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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your 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.

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 IV 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 for the contents of the Prospectus Documents.

Dealings in the Shares and the nil-paid and fully-paid Rights Shares may be settled through CCASS, 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.

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 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 the Prospectus Documents.

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**Unity Investments Holdings Limited**

**合一投資控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 913)**

**RIGHTS ISSUE OF 862,378,676 RIGHTS SHARES  
AT A PRICE OF HK\$0.10 PER RIGHTS SHARE  
ON THE BASIS OF TWO RIGHTS SHARES  
FOR EVERY SHARE HELD ON THE RECORD DATE BY QUALIFYING SHAREHOLDERS  
AND  
CONNECTED TRANSACTION**

**Underwriter of the Rights Issue**



**Freeman Securities Limited**

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The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 22 February 2012. The procedures for acceptance and payment and/or transfer of the Rights Shares is set out on pages 11 to 12 of this Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 9 February 2012 to Friday, 17 February 2012 (both dates inclusive). If the conditions of the Rights Issue (as described on pages 15 to 16 of this Prospectus) are not fulfilled or waived (as applicable) in accordance with the Underwriting Agreement on or before the time and dates specified therein or the Underwriting Agreement is terminated by the Underwriter, in accordance with the terms of the Underwriting Agreement, the Rights Issue will not proceed. Any dealing in the nil-paid Rights Shares during the period from Thursday, 9 February 2012 to Friday, 17 February 2012 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Date, if:

- (i) the occurrence of the following events would, in the reasonable opinion of the Underwriter, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;
  - (b) the occurrence of 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, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict); or
  - (c) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities);
- (ii) any change occurs in the circumstances of the Company or any member of the Group which would materially and adversely affect the prospects of the Group as a whole;
- (iii) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (iv) the Underwriter shall receive notification pursuant to the Underwriting Agreement 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 in any respect 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 and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or
- (v) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the attention of the Underwriter, 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.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

7 February 2012

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## CONTENTS

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	<i>Page</i>
<b>Expected Timetable</b> .....	1
<b>Definitions</b> .....	3
<b>Letter from the Board</b> .....	8
<b>Appendix I – Financial Information of the Group</b> .....	47
<b>Appendix II – Pro Forma Financial Information of the Group</b> .....	51
<b>Appendix III – Additional Disclosures</b> .....	55
<b>Appendix IV – General Information</b> .....	69

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## EXPECTED TIMETABLE

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

First day of dealings in nil-paid Rights Shares . . . . .	Thursday, 9 February 2012
Latest time for splitting of nil-paid Rights Shares . . . . .	4:30 p.m. on Tuesday, 14 February 2012
Last day of dealings in nil-paid Rights Shares . . . . .	Friday, 17 February 2012
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares . . . . .	4:00 p.m. on Wednesday, 22 February 2012
Latest time for the termination of the Underwriting Agreement . . . . .	4:00 p.m. on Monday, 27 February 2012
Announcement of allotment results . . . . .	Tuesday, 28 February 2012
Despatch of certificates for fully-paid Rights Shares and refund cheques on or before . . . . .	Wednesday, 29 February 2012
Expected first date of dealings in fully-paid Rights Shares . . . . .	Friday, 2 March 2012

All times and dates in this Prospectus are references to Hong Kong local times and dates.

Dates or deadlines specified in this Prospectus are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be announced as and when appropriate.

### **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

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## EXPECTED TIMETABLE

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- (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.

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## DEFINITIONS

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

“Acceptance Date”	4:00 p.m. on 22 February 2012 (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 the excess Rights Shares)
“Announcement”	the announcement of the Company dated 11 October 2011 relating to, inter alia, the Rights Issue
“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 on which banks in Hong Kong are generally open for business (other than a Saturday or Sunday and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 4 January 2012 relating to, inter alia, the Rights Issue
“Commission Payment”	the payment of the underwriting commission by the Company to the Underwriter under the Underwriting Agreement
“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

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## DEFINITIONS

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“connected person(s)”	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 the Company and the Custodian
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application issued to the Qualifying Shareholders who wish to apply for excess Rights Shares
“EGM”	the extraordinary general meeting of the Company convened and held at 9:00 a.m. on Friday, 20 January 2012 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong
“Freeman”	Freeman Financial Corporation Limited (stock code: 279), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“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
“Independent Shareholder(s)”	any Shareholders other than (i) Freeman and its associates; and (ii) the controlling Shareholders and their associates or, which there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Issue Mandate”	the general mandate granted to the Directors to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate amount of the share capital of the Company in issue as at the date of the annual general meeting of the Company held on 30 June 2011

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## DEFINITIONS

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“Investment Management Agreement”	the management agreement dated 5 November 2003 entered into between the Company and the Investment Manager and renewed annually. The latest renewal was on 9 December 2011 for one-year up to 31 December 2012 at the same terms at a management fee of HK\$100,000 per month payable in advance
“Investment Manager”	CU Investment Management Limited, a company incorporated in Hong Kong
“Last Trading Day”	11 October 2011, being the date of the Underwriting Agreement
“Latest Practicable Date”	31 January 2012, 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
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that those place(s)
“Option(s)”	option(s) to subscribe for Shares granted under the Share Option Scheme
“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 renounceable provisional allotment letter(s) in respect of the Rights Issue issued to the Qualifying Shareholders
“Posting Date”	7 February 2012, or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders for information only (as the case may be)

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## DEFINITIONS

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“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, being issued in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying 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, other than the Non-Qualifying Shareholder(s)
“Record Date”	6 February 2012 (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 expected to be determined
“Registrar”	the share registrar of the Company in Hong Kong, being Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the issue by way of rights on the basis of two Rights Shares for every Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	862,378,676 Shares to be allotted and issued pursuant to the Rights Issue
“Scheme Mandate Limit”	mandate granted to the Directors to grant Options under the Share Option Scheme to subscribe for up to a maximum of 10% of the Shares in issue as at the date of the annual general meeting of the Company held on 30 June 2011
“Settlement Date”	27 February 2012, being the third Business Day following the Acceptance Date (or such other time or date as the Underwriter and the Company may agree in writing)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 2 May 2003
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company



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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Rights Share
“Underwriter”	Freeman Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities) regulated activities under the SFO and is the underwriter of the Rights Issue
“Underwriting Agreement”	the underwriting agreement dated 11 October 2011 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue, as amended by the supplemental agreement between the same parties dated 30 December 2011
“Underwritten Shares”	862,378,676 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

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## LETTER FROM THE BOARD

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**Unity Investments Holdings Limited**

**合一投資控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 913)**

*Executive Directors:*

Mr. KITCHELL Osman Bin  
*(Chairman and Chief Executive Officer)*  
Mr. CHAN Yin, David *(Vice Chairman)*  
Ms. DAVIS Angela Hendricks  
Ms. CHOI Ka Wing

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

Mr. CHUNG Kong Fei, Stephen  
Mr. TSANG Wing Ki  
Mr. NGAI Wai Kin

*Principal place of business*

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

7 February 2012

*To the Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE OF 862,378,676 RIGHTS SHARES  
AT A PRICE OF HK\$0.10 PER RIGHTS SHARE  
ON THE BASIS OF TWO RIGHTS SHARES FOR EVERY SHARE  
HELD ON THE RECORD DATE BY QUALIFYING SHAREHOLDERS  
AND  
CONNECTED TRANSACTION**

### INTRODUCTION

On 11 October 2011, the Company announced that the Board proposed to raise approximately HK\$86.24 million before expenses (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) to approximately HK\$112.11 million before expenses (assuming no repurchase of Shares, full utilisation of the Issue Mandate and full exercise of the subscription rights attaching to the maximum number of Options granted under the Share Option Scheme on or before the Record Date) by issuing not less than 862,378,676 new Shares and not more than 1,121,092,276 new Shares to the Qualifying Shareholders by way of the Rights Issue at a subscription price of HK\$0.10 per Rights Share on the basis of two Rights Shares for every Share held on the Record Date payable in full on acceptance.

