK\$14,387,488 consisting of 143,874,881 ordinary shares of HK\$0.10 each; and
 - (c) the credit amount of HK\$129,487,392 arising from the capital reduction referred to in note (vi)(a) was credited to the capital reduction reserve account of the Company. The amounts in the capital reduction reserve account can be applied to a distributable reserve of the Company at the discretion of the directors of the Company in accordance with the articles of association of the Company and all applicable laws, including elimination against the accumulated losses of the Company. During the year, capital reduction reserve of HK\$129,487,392 had been applied to set off against accumulated losses pursuant to the capital reorganisation.

All the shares issued during the year rank *pari passu* in all respects with the then existing shares.

21. RESERVES

(a) Group

	2009					Total HK\$
	Share premium HK\$	Convertible notes reserve HK\$	Investment revaluation reserve HK\$	Capital reduction reserve HK\$	Accumulated losses HK\$	
At 1 January 2009	264,500,318	22,668,782	(119,497,731)	346,585,489	(398,385,153)	115,871,705
Conversion of convertible notes	8,327,532	(22,668,782)	-	-	-	(14,341,250)
Creation of capital reduction reserve pursuant to the capital reorganisation	-	-	-	129,487,392	-	129,487,392
Capital reduction reserve set off against accumulated losses pursuant to the capital reorganisation	-	-	-	(129,487,392)	129,487,392	-
Share issue expenses	(3,381,087)	-	-	-	-	(3,381,087)
Change in fair value of available-for-sale investments	-	-	80,259,057	-	-	80,259,057
Transfer to profit or loss upon impairment of available-for-sale investments	-	-	4,401,751	-	-	4,401,751
Transfer to profit or loss upon disposal of available-for-sale investments	-	-	70,448,365	-	-	70,448,365
Loss for the year	-	-	-	-	(100,618,027)	(100,618,027)
At 31 December 2009	269,446,763	-	35,611,442	346,585,489	(369,515,788)	282,127,906
	2008					Total HK\$
	Share premium HK\$	Convertible notes reserve HK\$	Investment revaluation reserve HK\$	Capital reduction reserve HK\$	Accumulated losses HK\$	
At 1 January 2008	238,377,755	-	(109,205,610)	89,584,797	(115,115,569)	103,641,373
Creation of capital reduction reserve pursuant to the capital reorganisation	-	-	-	432,160,196	-	432,160,196
Capital reduction reserve set off against accumulated losses pursuant to the capital reorganisation	-	-	-	(175,159,504)	175,159,504	-
Issues of shares under rights issue	31,315,956	-	-	-	-	31,315,956
Share issue expenses	(5,193,393)	-	-	-	-	(5,193,393)
Issue of convertible notes	-	22,668,782	-	-	-	22,668,782
Change in fair value of available-for-sale investments	-	-	(407,120,736)	-	-	(407,120,736)
Transfer to profit or loss upon impairment of available-for-sale investments	-	-	179,681,477	-	-	179,681,477
Transfer to profit or loss upon disposal of available-for-sale investments	-	-	217,147,138	-	-	217,147,138
Loss for the year	-	-	-	-	(458,429,088)	(458,429,088)
At 31 December 2008	264,500,318	22,668,782	(119,497,731)	346,585,489	(398,385,153)	115,871,705

(b) Company

	2009					
	Share premium HK\$	Convertible notes reserve HK\$	Investment revaluation reserve HK\$	Capital reduction reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 January 2009	264,500,318	22,668,782	-	346,585,489	(517,882,861)	115,871,728
Conversion of convertible notes	8,327,532	(22,668,782)	-	-	-	(14,341,250)
Creation of capital reduction reserve pursuant to the capital reorganisation	-	-	-	129,487,392	-	129,487,392
Capital reduction reserve set off against accumulated losses pursuant to the capital reorganisation	-	-	-	(129,487,392)	129,487,392	-
Share issue expenses	(3,381,087)	-	-	-	-	(3,381,087)
Profit for the year	-	-	-	-	54,491,138	54,491,138
At 31 December 2009	269,446,763	-	-	346,585,489	(333,904,331)	282,127,921
	2008					
	Share premium HK\$	Convertible notes reserve HK\$	Investment revaluation reserve HK\$	Capital reduction reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 January 2008	238,377,755	-	(70,639,357)	89,584,797	(153,846,438)	103,476,757
Creation of capital reduction reserve pursuant to the capital reorganisation	-	-	-	432,160,196	-	432,160,196
Capital reduction reserve set off against accumulated losses pursuant to the capital reorganisation	-	-	-	(175,159,504)	175,159,504	-
Issues of shares under rights issue	31,315,956	-	-	-	-	31,315,956
Share issue expenses	(5,193,393)	-	-	-	-	(5,193,393)
Issue of convertible notes	-	22,668,782	-	-	-	22,668,782
Transfer to profit or loss on disposal of available-for-sale investments	-	-	70,639,357	-	-	70,639,357
Loss for the year	-	-	-	-	(539,195,927)	(539,195,927)
At 31 December 2008	264,500,318	22,668,782	-	346,585,489	(517,882,861)	115,871,728

Under the Companies Law of the Cayman Islands, share premium and capital reduction reserve subject to the Company's memorandum and article of association of the Company is distributable to the shareholders, which is subject to a solvency test. The Company had a distributable reserve of HK\$282,127,921 as at 31 December 2009 (2008: HK\$115,871,728).

22. SHARE OPTION SCHEME

The Company adopted a new share option scheme (the "Option Scheme") on 2 May 2003. Unless otherwise cancelled or amended subject to resolution passed at a extraordinary general meeting of the Company, the Option Scheme will remain in force for 10 years from the date of adoption. Under the Option Scheme, the Directors may grant options to those participants who, in the opinion of the Board, have contributed or may contribute to the development and growth of the Group and any entity in which the Group holds any equity interest. Eligible participants of the Option Scheme include any directors and employee of any members of the Group or any invested entities, any consultant, adviser or agent engaged by any member of the Group or any invested entities and any vendor, supplier of goods or services or customer of or to any member of the Group or invested entities.

The total number of shares to be issued under the Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any eligible individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any directors' of the Company, substantial shareholders or any of his or her associates in any one year is not permitted: (i) to exceed 0.1% of the shares of the Company in issue at any point in time; and (ii) to have an aggregate value based on the official closing price of the Company's share as stated in the daily quotation sheets of the Stock Exchange on the date of grant in excess of HK\$5 million, without prior approval from the Company's shareholders.

Under the Option Scheme, the options granted may be accepted within 28 days from the date of offer upon payment of HK\$1 by way of consideration for the grant thereof by the grantee. Options may be exercised at any time not exceeding a period of 10 years from the date on which the share option is granted. The exercise price is determined by the directors of the Company, but in any event shall not less than the highest of: (i) the official closing price of the Company's share as stated in the daily quotation sheets of the Stock Exchange on the date of grant; (ii) the average of the official closing price of the Company's share as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No share options were granted, lapsed, exercised or expired under the Option Scheme during the financial years of 2008 and 2009.

23. CHARGE OF ASSETS AND MARGIN FACILITIES

As at 31 December 2009, margin facilities from several regulated securities brokers were granted to the Group which were secured by the Group's available-for-sale investments and investments held for trading. As at 31 December 2009, a total amount of HK\$2,250,809 (2008: HK\$Nil) had been utilised against these facilities and the total carrying amount of the available-for-sale investments and investments held for trading charged to the securities brokers is HK\$270,305,431 (2008: HK\$106,759,551).

The margin facilities granted by one of the brokers constituted continuing connected transactions under the Listing Rules and the relevant disclosures are made in the Directors' Report of this annual report.

24. DEFERRED TAXATION

Recognised deferred tax assets (liabilities) of the Group

	Assets		Liabilities	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Depreciation allowances	–	–	485,653	–
Tax losses	485,653	–	–	–
	<u>485,653</u>	<u>–</u>	<u>485,653</u>	<u>–</u>
Deferred tax assets (liabilities)	485,653	–	(485,653)	–
Offset deferred tax assets and liabilities	(485,653)	–	485,653	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net deferred tax assets (liabilities)	–	–	–	–

Unrecognised deferred tax assets arising from

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Deductible temporary differences	17,964	35,352
Tax losses	635,831,010	245,449,570
	<u>635,848,974</u>	<u>245,484,922</u>
At 31 December	<u>635,848,974</u>	<u>245,484,922</u>

Both the tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

25. CASH (USED IN) GENERATED FROM OPERATIONS

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Loss before taxation	(100,618,027)	(458,429,088)
Depreciation	1,487,563	776,005
Gain on disposals of property, plant and equipment	–	(402,304)
Change in fair value of listed investments classified under investments held for trading	(2,849,767)	38,819,960
(Reversal of) Impairment on unlisted debt investments classified under available-for-sale investments	(5,011,515)	19,549,649
Impairment of unlisted equity investments classified under available-for-sale investments	4,401,751	2,000,000
Impairment of listed investments classified under available-for-sale investments	–	158,131,828
Realised loss on disposal of listed investments classified under available-for-sale investments	70,448,365	217,147,138
Interest income	(42,306)	(50,584)
Interest expenses	1,288,121	2,498,438
Dividend income	(4,862,346)	(1,532,020)
Loss on disposal of a subsidiary	5,677,265	–
Change in working capital:		
Investments held for trading	(7,213,723)	85,007,274
Other receivables	6,851,535	(2,008,933)
Other payables and accruals	2,055,313	(299,756)
Derivative financial instruments	(5,887,591)	629,778
Cash (used in) generated from operations	<u>(34,275,362)</u>	<u>61,837,385</u>

26. DISPOSAL OF A SUBSIDIARY

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Net assets disposed of:		
Investments	7,637,265	–
Net assets disposal of	7,637,265	–
Total consideration received, satisfied by cash	(1,960,000)	–
Loss on disposal of a subsidiary	5,677,265	–

27. OPERATING LEASE COMMITMENTS

At 31 December 2009 and 2008, the Group had total future aggregate minimum lease payments under non-cancellable operating leases, which are payable as follows:

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Within one year	346,616	940,130
In the second to fifth years (both years inclusive)	320,380	312,580
	666,996	1,252,710

28. CONTINGENT LIABILITIES**Financial guarantee issued**

The Company had corporate guarantee for securities trading account maintained by one of its subsidiaries with a broker, which were unutilised (2008: HK\$Nil) at the year end date.

The Company has not recognised any deferred income for the corporate guarantee given in respect of the securities trading facilities for subsidiaries as their fair value cannot be reliably measured and their transactions price were zero.

The directors do not consider probable that a claim will be made against the Company under any of the guarantee at 31 December 2009 and 2008.

29. RELATED PARTY TRANSACTIONS**Compensation of key management personnel of the Group**

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Short-term benefits	1,485,000	1,291,377
Post-employment benefits	36,000	31,493
	1,521,000	1,322,870

Further details of directors' emoluments are included in note 10(a).

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity investments, other receivables and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Financial risk factors*Interest rate risk*

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's utilisation of margin facilities of securities brokers.

At 31 December 2009 and 2008, if interest rates had been 200 basis point higher/lower and all other variables were held constant, the effect on the Group's net loss would be minimal.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 200 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual report date. The analysis is performed on the same basis for 2008.

Foreign currency risk

As a result of overseas investments denominated in United States Dollars ("USD") and Singapore Dollars ("SGD"), the Group is exposed to the movement in the HKD/USD and HKD/SGD exchange rates.

At 31 December 2009, if these currencies had strengthened/weakened by 5% against HKD with all other variables kept constants, the Group's net loss for the year would have been approximately HK\$540,000 (2008: approximately HK\$937,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of those overseas investments denominated in different currencies.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to Group's exposure to currency risk for all financial instruments in existence at that date, and that all other variables remain constant, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual report date. In this respect, it is assumed that the pegged rate between HKD and USD would be materially unaffected by any changes in movement in value of USD against other currencies. The analysis is performed on the same basis for 2008.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term borrowings and utilisation of margin facilities of securities brokers. The Group will keep reviewing its financial needs from time to time to determine the timing of obtaining various borrowings or carrying out fund raising activities. The maturity profile of the Group's financial liabilities at the end of reporting period based on contractual undiscounted payments are summarised below:

(a) Group

	On demand HK\$	Less than 3 months HK\$	2009 4-12 months HK\$	1-3 years HK\$	Total HK\$
Other payables and accruals	2,575,834	–	–	–	2,575,834
	<u>2,575,834</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,575,834</u>
			2008 4-12 months HK\$	1-3 years HK\$	Total HK\$
Interest-bearing borrowings, unsecured	–	9,500,000	–	–	9,500,000
Other payables and accruals	520,521	–	–	–	520,521
Derivative financial instruments:					
Listed equity investments forward contracts	–	7,568,242	3,477,826	–	11,046,068
Convertible notes	–	–	–	38,000,000	38,000,000
	<u>520,521</u>	<u>17,068,242</u>	<u>3,477,826</u>	<u>38,000,000</u>	<u>59,066,589</u>

(b) Company

	On demand HK\$	Less than 3 months HK\$	2009 4-12 months HK\$	1-3 years HK\$	Total HK\$
Other payables and accruals	286,025	–	–	–	286,025
	<u>286,025</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>286,025</u>
			2008 4-12 months HK\$	1-3 years HK\$	Total HK\$
Interest-bearing borrowings, unsecured	–	9,500,000	–	–	9,500,000
Other payables and accruals	448,021	–	–	–	448,021
Derivative financial instruments:					
Listed equity investments forward contracts	–	7,568,242	3,477,826	–	11,046,068
Convertible notes	–	–	–	38,000,000	38,000,000
	<u>448,021</u>	<u>17,068,242</u>	<u>3,477,826</u>	<u>38,000,000</u>	<u>58,994,089</u>

Price risk

Certain of the Group's available-for-sale investments and investments held for trading are measured at fair value at each reporting period. Therefore, the Group is exposed to equity and debt securities price risk. The management manages this exposure by maintaining a portfolio of investments with different profiles both in Hong Kong and overseas. The sensitivity analysis has been determined based on the exposure to equity price risk. At the reporting date, if the fair value of trading securities had been 5% higher/lower while all other variables were held constant, the Group's net loss would decrease/increase by approximately HK\$1,457,000 (2008: decrease/increase by approximately HK\$1,336,000).