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## LETTER FROM THE BOARD

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The Rights Issue was approved by the Independent Shareholders by way of poll at the EGM.

The purpose of this Prospectus is to provide you, among others, further details about the Rights Issue.

### **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	:	431,189,338 Shares
Number of Rights Shares	:	862,378,676 Rights Shares
Subscription Price	:	HK\$0.10 per Rights Share with nominal value of HK\$0.01 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 862,378,676 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 862,378,676 Rights Shares.

#### **Qualifying Shareholders**

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

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at the close of business on the Record Date; and
- (ii) be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must have lodged their transfers of Shares (together with the relevant share certificates) with the Company's share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Monday, 30 January 2012.

#### **Rights of Overseas Shareholders**

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

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## LETTER FROM THE BOARD

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Based on the register of members of the Company, there were three Shareholders with registered addresses in Macau at the close of business on the Record Date. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries with its Macau legal adviser on the laws of Macau regarding the legal restrictions of Macau or the requirements of the relevant regulatory body in Macau with respect to the offer of Rights Shares to such Overseas Shareholders. The Company has been advised by its Macau legal adviser that under the relevant laws of Macau, there are no requirements or requisities, of whatsoever nature, or other legal restrictions in relation to the offering of the Rights Issue by the Company to such Overseas Shareholders in Macau. In view of this, the Directors have resolved to extend the Rights Issue to and send the Prospectus Documents to such Overseas Shareholders. As at the Record Date, there is no Non-Qualifying Shareholder for the purpose of the Rights Issue.

### Subscription Price

The subscription price is HK\$0.10 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 45.95% to the closing price of HK\$0.185 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 47.09% to the average closing price of approximately HK\$0.189 per Share for the five consecutive trading days ended on the Last Trading Day;
- (iii) a discount of approximately 21.88% to the theoretical ex-rights price of approximately HK\$0.128 per Share based on the closing price of HK\$0.185 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 78.26% to the net asset value per Share as at 31 December 2011 of HK\$0.46, being the latest net asset value per Share published on 13 January 2012; and
- (v) a discount of approximately 15.25% to the closing price of HK\$0.118 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions on Last Trading Day. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the closing price of the Shares on the Last Trading Day with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, 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\$0.094.

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## LETTER FROM THE BOARD

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### **Basis of provisional allotment**

The basis of the provisional allotment shall be two Rights Shares for every Share in issue and held at the close of business on the Record Date, being 862,378,676 Rights Shares at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents. 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. As at the Latest Practicable Date, the Board has not received any notification from Freeman (being its substantial Shareholder) regarding it and its associates' intention to take up the securities provisionally allotted or offered to them or to be provisionally allotted or offered to them.

### **Status of Rights Shares**

The Rights Shares, when allotted, issued 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.

### **Fractions of Rights Shares**

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

### **Procedure for acceptance and payment or transfer**

**A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholders to subscribe for the number of Rights Shares indicated on the PAL. If the Qualifying Shareholders wish to exercise the right to subscribe for all the Rights Shares specified in the enclosed PAL, the Qualifying Shareholders must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance of the number of Rights Shares provisionally allotted to the Qualifying Shareholders, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Wednesday, 22 February 2012. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques or cashier's orders must be drawn on a bank account 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 lodged with the Registrar by 4:00 p.m. on Wednesday, 22 February 2012, whether by the original allottee or any person in whose favour the rights have been validly transferred, that 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 EAF by the Qualifying Shareholders.

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## LETTER FROM THE BOARD

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**If the Qualifying Shareholders wish to accept only part of the provisional allotment or to transfer all or part of the rights to subscribe for the Rights Shares provisionally allotted under the PAL to more than one person, the entire PAL must be surrendered by not later than 4:30 p.m. on Tuesday, 14 February 2012 to the Registrar who will cancel the original PAL and issue new PALs in the denominations required. The PALs contain full information regarding the procedures to be followed if the Qualifying Shareholders wish to accept only part of the provisional allotment or if the Qualifying Shareholders wish to transfer all or part of the provisional allotment.**

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 duly completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) 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, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant 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.

Save as described under the paragraph headed "Rights of Overseas Shareholders" above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this Prospectus, the PAL or the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong to satisfy itself/himself/herself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or making an application for the excess Rights Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that 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.

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## LETTER FROM THE BOARD

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### 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 by the Qualifying Shareholders.

**Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance 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 by not later than 4:00 p.m. on Wednesday, 22 February 2012. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques or cashier's orders must be drawn on a bank account 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.**

The Directors will allocate the excess Right 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 the 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 the 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), and with board lot allocations to be made on a best effort basis.

Investors with their Shares held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company (including HKSCC) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders 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 (or which are held in CCASS) 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) (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company at the close of business on the Record Date must have lodged all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Monday, 30 January 2012.

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## LETTER FROM THE BOARD

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The allocation of excess Rights Shares (if any) made to the Qualifying Shareholders is expected to be announced on or before Tuesday, 28 February 2012. If no excess Rights Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be refunded in full on or before Wednesday, 29 February 2012. 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 on or before Wednesday, 29 February 2012.

All cheques and cashier's orders will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF 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 of the EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques for the amount due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right 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 the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

### **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, 29 February 2012. 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, 29 February 2012 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.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Friday, 2 March 2012.

### **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 pursuant to the Rights Issue.



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## LETTER FROM THE BOARD

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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 as well as compliance with the stock admission requirements of HKSCC, 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.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 20,000 Shares.

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 advisers 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):

1. the passing of the relevant resolution by the Independent Shareholders approving the Rights Issue at the EGM in accordance with the Listing Rules;
2. the signing by or on behalf of all of the Directors of one printed copy of each of the Prospectus Documents and the certification by all Directors (or by their agents duly authorised in writing) in the manner as mentioned in the Underwriting Agreement of two copies of each of the Prospectus Documents;
3. the delivery of one such signed copy of each of the Prospectus Documents to the Underwriter;

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## LETTER FROM THE BOARD

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4. the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly certified by two Directors (or by their agents duly authorised in writing) in compliance with the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies Ordinance and the Listing Rules;
5. the posting of copies of the Prospectus Documents to the Qualifying Shareholders;
6. compliance by the Company with all its obligations under the Underwriting Agreement;
7. the Listing Committee of the Stock Exchange (a) agreeing to grant the 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 Underwriter, in its reasonable opinion, accept and the subsequent satisfaction of such conditions (if any); and (b) not having withdrawn or revoked such listing and permission on or before 4:00 p.m. on the Settlement Date; and
8. the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out in the Underwriting Agreement.