Whereas, if the fair value of available-for-sale investments had been 5% higher/lower with all other variables remain unchanged, the Group's changes in equity will increase/decrease by approximately HK\$12,940,000 (2008: increase/decrease by approximately HK\$7,172,000). The Group's sensitivity to equity price has not changed significantly from the prior year.

Capital management

The objectives of the Group's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The Group manages its capital structure and makes adjustments, including payment of dividend to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2009 and 2008.

The Group monitors capital on the basis of debt-to-adjusted capital ratio, which is net debt divided by adjusted capital. The Group's policy is to keep the ratio within 10%. The debt-to-adjusted capital ratios at the end of reporting period were as follows:

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Interest-bearing borrowings, unsecured	–	9,500,000
Convertible notes – liability portion	–	15,722,690
Other payables	2,250,809	–
Less: Cash balance maintained with a broker	(23)	(6,861,330)
Less: Bank balances and cash	(6,359,142)	(4,245,589)
	<u>(4,108,356)</u>	<u>14,115,771</u>
Net (receivable)/debt		
	(4,108,356)	14,115,771
Total equity	296,515,394	153,450,852
Add: Net unrealised reserves	(35,611,442)	119,497,731
	<u>260,903,952</u>	<u>272,948,583</u>
Adjusted capital		
	260,903,952	272,948,583
Debt-to-adjusted capital ratio	<u>Not applicable</u>	<u>5%</u>

Fair value

In the opinion of the directors, the carrying amounts of financial instruments approximate their fair value and accordingly no separate disclosure of the fair value of these items are presented.

The fair value of listed securities included in available-for-sale investments and investments held for trading is based on the quoted market bid prices available on the relevant stock exchange.

Certain unlisted securities included in available-for-sale investments are stated at fair value after the carrying amounts are determined to be impaired.

Fair value disclosures

The following presents the carrying value of financial instruments measured at fair value at 31 December 2009 across the three levels of the fair value hierarchy defined in *HKFRS 7, Financial Instruments: Disclosures*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments;
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data;
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

Assets measured at fair value

	31 December 2009	Level 1	Level 2	Level 3
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Investments held for trading				
Listed equity investment	29,148,632	29,148,632	–	–
Available-for-sale				
Investments				
Listed equity investments	214,556,799	214,556,799	–	–
Unlisted debit investments	26,600,000	–	26,600,000	–
	<u>270,305,431</u>	<u>243,705,431</u>	<u>26,600,000</u>	<u>–</u>

During the year ended 31 December 2009, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

31. EVENTS AFTER THE YEAR END

On 5 January 2010, the Company and Kingston Securities Limited entered into a placing agreement pursuant to which Kingston Securities Limited had conditionally agreed to place an aggregate of 28,770,000 placing shares at a price of HK\$0.38 per placing share. The placing was completed on 14 January 2010.

On 15 January 2010, 11,995,000 share options were granted to qualified grantees under the share option scheme of the Company at an exercise price of HK\$0.42 per share. These share options were fully exercised on 18 January 2010.

On 7 September 2009, the Company and Get Nice Securities Limited entered into a placing agreement pursuant to which Get Nice Securities Limited had conditionally agreed to place an aggregate of 100,000,000 placing shares at a price of HK\$0.38 per placing share. The placing was completed on 19 February 2010.

Pursuant to the Company's announcement dated 4 March 2010, the Company and Get Nice Securities Limited entered into an underwritten agreement on 2 March 2010 pursuant to which the Company proposed to raise approximately HK\$85.39 million before expenses by way of a rights issue of issuing 569,279,762 rights shares at a price of HK\$0.15 per rights share on the basis of two rights shares for every share held on the record date by the qualifying shareholder(s).

3. INDEBTEDNESS

At the close of business on 28 February 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the total indebtedness of the Group amounted to approximately HK\$2,285,000, representing the margin financing facilities obtained from regulated securities dealers.

The Group has pledged its investments held for trading and available-for-sale investments, which are approximately HK\$274,440,000, to secure margin financing facilities obtained from regulated securities dealers. As at 28 February 2010, these facilities have been utilised up to the extent of HK\$2,285,000.

Contingent liabilities

As at 28 February 2010, the Group had no material contingent liabilities.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, at the close of business 28 February 2010, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdraft, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantee or other material liabilities.

The Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 December 2009, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. WORKING CAPITAL

The Directors are of the opinion that, taking into account the cash flows generated from the operating activities, the financial resources available to the Group including internally generated funds, the available credit facilities and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for at least the next twelve months from the date of this prospectus.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. BUSINESS REVIEW FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Operation Review

The Company is an investment company listed under Chapter 21 of the Listing Rules. Its principal activities remain engaging in listed and unlisted investments in Hong Kong and in other main stock markets around the world and also in unlisted companies.

Results and Business Review

The Group's audited consolidated net loss attributable to the Shareholders was HK\$100,618,027 for the year ended 31 December 2009 (the "Year") (2008: HK\$458,429,088). The decrease in net loss was mainly attributable to decrease in realised loss on disposal of its listed available-for-sale investments; impairment of its listed and unlisted available-for-sale investments and unrealised loss on revaluation of its listed investments held for trading, all of which were as a result of improvement in equity market in Hong Kong. Loss per Share was HK\$0.89 (2008 as restated: HK\$16.11).

Given the continuous volatile market condition since out-break of the global financial tsunami and slowdown of United States economy at the end of 2008, the listed investments held for trading of the Group has suffered and posted realised losses of approximately HK\$16 million (2008: approximately HK\$6 million), while the listed available-for-sale investments reported realised losses of approximately HK\$71 million (2008: approximately HK\$217 million). During the Year, the Board focused more on listed equity and unlisted debt securities in Hong Kong. The Company entered into a sale and purchase agreement with an independent third party to dispose its subsidiary, Runway Group Limited, at a consideration of HK\$1,960,000 so as to cease its investment in Taiwan through the disposed subsidiary. The Group also disposed of all listed securities investments in United States during the Year. The Company keep caution in identifying any investment opportunities to achieve medium-term or long-term capital appreciation.

Going forward, the Board would maintain diversified investment portfolio to cover a wide range of industries and sectors, including, but not limited to, companies engaged in securities investment, trading, information technologies, media, electronic products and property investment etc.

Liquidity, Capital Resources and Capital Structure

The consolidated net asset value per share of the Company as at 31 December 2009 was HK\$2.06 (2008: HK\$0.41). The consolidated net asset value per Share is calculated based on the net assets of the Group of HK\$296,515,394 (2008: HK\$153,450,852) as at 31 December 2009 and 143,874,881 issued shares of the Company as at that date (2008: 375,791,474 shares).

As at 31 December 2009, the Group's gearing ratio was 0.86% (2008: 17.09%), which is calculated based on the Group's total liabilities divided by its total assets. As at 31 December 2009, the Group did not have any unsecured, interest bearing short-term borrowings (2008: HK\$9,500,000) and the retained cash of HK\$6,359,142 (2008: HK\$4,245,589). Taking into account of the amount of liquid assets in hand and available short-term or margin loan facilities and there was no material capital commitment, the Directors are of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

The Group's asset portfolio was financed by its shareholders' funds and internally generated funds. As at 31 December 2009, the Group had shareholders' funds of HK\$296,515,394 (2008: HK\$153,450,852). During the Year, the Company completed a rights issue on a one for one basis in April 2009, 512,155,110 rights shares were issued at a price of HK\$0.10 per rights share with net proceeds of approximately HK\$48.2 million. The Company also completed a share placement for 239,000,000 new shares at a price of HK\$0.10 per share in June 2009, raising further net proceeds of approximately HK\$23.3 million to enhance its capital structure and to promote greater financial flexibility for seizing appropriate investment opportunities as they arisen.

All zero-coupon convertible notes with an aggregate principal amount of HK\$38 million issued by the Company in 2008 had been converted to 311,802,232 ordinary shares of the Company during the Year.

On 8 June 2009, a special resolution was passed by the Shareholders at the extraordinary general meeting of the Company to approve capital reorganisation including reduction of capital and share consolidation of ten reduced shares into one adjusted share. The capital reduction was approved by the Grand Court of the Cayman Islands on 31 July 2009, pursuant to which an aggregate credit amount of HK\$129,487,392 arose was utilised to set-off against the accumulated losses of the Company for the year ended 31 December 2008.

7. FINANCIAL AND TRADING PROSPECTS

If 2008 was "Annus Horribilis" to many investors, 2009 turned out to be a surprising "Annus Mirabilis" for the global capital markets. At the beginning of 2009, the state of the world economy certainly looked precarious, as the global banking system was under stress, which threatened the G7 countries with a full-blown protracted synchronised recession unseen for many years. Even China was not immune against the global economic downturn, as its export-oriented economy began to show signs of sharp slowdown in growth. These have led to a concerted effort by the governments of the major western countries, led by the United States ("US"), in re-inflating their economies in order to lessen the pains of recessions.

Pickups in commodity prices have helped many developing countries in 2009, as consumption returned compared to 2008. The Baltic Dry Index has also experienced dramatic rise in 2009, led by strong commodity price and Chinese demand. Yet, commodity prices during the Year in general have been relatively docile compared to the record levels of 2008, enabling the central banks to be less concerned with cost-push inflation and focus on unfreezing the credit crunch and job creation.

The US, Europe, Japan and China all relaxed their money supply as well as lower interest rates in a concerted effort to avoid a credit crunch. Fiscal stimuli were also deployed to boost spending as the US stepped in with tax cuts and spending programs in an attempt to break arguably the worst recession since the Great Depression of the 1930s. All these have helped the economies to stabilise and stock markets in the world experienced strong rebounds since March 2009.

On the other hand, it is still early to say that the global economy is completely out of trouble. The US economy has been undergoing deleveraging and recovery is likely to be mild with high risk of “double dip” as money supply growth is reduced. Europe has to face the fiscal excesses of the PIGS countries (acronym for Portugal, Italy, Greece and Spain) and the forthcoming adjustments will be painful for all parties concerned.

Going forward, the Group will continue to look for appropriate investment opportunities to expand and diversify its portfolio, with continuing special consideration towards the challenges of the global economy. In addition the Group will also consider fundraising to strengthen its asset base.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

Introduction

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared by the directors of the Company in accordance with Paragraph 4.29 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to illustrate the effect of the rights issue on the basis of two rights shares for every share held on the record date (“Rights Issue”) on the audited consolidated net tangible assets of the Group as if the Rights Issue had been undertaken and completed on 31 December 2009.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the audited consolidated net assets of the Group as at 31 December 2009, as extracted from the published annual report of the Group for the year ended 31 December 2009 set out in Appendix I to this prospectus, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue.

Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2009 <i>(Note 2)</i> HK\$'000	Estimated net proceeds from the Rights Issue <i>(Note 3)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the Rights Issue HK\$'000	Audited consolidated net tangible assets per share attributable to the owners of the Company as at 31 December 2009 <i>(Note 4)</i> HK\$	Unaudited pro forma adjusted consolidated net tangible assets per share attributable to the owners of the Company immediately after the Rights Issue <i>(Note 5)</i> HK\$
Rights Issue of 569,279,762				
Rights Shares <i>(Note 1)</i>	296,516	81,260	2.061	0.442

Notes:

1. The issue of 569,279,762 Rights Shares under the Rights Issue is based on the number of issued Shares as at the Record Date. Details of the movement in number of Shares from 31 December 2009 up to the Record Date is as follows:

	<i>Number of Shares</i>
As at 31 December 2009	143,874,881
Placing of Shares on 14 January 2010	28,770,000
Exercise of share options on 18 January 2010	11,995,000
Placing of Shares on 19 February 2010	<u>100,000,000</u>
As at the Record Date	<u><u>284,639,881</u></u>

2. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2009 is arrived at based on the published annual report of the Company for the year ended 31 December 2009 as set out in Appendix I to this prospectus.
3. The estimated net proceeds from the Rights Issue is calculated based on 569,279,762 Rights Shares to be issued at the Subscription Price of HK\$0.15 per Rights Share, after deduction of the estimated related expenses of approximately HK\$4,130,000.
4. The number of Shares used for the calculation of audited consolidated net tangible assets per Share as at 31 December 2009 and prior to the completion of the Rights Issue is based on 143,874,881 Shares in issue as at 31 December 2009.
5. The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after the completion of the Rights Issue is calculated based on 853,919,643 Shares in issue upon completion of the Rights Issue, which represents the 284,639,881 Shares in issue as at the Record Date and 569,279,762 Rights Shares expected to be issued on the completion of the Rights Issue.
6. No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2009.