In the event that the above conditions have not been satisfied and/or waived in whole or in part by the Underwriter on or before 4:00 p.m. on 29 February 2012 (or such later date as the Underwriter and the Company may agree in writing), all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other parties save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

### **The Underwriting Agreement**

Date	:	11 October 2011 (as amended by a supplemental agreement dated 30 December 2011)
Underwriter	:	Freeman Securities Limited
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 862,378,676 Rights Shares, subject to the terms and conditions of the Underwriting Agreement
Commission	:	3% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

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## LETTER FROM THE BOARD

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The underwriting commission was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market rate. The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Termination of the Underwriting Agreement**

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Date, if:

- (i) the occurrence of the following events would, in the reasonable opinion of the Underwriter, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;
  - (b) the occurrence of 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, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict); or
  - (c) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities);
- (ii) any change occurs in the circumstances of the Company or any member of the Group which would materially and adversely affect the prospects of the Group as a whole;
- (iii) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (iv) the Underwriter shall receive notification pursuant to the Underwriting Agreement 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 in any respect 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 and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or

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## LETTER FROM THE BOARD

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- (v) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the attention of the Underwriter, 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.

**Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.**

### **WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Shares have been dealt on an ex-rights basis from Friday, 27 January 2012. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 9 February 2012 to Friday, 17 February 2012 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.**

**Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Thursday, 9 February 2012 to Friday, 17 February 2012 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date when the conditions of the Rights Issue 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 Thursday, 9 February 2012 to Friday, 17 February 2012 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed "Conditions of the Rights Issue" of this Prospectus. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

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## LETTER FROM THE BOARD

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### FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST THREE YEARS

Date of announcement	Fund raising activities	Net proceeds raised <i>(approximate)</i>	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 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 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 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 which was terminated on 8 December 2009	HK\$73.76 million	For 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>
4 March 2010	Rights issue of 569,279,762 rights shares on the basis of two rights shares for every share held by qualifying Shareholders which was completed on 18 May 2010	HK\$81.55 million	For future investments pursuant to the investment objectives of the Company	Used as intended <i>(Note 5)</i>
27 July 2010	Rights issue of 375,723,856 rights shares on the basis of eight rights shares for every adjusted share held by qualifying Shareholders on 1 December 2010 which was completed on 23 December 2010	HK\$129.57 million	For future investments pursuant to the investment objectives of the Company	Used as intended <i>(Note 6)</i>
29 March 2011	Subscription of 8,500,000 new Shares which was completed on 11 April 2011	HK\$2.49 million	For general working capital of the Group	Used as intended

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## LETTER FROM THE BOARD

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*Notes:*

1. The net proceeds of (i) approximately HK\$36.8 million had been used for investments in Hong Kong listed securities in properties and construction – properties sector; (ii) approximately HK\$3.5 million had been used for investments in Hong Kong listed securities in information technology – software and services sector; (iii) approximately HK\$2.1 million had been used for investments in Hong Kong listed securities in financial – other financials sector; (iv) approximately HK\$3.3 million had been used for investments in Hong Kong listed securities in consumer goods – household goods and electronics sector; (v) approximately HK\$0.7 million had been used for investments in Hong Kong listed securities in industrial goods sector; and (vi) the remaining balance of approximately HK\$1.8 million had been used for general working capital.
2. The net proceeds of approximately HK\$23.3 million had been fully used for investments in Hong Kong listed securities in information technology – software and services sector.
3. The net proceeds of (i) approximately HK\$13 million had been used for investments in Hong Kong listed securities in financial – other financials sector; (ii) approximately HK\$14.3 million had been used for investments in Hong Kong listed securities in consumer goods – household goods and electronics sector; (iii) approximately HK\$4.8 million had been used for investments in Hong Kong listed securities in industrial goods sector; (iv) approximately HK\$0.9 million had been used for investments in Hong Kong listed securities in services – service support sector; (v) approximately HK\$2.2 million had been used for investments in Hong Kong listed securities in materials – basic material sector; and (vi) the remaining balance of approximately HK\$0.9 million had been used for general working capital.
4. The net proceeds of approximately HK\$10.6 million had been fully used for investments in Hong Kong listed securities in financial – banks sector.
5. The net proceeds of (i) approximately HK\$55.98 million had been used for investments in Hong Kong listed securities in financial – banks sector; (ii) approximately HK\$25 million had been used for investments in Hong Kong listed securities in properties and construction- properties sector; and (iii) approximately HK\$0.57 million for investments in Hong Kong listed securities in financial – other financials sector.
6. The net proceeds of (i) approximately HK\$67 million had been used for investments in Hong Kong listed securities in properties and construction – properties sector; (ii) approximately HK\$59.71 million had been used for investments in Hong Kong listed securities in financial – other financials sector; (iii) approximately HK\$0.89 million had been used for investments in Hong Kong listed securities in consumer goods – health and personal care sector; and (iv) approximately HK\$1.97 million had been used for investments in Hong Kong listed securities in consumer goods – household goods and electronics sector.

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

### For year 2009

Date of announcement	Stock code	Name of investee company	Average unit cost <i>HK\$ (approximate)</i>	Amounts invested <i>HK\$ million (approximate)</i>	Reason for making investment
2 February 2009	136	Mascotte Holdings Limited ("Mascotte")	0.699	3.3	Medium to long term capital appreciation – Mascotte engaged in license agreement to have a new revenue channels within its core business of photographic, electrical and multi-media accessories products
	885	Forefront Group Limited ("Forefront")	0.265	0.7	Medium to long term capital appreciation – Forefront engaged in new exploration in carbon fiber business

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## LETTER FROM THE BOARD

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Date of announcement	Stock code	Name of investee company	Average unit cost <i>HK\$</i> <i>(approximate)</i>	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment
	985	China Sci-Tech Holdings Limited ("China Sci-Tech")	0.048	2.1	Medium to long term capital appreciation – China Sci-Tech had steady cash position of approximately HK\$1,490 million and net asset value of approximately HK\$2,070 million as at 30 September 2008
	1051	Smart Rich Energy Finance (Holdings) Limited ("Smart Rich")	0.129	3.5	Short term capital appreciation – Smart Rich engaged in new business exploration in energy and natural resources sectors
	1387	Renhe Commercial Holdings Co Limited ("Renhe Commercial")	1.628	36.8	Medium to long term capital appreciation – Renhe Commercial had competitive shopping centre development in PRC
12 June 2009	1051	Smart Rich Energy Finance (Holdings) Limited	1.597	23.3	Short term capital appreciation – Smart Rich engaged in new business exploration in energy and natural resources sectors
7 September 2009	136	Mascotte Holdings Limited	1.060	14.3	Medium to long term capital appreciation – Mascotte engaged in new business exploration in natural resources investment in addition to the existing products development
	273	Willie International Holdings Limited ("Willie")	0.377	8.3	Medium to long term capital appreciation – Willie recorded a positive turnover of approximately HK\$92 million and net profit of approximately HK\$136 million for the interim period ended 30 June 2009
	412	Heritage International Holdings Limited ("Heritage")	0.250	1.2	Short term capital appreciation – Heritage recorded a positive turnover of approximately HK\$46 million and net profit of approximately HK\$115 million for the interim period ended 30 September 2009
	885	Forefront Group Limited	0.244	4.8	Short term capital appreciation – Forefront recorded positive turnover of approximately HK\$16 million and net profit of approximately HK\$122 million for the interim period ended 30 June 2009 and had zero gearing ratio and strong net asset value of approximately HK\$502 million as at 30 June 2009