This unaudited pro forma statement of adjusted consolidated net tangible assets does not take into account the change in net tangible assets arising from the movement of number of shares of the Company from 31 December 2009 up to the Record Date, as specified in Note 1 above.

2. LETTER ON THE UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of a report received from the reporting accountant of the Company, W.H. Tang & Partners CPA Limited, in respect of the unaudited pro forma financial information of the Group for the purpose of incorporation in this prospectus.

鄧偉雄會計師事務所有限公司

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**W.H. TANG
& PARTNERS
CPA LIMITED**

27 April 2010

The Directors
Unity Investments Holdings Limited
Room 2206, 22nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Dear Sirs,

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of Unity Investments Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), set out in Section 1 of Appendix II to the prospectus of the Company dated 27 April 2010 (the “Prospectus”). The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the rights issue on the basis of two rights shares for every Share (as defined in the Prospectus) held on the Record Date (as defined in the Prospectus) at the subscription price of HK\$0.15 per rights share, might have affected the financial information presented. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in the introduction and notes to the Unaudited Pro Forma Financial Information as set out in Section 1 of this Appendix.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 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”).

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited 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 Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 31 December 2009 or any future date.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company 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 Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

W.H. Tang & Partners CPA Limited
Certified Public Accountants
Hong Kong

TANG Wai Hung
Practising Certificate Number P03525

This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of Listing Rules in connection with the listing document of investment company. 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.

INVESTMENT MANAGEMENT INFORMATION

Investment Manager

CU Investment Management Limited
26th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Directors of the Investment Manager

Yap Wai Tso, Joseph
26th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Wong Foelan
26th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Custodian

Chong Hing Bank Limited
Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong

The Investment Manager

CU Investment Management Limited (“CUIM”) is a company incorporated in Hong Kong on 27 August 2001 with limited liability and is a licensed corporation registered under the SFO. CUIM is responsible for making investment proposals in accordance with the Investment Management Agreement, the Articles and the investment policies of the Company.

The following are the directors of CUIM:

Mr. Yap Wai Tso, Joseph (“Mr. Yap”) has more than 14 years of professional experiences in the financial services industry. Mr. Yap has held positions in leading financial institutions in Beijing, Hong Kong and Taipei, having worked in equity, fixed income and foreign exchange research, proprietary trading and private equity investment. Mr. Yap is a US Chartered Financial Analyst charterholder and UK Associate of the Institute of Chartered Secretaries and Administrators. Mr. Yap graduated from Oxford University, UK with a Master of Arts degree and also held a Master of Science degree with Distinction from South Bank University, UK. Mr. Yap has been appointed as the managing director of CUIM on 21 November 2008.

Mr. Foelan Wong (“Mr. Wong”) has more than 10 years of professional experiences in the financial services industry. Mr. Wong has worked for regional financial institutions. Mr. Wong has been engaged in proprietary trading in equity, futures and options, fund management, research analyst, equity capital market and private equity investment. Mr. Wong is a licensed responsible officer under Securities and Futures Ordinance. Mr. Wong graduated from Edith Cowan University in Australia and received a Master of Management Information Systems degree. Mr. Wong was appointed as the managing director of CUIM on 4 March 2010.

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 re-allowance 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 liable 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:

- i. 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.
- ii. 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.
- iii. 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 co-operation between such companies would be of mutual benefit to each other.
- iv. The Company's investments are intended to identify medium-term or long-term capital appreciation and there is no present intention to realise any of such investments in any specific period or by any specific date. Nevertheless, the Board will from time to time realise investments where they believe that to do so would be in the best interests of the Company or where the terms on which such realisation can be achieved are believed by the Board to be particularly favourable to the Company.

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

INVESTMENT 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:

1. 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.

2. 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.
3. 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.
4. 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.

Investment restrictions 3 and 4 can 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.

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.

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.

FOREIGN CURRENCY MANAGEMENT AND EXCHANGE CONTROL

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

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.

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 will pay the Investment Manager a monthly management fee payable in advance in HK\$60,000 per month pursuant to renewal of Investment Management Agreement dated 23 December 2009 for another one-year period up to 31 December 2010.

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.

INVESTMENT PORTFOLIO

The followings are the details of the ten largest investments of the Group as at 31 December 2009, which include all listed investments and all other investments with a value of more than 5% of the Group's gross assets as at 31 December 2009. 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 31 December 2009.

	Name of investee company	Stock code	Number of share held	Effective shareholding interest	Cost/carrying value up to 31 December 2009 HK\$	Market value/fair value as at 31 December 2009 HK\$	Unrealised holding gain (loss) arising on revaluation HK\$	Dividend received/receivable during the year HK\$
i)	China Public Healthcare (Holding) Limited	8116	285,000,000	2.65%	58,895,000	60,420,000	1,525,000	-
ii)	China Strategic Holdings Limited	235	96,666,666	2.61%	26,711,866	54,133,333	27,421,467	-
iii)	GR Vietnam Holdings Limited (unlisted convertible bonds)	-	Not applicable	Not applicable	17,991,016	23,000,000	5,008,984	-
iv)	Poly Development Holdings Limited	1141	28,456,000	1.43%	7,825,400	21,911,120	14,085,720	-
v)	G-Resources Group Limited	1051	41,216,352	0.29%	32,480,857	20,196,013	(12,284,844)	-
vi)	China Sci-Tech Holdings Limited	985	63,891,645	2.01%	14,920,211	15,653,453	733,242	-
vii)	China Chief Cable TV Group Limited	8153	28,125,000	1.50%	9,421,875	14,906,250	5,484,375	-
viii)	LIC Opportunities Fund (Cayman) Limited	-	Not applicable	Not applicable	11,640,900	Not applicable	-	-
ix)	Pacific Century Regional Developments Limited	P15.SI	11,000,000	0.36%	8,192,800	10,807,830	2,615,030	4,793,042
x)	G-Prop (Holdings) Limited	286	27,000,000	1.11%	10,071,000	8,235,000	(1,836,000)	-

(i) China Public Healthcare (Holding) Limited (“C Public Health”) was incorporated in Cayman Islands and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8116). C Public Health is principally engaged in hospital data evaluation analytics, hospital information technology system for medical data acquisition, processing and application system, mining of mineral resources and accessories in the People’s Republic of China, radio trunking systems integration and provision of telemedia-related and other value-added telecommunication-related technical services. For the financial year ended 31 December 2009, the audited consolidated loss from continuing operations attributable to equity holders of C Public Health was HK\$357,796,000 with basic loss per share from continuing operations of HK7.05 cents. As at 31 December 2009, its audited consolidated net assets of C Public Health was HK\$727,437,000.