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## LETTER FROM THE BOARD

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Date of announcement	Stock code	Name of investee company	Average unit cost <i>HK\$</i> <i>(approximate)</i>	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment
	901	Radford Capital Investment Limited ("Radford")	0.345	3.5	Short term capital appreciation – Radford recorded positive turnover of approximately HK\$2.6 million and net profit of approximately HK\$24 million for the interim period ended 30 June 2009
	1041	Fulbond Holdings Limited ("Fulbond")	0.035	2.2	Short term capital appreciation – Fulbond recorded an increase in gross profit to approximately US\$2.8 million for the interim period 30 June 2009
	1141	Poly Development Holdings Limited ("Poly Development")	0.899	0.9	Medium to long term capital appreciation – Poly Development recorded gross profit of approximately HK\$9 million for the interim period ended 30 September 2009 and strong cash position of approximately HK\$181 million and net asset value of approximately HK\$370 million as at 30 September 2009

### For year 2010

Date of announcement	Stock code	Name of investee company	Average unit cost <i>HK\$</i> <i>(approximate)</i>	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment	Latest financial summary of the investee company at time of investment
5 January 2010	939	China Construction Bank Corporation ("CCB")	6.170	6.8	Short term capital appreciation – CCB is one of the big four banks in PRC with steady net profit of approximately RMB86,162 million for nine months period ended 30 September 2009	Nine months period ended 30 September 2009 (3rd quarter financial summary) Net income: RMB198,428 million Net profit: RMB86,162 million Net asset value: RMB537,025 million



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## LETTER FROM THE BOARD

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Date of announcement	Stock code	Name of investee company	Average unit cost <i>HK\$</i> <i>(approximate)</i>	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment	Latest financial summary of the investee company at time of investment
	3988	Bank of China Limited ("BOC")	3.990	3.8	Short term capital appreciation – BOC is one of the big four banks in PRC with steady profit of approximately RMB65,253 million for the nine months period ended 30 September 2009	Nine months period ended 30 September 2009 (3rd quarter financial summary) Net income: RMB168,760 million Net profit: RMB65,253 million Net asset value: RMB520,493 million
4 March 2010	5	HSBC Holdings plc ("HSBC")	74.372	55.98	Short term capital appreciation – HSBC is one of largest worldwide commercial bank with steady net profit of approximately US\$6,694 million for the year ended 31 December 2009	Year ended 31 December 2009 Net operating income: US\$78,631 million Net profit: US\$6,694 million Net asset value: US\$135,661 million
	127	Chinese Estates Holdings Limited ("Chinese Estates")	12.653	25	Medium to long term capital appreciation – Chinese Estates recorded a gross profit and net profit after tax of approximately HK\$931 million and 8,672 million with sustainable growth in investment properties for the year ended 31 December 2009 and strong net asset value of approximately HK\$39,432 million	Year ended 31 December 2009 Revenue: HK\$2,151 million Net profit: HK\$8,672 million Net asset value: HK\$39,432 million
	412	Heritage International Holdings Limited	0.190	0.57	Short term capital appreciation – Heritage recorded a positive turnover of approximately HK\$46 million and net profit of approximately HK\$115 million for the interim period ended 30 September 2009	Six months interim period ended 30 September 2009 Revenue: HK\$46 million Net profit: HK\$115 million Net asset value: HK\$1,042 million

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## LETTER FROM THE BOARD

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Date of announcement	Stock code	Name of investee company	Average unit cost <i>HK\$</i> <i>(approximate)</i>	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment	Latest financial summary of the investee company at time of investment
27 July 2010	136	Mascotte Holdings Limited	0.450	1.97	Medium to long term capital appreciation – Mascotte planned to explore a new business through possible acquisition of innovative technology company	Six months interim period ended 30 September 2010 Revenue: HK\$76 million Net loss: HK\$107 million Net asset value: HK\$662 million
	329	Dragonite International Limited (“Dragonite”)	1.718	0.89	Short term capital appreciation – Dragonite owns both the original patents for electronic cigarette and the RUYAN brand product around the world	Six months interim period ended 30 June 2010 Revenue: HK\$15 million Net loss: HK\$135 million Net asset value: HK\$166 million
	996	Oriental Ginza Holdings Limited (“Oriental Ginza”)	1.459	52.8	Medium to long term capital appreciation – Oriental Ginza recorded positive turnover of approximately HK\$196 million and net profit of HK\$35 million for the interim period ended 30 June 2010 and continue to explore and identify good property investment in PRC	Six months interim period ended 30 June 2010 Revenue: HK\$196 million Net profit: HK\$35 million Net asset value: HK\$1,609 million
	1004	Rising Development Holdings Limited (“Rising Development”)	1.700	59.71	Medium to long term capital appreciation – Rising Development engaged in vanadium mining business and aimed to commence initial extraction and continued to develop its brand “Lecothia” in the Group’s retail shop in Paris. Rising Development recorded zero gearing ratio with steady net asset value of HK\$1,233 million as at 30 September 2010	Six months interim period ended 30 September 2010 Revenue: HK\$87 million Net loss: HK\$79 million Net asset value: HK\$1,233 million

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## LETTER FROM THE BOARD

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Date of announcement	Stock code	Name of investee company	Average unit cost <i>HK\$</i> <i>(approximate)</i>	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment	Latest financial summary of the investee company at time of investment
	1224	C C Land Holdings Limited ("C C Land")	2.661	14.2	Medium to long term capital appreciation – C C Land recorded a gross profit of approximately HK\$114 million and net profit of approximately HK\$60 million for the interim period ended 30 June 2010 and C C Land continue to focus its property business in Chongqing and Chengdu with strong economic growth	Six months interim period ended 30 June 2010 Revenue: HK\$679 million Net profit: HK\$60 million Net asset value: HK\$12,648 million

The Company made the above mentioned investments by reference to the factors such as performance of the relevant stock, market condition, availability of resources to the Company and investment advice from CUIM with an aim to maintain a balanced portfolio with investment in different industry sectors. The use of funds from fund raising activities in the past three years as indicated in this section does not show the use of proceeds from any subsequent disposal of the securities acquired as indicated above.

Save as abovementioned, the Company had not conducted any other fund raising activities in the past three years immediately preceding the Latest Practicable Date.

The Company makes investments by using proceeds previously raised from fund raising activities and other funds available to it. Such investments were made in compliance with the investment objectives and policies of the Company, taking into consideration of factors including but not limited to the prevailing price levels of the potential investment and market conditions.

In relation to the investee companies which the Company has invested in utilising the proceeds from fund raising exercises in the past twelve months ("Investee Companies"), as at the time of making the relevant investments and as at the Latest Practicable Date: (i) based on the register maintained by the Company under the SFO, none of the Investee Companies made any notification in relation to their interests in the Shares of the Company. Based solely on this, the Investee Companies did not hold more than 5% of the Shares of the Company; (ii) based on public information, there were no common directorships between the Company and each of the Investee Companies; and (iii) so far as the Directors are aware having made all reasonable enquires, there was no other relationship between the Company and each of the Investee Companies.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF 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 Underwriter is a company incorporated in Hong Kong with limited liability. The Underwriter is a subsidiary of Freeman. Freeman is a substantial Shareholder of the Company. The Underwriter is principally engaged in the provision of securities brokerage services (including underwriting services).

The gross proceeds from the Rights Issue will be approximately HK\$86.24 million. The estimated net proceeds from the Rights Issue will be approximately HK\$81.15 million which are intended to be used as the general working capital of the Group and for future investments pursuant to the investment objectives of the Company.

The Company is an investment company whose business consists solely of investing in listed and unlisted securities. Its investment plan may change as a result of many factors including stock market condition, the general investment and economic environment. The net proceeds from the Rights Issue are intended to be used for (i) investments in stocks; and (ii) general working capital. Stocks in which the Company may invest in include those in the financial sector, insurance sector, consumer goods, industrial goods and manufacturing sector, property sector, retailing and services sector, green energy and natural resources sector. As at the Latest Practicable Date, there is no specific investment target identified (save for the industry sectors mentioned above) and no determined amount and timing involved. Whilst the Directors are of the view that providing a set proportion of use of funds between future investments/general working capital would be unduly restrictive on the Company's business, for preliminary indicative purposes, the Company currently intends to maintain not more than 5% of the net proceeds from this Rights Issue for general working capital of the Group currently estimated to cover legal and professional expenses of approximately HK\$1 million and other operating and administrative expenses of approximately HK\$3 million. This proportion may change and the exact usage of funds to cover the legal expenses and other operating and administrative expenses will depend on the actual expenses incurred at the time required. However, the Directors emphasise that this preliminary indication is subject to change, depending on market conditions.

As explained in the section "Role of CUIM" in Appendix III of this Prospectus, the Company seeks investment advice from CUIM and CUIM provides investment advisory reports to the Company from time to time. The Company did not seek and has not received any investment advisory report from CUIM specifically on the use of proceeds of the Rights Issue given that the use of proceeds will not be available to the Company until nearly two to three months from the date of announcement of the Rights Issue and it is impractical to seek advice on the actual use of funds nearly two to three months in advance given the volatile market conditions. Instead upon receipt of the funds, the executive Directors will make investment decisions based on the market conditions then having considered the advice of CUIM available at that time. The Company may still invest in any of the major investments (top-ten securities bought/held) and/or top-ten loss-making investments under the section headed "Investment Portfolio" for the reasons set out below. Investment history is only one of the factors considered when making an investment. The Company will consider appropriate investments by reference to many factors including the then price level of the potential investment, performance of the relevant investee company, the Directors' perception of the prospects of the investee company, stock market condition, the general investment and economic environment.

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## LETTER FROM THE BOARD

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The executive Directors monitor the performance of its investments everyday as part of its ordinary and usual course of business of the Company. The Company manages its asset portfolio by reference to the factors such as performance of the relevant stock, market condition and availability of resources to the Company. Although primary objective of the Company is to achieve 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, there is no guarantee for positive return. If the Directors believe that making short term investments is in the interest of the Company, they may decide to do so or the Board may from time to time realise investments where the terms are favourable, taking into account stock market conditions and if the Directors believe that to do so would be in the best interests of the Company.

As at the Latest Practicable Date, the Company has available cash balance of approximately HK\$1.9 million. The Company manages its operating liquidity by maintaining a cash balance which allows the Company to meet day to day expenses; identifying any appropriate source of financing; and/or adjusting its investment portfolio. The Directors maintain a prudent approach in seeking appropriate investment opportunities. The Company is of the view that the current market conditions are volatile and market sentiment is negative. However, the Company is of the view that current conditions provide opportunities for the Company to acquire new investments at a lower price with an upside potential. Given some of the investments on hand are at lower prices, there are also alternatives to hold, adjust or dispose of its existing investments on hand depending on its potential of such particular investments.

Reference is made to the working capital statement in section headed “Working Capital” in Appendix I of this Prospectus. Notwithstanding this statement, given that the Company is an investment company whose business is the investment in listed and unlisted securities, it is important to have readily available working capital allowing it to make investments in pursuance of its investment objectives as and when opportunities arise. Therefore, it took up the chance to conduct the fully underwritten Rights Issue presented to it by the Underwriter.

The Board has considered other methods of fund raising such as placement of new Shares or other convertible securities and bank borrowing. Taking into account that (i) interest burden will incur on debt financing and bank borrowing; and (ii) any placing of new Shares without first offering the existing Shareholders the opportunity to participate in the Company’s equity raising exercise would result in dilution of shareholding of and per Share value to the existing Shareholders, the Company decided to proceed with Rights Issue. The Board considers that it is prudent to finance the Group’s long-term growth by long-term financing, preferably in the form of equity which will not increase the Group’s finance costs. The Board 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 Board also considered that notwithstanding the current volatile market conditions and dilution effect on the shareholding, the Rights Issue is in the best interests of the Company and the Shareholders as a whole to raise further working capital and for financing investment opportunities for the reasons set out below: (i) the Rights Issue is subject to Shareholders’ approval. Shareholders are given an opportunity to vote for or against the proposal; when compared with other methods of fund raising such as placement of new Shares or other convertible securities, (ii) the Rights Issue is made on the basis that all Qualifying Shareholders have been offered the same opportunity to maintain their proportional interests in the Company at the same price. To the extent that any Qualifying Shareholder is not willing to participate in the Rights Issue, the Rights Issue offers an opportunity for the Qualifying Shareholders to realise for economic benefit by selling their nil-paid rights to subscribe for the Rights Shares (the “Nil-Paid Rights”)

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## LETTER FROM THE BOARD

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in the market during the dealing of Nil-Paid Rights on the Stock Exchange, subject to the then prevailing market conditions; (iii) rights issue is one of the acceptable forms of fund raising under Rule 7.18 of the Listing Rules. By its nature, in all cases of rights issues, the dilution effect on the shareholding of those Qualifying Shareholders who decided not to take up in full their assured entitlements under the Rights Issue is inherent. For those Qualifying Shareholders who do not exercise their rights to subscribe for the Rights Shares in full, depending on the extent that they accept their entitlements, their shareholding interests will be diluted. Nevertheless, the Qualifying Shareholders who do not accept the Rights Issue may still sell the nil-paid Rights Shares in the market for economic benefit; and (iv) the discount of the Subscription Price of the Rights Issue will encourage the Shareholders to participate in the Rights Issue.