(ii) China Strategic Holdings Limited (“China Strategic”) was incorporated in Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 235). China Strategic is principally engaged in manufacturing and trading of battery products and related accessories and investment in securities. For the financial year ended 31 December 2008, the audited consolidated loss attributable to equity holders of China Strategic was HK\$452,365,000 with basic loss per share of HK\$0.23. As at 31 December 2008, its audited consolidated net assets was HK\$349,098,000.

(iii) GR Vietnam Holdings Limited (“GR Vietnam”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139). GR Vietnam is principally engaged in trading and distribution of electronic products and other merchandise and securities investment and trading. For the financial year ended 31 March 2009, the audited consolidated loss attributable to equity holders of GR Vietnam was HK\$280,707,000 with basic loss per share of HK9.94 cents. As at 31 March 2009, its audited consolidated net assets was HK\$214,536,000.

(iv) Poly Development Holdings Limited (“Poly Development”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1141). Poly Development is principally engaged in supply and procurement business operations and securities investment. During the financial year of 2009, Poly Development has expanded the business scope of its supply and procurement business into commodities of fuel, metal minerals and recycled metal materials. For the financial year ended 31 March 2009, the audited consolidated loss attributable to equity holders of Poly Development was HK\$4,907,000 with basic and diluted loss per share of HK0.40 cents. As at 31 March 2009, its audited consolidated net assets was HK\$228,033,000.

- (v) G-Resources Group Limited (“G-Resources”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1051). G-Resources is principally engaged in gold and related metals mining business. For the financial year ended 30 June 2009, the audited consolidated loss from continuing operations and discontinued operation attributable to equity holders of G-Resources was HK\$153,287,000 and HK\$10,997,000 respectively with basic and diluted loss per share from continuing and discontinued operations of HK38.4 cents. As at 30 June 2009, its audited consolidated net assets was HK\$497,117,000.
- (vi) China Sci-Tech Holdings Limited (“China Sci-Tech”) was incorporated in Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 985). China Sci-Tech is principally engaged in investment in financial instruments and property investment. For the financial year ended 31 March 2009, the audited consolidated loss attributable to equity holders of China Sci-Tech was HK\$366,522,000 with basic and diluted loss per share of HK69.07 cents. As at 31 March 2009, its audited consolidated net assets was HK\$2,123,686,000.
- (vii) China Chief Cable TV Group Limited (“CCC TV”) was incorporated in Bermuda and the shares of which are listed on Growth Enterprise Market of the Stock Exchange (stock code: 8153). CCC TV is principally engaged in provision of pre-mastering and other media services, audiovisual playout services in Hong Kong, development of digital TV system platform and program database, sales and rental of set-top boxes, design and manufacture digital TV equipment and facilities in PRC. For the financial year ended 31 March 2009, the audited consolidated loss attributable to equity holders of CCC TV was HK\$283,421,000 with basic loss per share of HK33.65 cents. As at 31 March 2009, its audited consolidated net assets was HK\$295,535,000.
- (viii) LIC Opportunities Fund (Cayman) Limited (“LIC Opportunities Fund”) was an open-ended fund at issue price of US\$1,000 per unit and Fortis Prime Fund Solutions (Cayman) Limited and Fortis Prime Fund Solutions (Asia) Limited is the administrator and sub-administrator of the LIC Opportunities Fund respectively. The strategy of LIC Opportunities Fund is to achieve absolute returns through a multi-strategy approach towards investments. Investments of LIC Opportunities Fund would primarily focus in Asia-pacific equity market.
- (ix) Pacific Century Regional Developments Limited (“Pacific Century”) is listed on the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore. The principal activities of Pacific Century and its subsidiaries are the holding of investments and development of infrastructure and properties. For the financial year ended 31 December 2008, the audited consolidated profit from continuing operations attributable to equity holders of Pacific Century was SG\$32,369,000 with basic and diluted earnings per share of SG1.05 cents. As at 31 December 2008, its audited consolidated net assets was SG\$12,078,000.
- (x) G-Prop (Holdings) Limited (“G-Prop”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 286). G-Prop is principally engaged in the business of property investments and investment and finance. For the financial year ended 31 December 2009, the audited consolidation profit attributable to equity holders of G-Prop was HK\$11,788,000 with basic and diluted earnings per share of HK0.53 cents. As at 31 December 2009, its audited consolidated net assets was HK\$481,577,000.

AVAILABLE-FOR-SALE INVESTMENTS

The details of the available-for-sale investments of the Group as at 31 December 2009 are as follows:

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Equity investment, at fair value		
Listed in Hong Kong	214,556,799	87,685,511
Equity investment, at cost		
Unlisted in Hong Kong	36,058,300	36,058,300
Impairment loss (<i>Note</i>)	(30,058,300)	(25,656,549)
	6,000,000	10,401,751
Unlisted overseas	11,640,900	–
	17,640,900	10,401,751
Debt investment, unlisted in Hong Kong, at fair value		
Loan and receivable portion	24,023,251	39,205,078
Embedded derivative	2,576,749	6,145,273
	26,600,000	45,350,351
Total	<u>258,797,699</u>	<u>143,437,613</u>

Note:

Provision for diminution in value on unlisted equity investments as at 31 December 2009 comprises:

	Effective shareholding interest	Cost HK\$	Recoverable amount HK\$	Impairment loss HK\$
(i) Hennabun Capital Group Limited ("Hennabun")	0.91%	31,000,000	6,000,000	25,000,000
(ii) Cosmedia Group Holdings Limited ("Cosmedia")	0.49%	5,058,300	–	5,058,300
		<u>36,058,300</u>	<u>6,000,000</u>	<u>30,058,300</u>

⁽ⁱ⁾ Hennabun is a private company incorporated in British Virgin Island and is principally engaged in investment holding and its subsidiaries are engaged in securities trading, investment holding and provision of brokerage and financial services.

⁽ⁱⁱ⁾ Cosmedia is a private company incorporated in Cayman Islands and is principally engaged in business of advertising, media services and television home shopping.

The recoverable amount has been assessed by the Directors with reference to latest available financial information of the investee companies.

1. THE COMPANIES LAW

Reference is made to the circular of the Company dated 24 February 2009 and prospectus of the Company dated 16 March 2009 (together the “Documents”) in relation to, among other matters, the proposed rights issue of the Company. Appendix IV (the “Appendix”) of the Documents provided a summary of the constitution of the Company and the Cayman Islands Companies Law (the “Law”). Since certain changes have been made to the Law, the disclosures relating to the following matters contained in the Appendix have been revised as follows:-

(a) Protection of minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands (the “Court”) may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company’s affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company’s capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company’s memorandum and articles of association.