The terms of the Rights Issue (including the Subscription Price and structure of the Rights Issue) were arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market prices of the Shares before the date of the Underwriting Agreement (historical price), the financial conditions of the Company, existing number of issued Shares, the funds expected to be raised by the Rights Issue and the current market conditions. Accordingly, based on the reasons mentioned above, the Directors consider that the features of the Rights Issue (notwithstanding the potential dilution effects) are in the best 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 at the Latest Practicable Date and immediately after completion of the Rights Issue, assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately after completion of the Rights Issue:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
CHOI Ka Wing (Note 1)	1,253,250	0.29	3,759,750	0.29	1,253,250	0.09
Freeman Financial Corporation Limited (Note 2)	45,354,000	10.52	136,062,000	10.52	45,354,000	3.51
Underwriter (Note 3)	–	–	–	–	862,378,676	66.67
Public Shareholders	384,582,088	89.19	1,153,746,264	89.19	384,582,088	29.73
<b>Total</b>	<b>431,189,338</b>	<b>100.00</b>	<b>1,293,568,014</b>	<b>100.00</b>	<b>1,293,568,014</b>	<b>100.00</b>

*Notes:*

- Ms. CHOI Ka Wing is an executive Director.
- Freeman Financial Corporation Limited, the holding company of the Underwriter, is a substantial Shareholder of the Company as at the Latest Practicable Date. Accordingly, the interests of the Underwriter will be deemed to be interests of Freeman under the SFO. As at the Latest Practicable Date, the Board has not received any notification from Freeman (being its substantial Shareholder) regarding it and its associates' intention to take up the securities provisionally allotted or offered to them or to be provisionally allotted or offered to them.
- The Underwriter has undertaken to the Company that (i) it shall use all reasonable endeavours to procure that each of the subscribers or purchasers of Underwritten Shares procured by it under the Underwriting Agreement shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial Shareholders (within the meaning of the Listing Rules) of the Company or their respective associates; (ii) it will, and will cause sub-underwriters to, procure independent placees take up such number of Rights Shares (a) as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the Company and (b) such that each of them shall not, together with party(ies) acting in concert with each of them, hold 29.9% or more of the voting rights of the Company upon completion of the Rights Issue.

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## LETTER FROM THE BOARD

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### INVESTMENT PORTFOLIO

- (i) Set out below are the top ten securities bought by the Group for each of the three financial years ended 31 December 2008, 2009 and 2010, and for the period from 1 January 2011 to the Latest Practicable Date, respectively:

#### For the financial year ended 31 December 2008

Stock code	Stock name	Acquisition cost
		HK\$ million (approximate)
273	Willie International Holdings Limited ( <i>Note 1</i> )	15.30
279	Freeman Corporation Limited	39.65
412	Heritage International Holdings Limited ( <i>Note 2</i> )	17.50
571	eSun Holdings Limited	91.97
735	China Power New Energy Development Company Limited	22.26
885	Forefront Group Limited	44.16
901	Radford Capital Investment Limited ( <i>Note 3</i> )	27.51
139CB	GR Vietnam Holdings Limited – unlisted convertible bonds	25.00
235CN	China Strategic Holdings Limited – unlisted convertible notes	36.30
–	Goldman Sachs US\$ Liquid Reserves Fund ( <i>Note 4</i> )	19.27

*Notes:*

1. During the financial year 2008, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Willie International Holdings Limited had been a substantial shareholder (as such term is defined under the Listing Rules) of the Company for the period from 29 October 2007 to 21 October 2008 and a shareholder of the Company holding 5% or more of issued share of the Company from 22 October 2008 to 22 December 2008.
2. Throughout the financial year 2008, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Heritage International Holdings Limited had been a shareholder of the Company holding 5% or more of issued share of the Company for that financial year.
3. During the financial year 2008, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Radford Capital Investment Limited had been a shareholder of the Company holding 5% or more of issued share of the Company from 24 April 2008 to 18 December 2008.
4. The investment objective of the Goldman Sachs US\$ Liquid Reserves Fund ("US\$ Liquid Reserves Fund") is to maximise current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing in a diversified portfolio of high quality money market securities. In accordance with its investments objective, the US\$ Liquid Reserves Fund will invest in securities, instruments and obligations which are primarily listed or traded on recognised markets. Shares of the US\$ Liquid Reserves Fund are denominated in US Dollars. Goldman Sachs Asset Management International and Goldman Sachs Asset Management, L.P. jointly act as investment managers of the US\$ Liquid Reserves Fund.



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## LETTER FROM THE BOARD

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**For the financial year ended 31 December 2009**

Stock code	Stock name	Acquisition cost
		HK\$ million (approximate)
273	Willie International Holdings Limited ( <i>Note 1</i> )	27.54
279	Freeman Corporation Limited ( <i>Note 2</i> )	17.54
412	Heritage International Holdings Limited ( <i>Note 3</i> )	24.94
885	Forefront Group Limited ( <i>Note 4</i> )	53.18
985	China Sci-Tech Holdings Limited	14.92
1051	G-Resources Group Limited	50.96
1141	Poly Development Holdings Limited ( <i>Note 5</i> )	15.87
1224	C C Land Holdings Limited	28.65
1387	Renhe Commercial Holdings Company Limited	55.06
8116	China Public Healthcare (Holding) Limited	58.90

*Notes:*

1. Investment in Willie International Holdings Limited (“Willie”) was for medium to long term capital appreciation. Willie kept steady cash position and net asset value and strengthened its income base through the acquisition and the subsequent lease of investment properties both in Hong Kong and Guangzhou during 2008.
2. Investment in Freeman Corporation Limited (“Freeman”) was for short to long term capital appreciation. Freeman had entered into a sales and purchase agreement to expand its finance business operation by way of acquisition in 2009 and also kept investment properties portfolio in quality commercial premises for a stable and recurring cash inflow from rental income.
3. Investment in Heritage International Holdings Limited (“Heritage”) was for short term capital appreciation. Heritage had steady net asset value with low debt-to-equity ratio. Heritage had a 20% interest in a company engaging in lottery related business in the PRC, and was planning to increase its presence in the lottery industry.

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

4. Investment in Forefront Group Limited (“Forefront”) was for medium to long term capital appreciation. In 2009, Forefront engaged in new exploration in carbon fiber business.
5. Investment in Poly Development Holdings Limited (“Poly Development”) was for medium to long term capital appreciation. In 2009, Poly Development entered into agreement to acquire effective control in a company engaged in the PRC infrastructure sector including design, manufacturing, sales and leasing of heavy infrastructure construction equipment and the provision of construction services and personnel to the high-speed elevated railways, urban subways, and cargo and container markets in the PRC.

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## LETTER FROM THE BOARD

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**For the financial year ended 31 December 2010**

<b>Stock code</b>	<b>Stock name</b>	<b>Acquisition cost</b>
		<i>HK\$ million (approximate)</i>
5	HSBC Holdings plc	55.78
127	Chinese Estates Holdings Limited	45.04
273	Willie International Holdings Limited ( <i>Note 1</i> )	49.61
279	Freeman Financial Corporation Limited ( <i>Note 2</i> )	73.36
474	Hao Tian Resources Group Limited	35.39
571	eSun Holdings Limited ( <i>Note 3</i> )	31.49
885	Forefront Group Limited ( <i>Note 4</i> )	51.58
996	Oriental Ginza Holdings Limited	62.41
1004	Rising Development Holdings Limited	59.50
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited ( <i>Note 5</i> )	68.98

*Notes:*

1. Investment in Willie International Holdings Limited (“Willie”) was for medium to long term capital appreciation. Willie kept steady cash position and net asset value and strengthened its income base through the acquisition and the subsequent lease of investment properties both in Hong Kong and Guangzhou during 2008.
2. Investment in Freeman Financial Corporation Limited (“Freeman”) was for short term capital appreciation. Freeman recorded a significant increase in turnover and net profit for the financial year ended 31 March 2010.
3. Investment in eSun Holdings Limited (“eSun”) was for medium to long term capital appreciation. eSun focused to build up its entertainment business in event management, music film, artiste management, internet content licensing and TV drama, with primary focus in the PRC and Macau markets and recorded increase in revenue from film production and distribution, music production and distribution and live entertainment.
4. Investment in Forefront Group Limited (“Forefront”) was for short term capital appreciation. Forefront engaged in diversified business and recorded improved performance for the interim period ended 30 June 2009 and financial year ended 31 December 2009.
5. Investment in Beijing Yu Sheng Tang Pharmaceutical Group Limited (“BJ Yu Sheng Tang”) was for short term capital appreciation. BJ Yu Sheng Tang had diversified into pharmaceutical business in addition to the businesses of supply and procurement of metal minerals and provision of finance and securities investments.

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## LETTER FROM THE BOARD

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**For the period from 1 January 2011 to Latest Practicable Date**

<b>Stock code</b>	<b>Stock name</b>	<b>Acquisition cost</b> <i>HK\$ million</i> <i>(approximate)</i>
136	Mascotte Holdings Limited ( <i>Note 1</i> )	60.00
263	China Yunnan Tin Minerals Group Co Limited ( <i>Note 2</i> )	21.57
273	Willie International Holdings Limited ( <i>Note 3</i> )	25.68
329	Dragonite International Limited ( <i>Note 4</i> )	22.50
412	Heritage International Holdings Limited ( <i>Note 5</i> )	49.26
692	Bao Yuan Holdings Limited ( <i>Note 6</i> )	16.93
885	Forefront Group Limited ( <i>Note 7</i> )	16.82
928	Tack Fiori International Group Limited	22.94
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited ( <i>Note 8</i> )	47.58
8212CB	Hong Kong Life Group Holdings Limited – unlisted convertible bonds	20.00

*Notes:*

1. Investment in Mascotte Holdings Limited (“Mascotte”) was for medium to long capital appreciation. Mascotte planned to explore a new business through possible acquisition of innovative technology company.
2. Investment in China Yunnan Tin Minerals Group Co Limited (“China Yunnan”) was for medium to long capital appreciation. China Yunnan intended to extensively operate and further develop its mineral business since the completion of acquisition of the mixed metal mine.
3. Investment in Willie International Holdings Limited (“Willie”) was for medium to long term capital appreciation. Willie recorded a positive turnover and had a strong cash position and net asset value as at 31 December 2010.
4. Investment in Dragonite International Limited (“Dragonite”) was for short term investment. Dragonite owns both the original patents for electronic cigarette and the RUYAN brand product around the world.
5. Investment in Heritage International Holdings Limited (“Heritage”) was for short term capital appreciation. In October 2011, Heritage had entered into a framework agreement and agreed to establish a green energy fund for investing in green energy and environmental conservation projects primarily in Guangxi.
6. Investment in Bao Yuan Holdings Limited (“Bao Yuan”) was for short term capital appreciation. Bao Yuan has a focus on the new lines of business iron and titanium dioxide mining with great demand in PRC.
7. Investment in Forefront Group Limited (“Forefront”) was for short term capital appreciation. Forefront engaged in diversified business in forestry in the PRC and had a strong cash position and net asset value as at 31 December 2010.
8. Investment in Beijing Yu Sheng Tang Pharmaceutical Group Limited (“BJ Yu Sheng Tang”) was for short term capital appreciation. BJ Yu Sheng Tang had diversified into pharmaceutical business in addition to the businesses of supply and procurement of metal minerals and provision of finance and securities investments.

## LETTER FROM THE BOARD

- (ii) Set out below are the top ten investments held by the Group as at 31 December 2008, 2009 and 2010 and the Latest Practicable Date:

### As at 31 December 2008

Name of investee company	Number of shares held	Effective shareholding interest	Cost as at 31 December 2008 <i>HK\$</i>	Market value/ fair value as at 31 December 2008 <i>HK\$</i>	Unrealised holding gain (loss) arising on revaluation <i>HK\$</i>	Dividend received/ receivable during the year <i>HK\$</i>	Percentage
							to the Company's net asset value as at 31 December 2008
(i) eSun Holdings Limited	43,086,578	3.47%	91,966,445	44,810,041	(47,156,404)	-	29.20%
(ii) China Strategic Holdings Limited (unlisted convertible notes)	Not applicable	Not applicable	36,300,000	23,761,866	(12,538,134)	-	15.49%
(iii) GR Vietnam Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	25,000,000	17,991,016	(7,008,984)	-	11.72%
(iv) Forefront Group Limited	46,347,250	4.95%	43,532,253	9,223,103	(34,309,150)	-	6.01%
(v) Pacific Century Regional Developments Limited	11,000,000	0.36%	21,121,548	8,192,800	(12,928,748)	307,575	5.34%
(vi) Universal Technology Systems Inc.	13,684,715	29.96%	28,675,269	7,620,607	(21,054,662)	-	4.97%
(vii) Willie International Holdings Limited	12,849,400	3.30%	120,515,110	6,810,182	(113,704,928)	-	4.44%
(viii) Heritage International Holdings Limited	12,714,070	4.97%	42,429,046	6,357,035	(36,072,011)	-	4.14%
(ix) Radford Capital Investment Limited	54,947,321	10.64%	22,720,455	6,209,047	(16,511,408)	-	4.05%
(x) Freeman Corporation Limited	42,825,299	4.38%	9,053,693	6,124,018	(2,929,675)	-	3.99%

*Notes:*

- (i) eSun Holdings Limited (“eSun”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 571). eSun was principally engaged in development and operation of, and investment in, media, entertainment, and music production and distribution; production, investment in and distribution of films and video format products; provision of advertising agency services; sale of cosmetic products; and investment holding. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2008.
- (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 was principally engaged in the manufacturing and trading of battery products and related accessories and investments in securities holding. The fair value of the unlisted convertible notes was the amount revalued by, Asset Appraisal Limited, an independent professional valuer on 31 December 2008.
- (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 was principally engaged in trading and distribution of electronic products and other merchandise and securities investment and trading. The fair value of the unlisted convertible bonds was the amount revalued by, Asset Appraisal Limited, an independent professional valuer on 31 December 2008.