(b) Winding up

A company may be wound up compulsorily by order of the Court voluntarily; or, under supervision of the Court. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles expires, or the event occurs on the occurrence of which the memorandum or articles provides that the company is to be dissolved, or, the company does not commence business for a year from its incorporation (or suspends its business for a year), or, the company is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court, there may be appointed one or more than one person to be called an official liquidator or official liquidators; and the Court may appoint to such office such qualified person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court. A person shall be qualified to accept an appointment as an official liquidator if he is duly qualified in terms of the Insolvency Practitioners Regulations. A foreign practitioner may be appointed to act jointly with a qualified insolvency practitioner.

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets. A declaration of solvency must be signed by all the directors of a company being voluntarily wound up within twenty-eight (28) days of the commencement of the liquidation, failing which, its liquidator must apply to Court for an order that the liquidation continue under the supervision of the Court.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval. A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (*pari passu* if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. At least twenty-one (21) days before the final meeting, the liquidator shall send a notice specifying the time, place and object of the meeting to each contributory in any manner authorised by the company's articles of association and published in the Gazette in the Cayman Islands.

(c) **Reconstructions**

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

2. GENERAL

Conyers Dill & Pearman, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice dated 27 April 2010 regarding the above mentioned changes in Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V to this prospectus.

1. RESPONSIBILITY STATEMENT

This prospectus includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus 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.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Record Date and immediately following the completion of the Rights Issue were as follows:

<i>Authorised:</i>	<i>HK\$</i>
<u>20,000,000,000 Shares of HK\$0.10 each</u>	<u>2,000,000,000</u>
<i>Issued and to be issued:</i>	
284,639,881 Shares in issue as the Record Date	28,463,988.10
<u>569,279,762 Rights Shares to be allotted and issued under the Rights Issue</u>	<u>56,927,976.20</u>
<u>853,919,643 Shares in issue immediately after completion of the Rights Issue</u>	<u>85,391,964.30</u>

All of the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights 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 or Rights 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, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

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

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, as far as the Company is aware, none of the Directors and chief executive of the Company had any interests or short positions 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 required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

4. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long positions in the Shares and the underlying Shares

Name of Shareholders	Capacity	Number of Shares/ underlying Shares	Approximate percentage of shareholding
Get Nice Holdings Limited	Interest of controlled corporation	569,279,762 (Note 1)	66.67% (Note 2)
Get Nice Incorporated	Interest of controlled corporation	569,279,762 (Note 1)	66.67% (Note 2)
Underwriter	Beneficial owner	569,279,762 (Note 1)	66.67% (Note 2)
Wo Fung Securities Company Limited	Beneficial owner	160,000,000	18.74% (Note 2)

Notes:

- These are the Rights Shares which the Underwriter has agreed to underwrite in respect of the Rights Issue. The Underwriter is wholly-owned by Get Nice Incorporated which in turn is wholly-owned by Get Nice Holdings Limited.
- The percentage of shareholding in the Company is calculated on the basis of 853,919,643 Shares in issue immediately after the Rights Issue.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) As at the Latest Practicable Date, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 31 December 2009, the date to which the latest published audited financial statements of the Group were made up, notwithstanding that the Directors may from time to time, not in their capacities as Directors, hold de minimis investments in non-associated listed companies, the shares of which may also be acquired by or disposed of by the Company during its ordinary course of business.
- (ii) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

6. EXPERTS

The following are the qualifications of the experts who have given opinions or advice, which are contained in this prospectus:

Name	Qualification
W.H. Tang & Partners CPA Limited	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands Attorneys-at-law

As at the Latest Practicable Date, none of the above experts had any direct or indirect shareholdings in any member of the Group, or any right to subscribe for or to nominate persons to subscribe for shares in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 31 December 2009, the date to which the latest published audited financial statements of the Group were made up.

Each of the above experts has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any other member of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

8. LITIGATION

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

9. MATERIAL CONTRACTS

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

- (i) an agreement dated 19 May 2008 entered into between the Company and Get Nice Securities Limited regarding a placing of 62,630,000 new Shares at a placing price of HK\$0.20 per Share (the “Placing Agreement”), details of which have already been disclosed in the announcement of the Company dated 19 May 2008;
- (ii) a deed of termination dated 18 June 2008 entered into between the Company and Get Nice Securities Limited to terminate the Placing Agreement, details of which have already been disclosed in the announcement of the Company dated 18 June 2008;
- (iii) a settlement deed dated 8 October 2008 entered into between the Company and Union Glory Finance Inc. (an indirect wholly owned subsidiary of Mascotte Holdings Limited) regarding the issue of zero coupon convertible notes due 2011 in an aggregate principal amount of HK\$18,000,000 by the Company to Union Glory Finance Inc. for settlement of the loan in the principal amount of HK\$18,000,000 to the Company, details of which have already been disclosed in the announcement of the Company dated 9 October 2008;
- (iv) a settlement deed dated 8 October 2008 entered into between the Company and Double Smart Finance Limited (an indirect wholly owned subsidiary of Heritage International Holdings Limited) regarding the issue of zero coupon convertible notes due 2011 in an aggregate principal amount of HK\$20,000,000 by the Company to Dollar Group Limited (an indirect wholly owned subsidiary of Heritage International Holdings Limited) as directed by Double Smart Finance Limited for settlement of the loan in the principal amount of HK\$20,000,000 made by Double Smart Finance Limited to the Company, details of which have already been disclosed in the announcement of the Company dated 9 October 2008;

- (v) an agreement dated 30 January 2009 entered into between the Company and Get Nice Securities Limited in relation to the rights issue of 512,155,110 rights Shares on the basis of one rights Share for every Share held by qualifying shareholders at the subscription price of HK\$0.10 per rights Share, details of which have already been disclosed in the announcement of the Company dated 2 February 2009;
- (vi) an agreement dated 12 June 2009 entered into between the Company and Get Nice Securities Limited regarding a placing of 239,000,000 new Shares at a placing price of HK\$0.10 per Share, details of which have already been disclosed in the announcement of the Company dated 12 June 2009;
- (vii) an agreement dated 7 September 2009 entered into between the Company and Get Nice Securities Limited regarding a placing of 100,000,000 new Shares on a fully underwritten basis at a placing price of HK\$0.38 per Share, details of which have already been disclosed in the announcement of the Company dated 7 September 2009;
- (viii) an agreement dated 7 September 2009 entered into between the Company and Get Nice Securities Limited regarding a placing of 200,000,000 new Shares on a best effort basis at a placing price of HK\$0.38 per Share (the “Best Effort Placing Agreement”), details of which have already been disclosed in the announcement of the Company dated 7 September 2009;
- (ix) a termination agreement dated 8 December 2009 entered into between the Company and Get Nice Securities Limited to terminate the Best Effort Placing Agreement, details of which have already been disclosed in the announcement of the Company dated 8 December 2009;
- (x) an agreement dated 5 January 2010 entered into between the Company and Kingston Securities Limited regarding a placing of 28,770,000 new Shares on a fully underwritten basis at a placing price of HK\$0.38 per Share, details of which have already been disclosed in the announcement of the Company dated 5 January 2010; and
- (xi) the Underwriting Agreement.

10. CORPORATE INFORMATION

Registered office of the Company	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business of the Company in Hong Kong	Room 2206, 22nd Floor China United Centre 28 Marble Road North Point Hong Kong
Branch share registrar and transfer office of the Company in Hong Kong	Tricor Tengis Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong
Authorised representatives	KITCHELL Osman Bin Room 2206, 22nd Floor China United Centre 28 Marble Road North Point Hong Kong LIU Tsui Fong Room 2206, 22nd Floor China United Centre 28 Marble Road North Point Hong Kong
Company secretary	LIU Tsui Fong, <i>FCCA, ACIS, ACS</i> Room 2206, 22nd Floor China United Centre 28 Marble Road North Point Hong Kong

Legal advisers to the Company

(As to Hong Kong Law)

Richards Butler
in association with Reed Smith LLP
20th Floor, Alexandra House
16-20 Chater Road, Central
Hong Kong

(As to Cayman Islands Law)

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Auditors

Mazars CPA Limited
Certified Public Accountants
42nd Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Principal bankers

The Hong Kong and Shanghai
Banking Corporation Limited
No.1 Queen's Road Central
Hong Kong

Chong Hing Bank Limited
Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong

DIRECTORS**Particulars of Directors****Name****Address****Executive Directors**

KITCHELL Osman Bin

Room 2206, 22nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

DAVIS Angela Hendricks

Room 2206, 22nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

CHOI Ka Wing

Room 2206, 22nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong**Independent non-executive Directors**

CHUNG Kong Fei, Stephen

33 Shuicheng Rd. South
Shanghai 201103
PRC

TSANG Wing Ki

Unit 306-307, 3rd Floor
Lippo Sun Plaza
28 Canton Road
Tsim Sha Tsui
Kowloon, Hong Kong

NGAI Wai Kin

Suite 2801-03, 28th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Executive Directors:

Mr. KITCHELL Osman Bin (“Mr. KITCHELL”), aged 45, a Canadian citizen, completed his high-school education in Hong Kong and undergraduate studies in Canada. Mr. KITCHELL had obtained a honorary diploma from Pickering College in Canada. Mr. KITCHELL studied Economics in the University of Toronto, Canada. Mr. KITCHELL is a veteran investor mainly in the Hong Kong equity markets with 14 years experience. Mr. KITCHELL had been an investor managing a private family fund. Mr. KITCHELL was appointed as an executive Director on 10 January 2005 and also appointed as the chief executive officer of the Company on 17 January 2006. Mr. KITCHELL was elected as chairman of the Company on 16 January 2008.

Ms. DAVIS Angela Hendricks (“Ms. DAVIS”), aged 43, holds Master of Laws Degree, Juris Doctor, *cum laude*, and a Bachelor of Science Degree, *cum laude*. Ms. DAVIS is a member of the Kentucky Bar Association. Ms. DAVIS has extensive experience as a commercial litigator in the Louisville, Kentucky offices of Stites & Harbison, and as a deal lawyer in the New York and Beijing offices of Paul, Weiss, Rifkind, Wharton & Garrison. Ms. DAVIS was appointed as an executive Director on 18 June 2008.

Ms. CHOI Ka Wing (“Ms. CHOI”), aged 27, completed her high school education in Hong Kong and had further her studies at the Perth Institute of Business and Technology in Perth, Australia. Ms. CHOI had had extensive experience in the food and beverage and entertainment businesses. Ms. CHOI was appointed as an executive Director on 9 October 2006.

Independent non-executive Directors

Mr. CHUNG Kong Fei, Stephen (“Mr. CHUNG”), aged 53, obtained a Bachelor Degree of Science from the Wharton School of Business, University of Pennsylvania, United States of America. Mr. CHUNG is one of the founders and executive directors of SDM Dental Inc., an investment holding company which operating dental clinics in the PRC. Mr. CHUNG has extensive experience in investments in the PRC. Mr. CHUNG has extensive experience in investments in the PRC. Mr. CHUNG is currently also an independent non-executive director of Computech Holdings Limited (stock code: 8081), a company listed on the Growth Enterprise Market of the Stock Exchange. Mr. CHUNG was appointed as an independent non-executive Director on 16 March 2004.

Mr. TSANG Wing Ki (“Mr. TSANG”), aged 48, obtained a master’s degree in professional accounting from the Hong Kong Polytechnic University. Mr. TSANG is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. TSANG has more than 20 years of experience in auditing and financial accounting. Mr. TSANG is currently an executive director of Noble Jewelry Holdings Limited (stock code: 475), a company listed on the Main Board of the Stock Exchange. Mr. TSANG was appointed as an independent non-executive Director on 23 September 2004.

Mr. NGAI Wai Kin (“Mr. NGAI”), aged 45, holds a Professional Diploma in Accountancy from the Hong Kong Polytechnic, a Bachelor of Laws (Hons) degree from the University of London and a Master of Laws degree from the City University of Hong Kong. Mr. NGAI is a fellow member of the

Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia respectively. Mr. NGAI is also a barrister in England and Wales and a barrister in Hong Kong. Mr. NGAI has over 20 years of experience in finance and accounting field in both Hong Kong and Australia. Mr. NGAI was appointed as an independent non-executive Director on 23 July 2008.

11. MISCELLANEOUS

The English texts of this prospectus and the accompanying PAL and EAF shall prevail over their Chinese texts in case of inconsistencies.

12. EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$4.13 million, and will be payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus, the PAL and the EAF, having attached thereto the written consents referred to under the paragraph headed “Experts” in this appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance.

14. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Section 44A and 44B of the Companies Ordinance, so far as applicable.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Room 2206, 22nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong from the date of this prospectus up to and including Thursday, 13 May 2010:

- (a) the Memorandum and the Articles;
- (b) the Companies Law;
- (c) the annual reports of the Company for the three financial years ended 31 December 2007, 31 December 2008 and 31 December 2009;

- (d) the letter of advice prepared by Conyers Dill & Pearman summarising certain changes of the Cayman Islands companies law as referred to in the paragraph headed “General” in Appendix IV to this prospectus;
- (e) the letter on the unaudited pro forma financial information of the Group issued by W.H. Tang & Partners CPA Limited set out in Appendix II to this prospectus;
- (f) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this appendix; and
- (g) the written consents referred to in the paragraph under the heading “Experts” in this appendix.