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## LETTER FROM THE BOARD

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- (iv) Forefront Group Limited (“Forefront”) was incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 885). Forefront was principally engaged in the trading and distribution of Scania motor trucks, coaches and vehicle accessories, provision of motor vehicle repair and maintenance services, provision of other motor vehicle related business; investing in development, management and operation of an e-ticking system in PRC; selling and distribution of Nissan motors, the operation of the Nissan 4S shops, provision of heavy motor vehicle repair and maintenances service in PRC; provision of logistics services in Hong Kong and PRC, property investments and securities trading. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2008.
- (v) 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 were the holding of investments and development of infrastructure and properties. Until 15 May 2007, Pacific Century’s principal activities also included the provision of a range of whole life, endowment, term life insurance and other related products in Hong Kong. This business segment was discontinued during the year ended 31 December 2007. The market value was reference to the closing price as quoted on the Singapore Exchange Securities Trading Limited on 31 December 2008.
- (vi) Universal Technology Systems Inc. (“Universal”) was incorporated in Taiwan and is listed on the Taiwan Stock Market. Universal was principally engaged in a system solutions and integrations, and in the sourcing of computer softwares and hardwares. The market value was reference to the closing price as quoted on the Taiwan Stock Market on 31 December 2008.
- (vii) Willie International Holdings Limited (“Willie”) was incorporated in Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 273). Willie was principally engaged in the business of property investment, investment in securities trading, investment in energy related business and acquiring, exploring and developing natural resources. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2008.

During the financial year 2008, based solely on the Company’s register required to be maintained pursuant to section 336 of the SFO, Willie had been a substantial shareholder (as such term is defined under the Listing Rules) of the Company for the period from 29 October 2007 to 21 October 2008 and a shareholder of the Company holding 5% or more of issued share of the Company from 22 October 2008 to 22 December 2008.

- (viii) Heritage International Holdings Limited (“Heritage”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 412). Heritage was principally engaged in property investment, investment in securities, money lending and investment holding. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2008.

Throughout the financial year 2008, based solely on the Company’s register required to be maintained pursuant to section 336 of the SFO, Heritage had been a shareholder of the Company holding 5% or more of issued share of the Company for that financial year.

- (ix) Radford Capital Investment Limited (“Radford”) was incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 901). Radford was principally engaged in investment in listed and unlisted securities in Hong Kong and overseas markets. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2008.

During the financial year 2008, based solely on the Company’s register required to be maintained pursuant to section 336 of the SFO, Radford had been a shareholder of the Company holding 5% or more of issued share of the Company from 24 April 2008 to 18 December 2008.

- (x) Freeman Corporation Limited (“Freeman”) was incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 279). Freeman was principally engaged in trading of securities, provision of finance, property holding and investment, insurance agency and brokerage business, and investment holding. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2008.

## LETTER FROM THE BOARD

As at 31 December 2008, Mr. KITCHELL Osman Bin was interested in 33,000 shares in Willie International Holdings Limited (stock code: 273), 1,100,000 shares in Forefront Group Limited (stock code: 885); and Ms. CHOI Ka Wing was interested in 1,928,600 shares in Heritage International Holdings Limited (stock code: 412). Save as disclosed, none of the existing Directors held any shares in any investee company whose securities constituted the top ten investments held by the Group as at 31 December 2008.

### As at 31 December 2009

Name of investee company	Number of shares held	Effective shareholding interest	Cost as at	Market value/ fair value	Unrealised holding	Dividend received/	Percentage to the
			31 December 2009	as at 31 December 2009	holding gain (loss) arising on revaluation	received/ receivable during the year	Company's net asset value as at 31 December 2009
			HK\$	HK\$	HK\$	HK\$	
(i) China Public Healthcare (Holding) Limited	285,000,000	2.65%	58,895,000	60,420,000	1,525,000	-	20.38%
(ii) China Strategic Holdings Limited	96,666,666	2.61%	26,711,866	54,133,333	27,421,467	-	18.26%
(iii) GR Vietnam Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	25,000,000	23,000,000	(2,000,000)	-	7.76%
(iv) Poly Development Holdings Limited	28,456,000	1.43%	7,825,400	21,911,120	14,085,720	-	7.39%
(v) G-Resources Group Limited	41,216,352	0.29%	32,480,857	20,196,013	(12,284,844)	-	6.81%
(vi) China Sci-Tech Holdings Limited	63,891,645	2.01%	14,920,211	15,653,453	733,242	-	5.28%
(vii) China Chief Cable TV Group Limited	28,125,000	1.50%	9,421,875	14,906,250	5,484,375	-	5.03%
(viii) LIC Opportunities Fund (Cayman) Limited	Not applicable	Not applicable	11,640,900	Not applicable	-	-	3.93%
(ix) Pacific Century Regional Developments Limited	11,000,000	0.36%	21,121,548	10,807,830	(10,313,718)	4,793,042	3.65%
(x) G-Prop (Holdings) Limited	27,000,000	1.11%	10,071,000	8,235,000	(1,836,000)	-	2.78%

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## LETTER FROM THE BOARD

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*Notes:*

- (i) China Public Healthcare (Holding) Limited (“C Public Health”) was incorporated in the Cayman Islands and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8116). C Public Health was 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. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2009.
- (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 was principally engaged in manufacturing and trading of battery products and related accessories and investment in securities. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2009.
- (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 was principally engaged in trading and distribution of electronic products and other merchandise and securities investment and trading. The fair value of unlisted convertible bonds was the amount revalued by, Asset Appraisal Limited, an independent professional valuer on 31 December 2009.
- (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 was 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. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2009.
- (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 was principally engaged in gold and related metals mining business. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2009.
- (vi) China Sci-Tech Holdings Limited (“China Sci-Tech”) was incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 985). China Sci-Tech was principally engaged in investment in financial instruments and property investment. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2009.
- (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 was principally engaged in provision of premastering 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. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2009.
- (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. Mr. Ian Chu is the fund manger of LIC Opportunities Fund. 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. The amount as at 31 December 2009 was stated at lower of cost or fair value provided by Fortis Prime Fund Solutions (Asia) Limited, the fund sub-administrator and fund custodian of LIC Opportunities Fund.
- (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 were the holding of investments and development of infrastructure and properties. The market value was reference to the closing price as quoted on the Singapore Exchange Securities Trading Limited on 31 December 2009.
- (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 was principally engaged in the business of property investments and investment and finance. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2009.

## LETTER FROM THE BOARD

As at 31 December 2009, Mr. KITCHELL Osman Bin was interested in 46,875,000 shares in China Chief Cable TV Group Limited (stock code: 8153) and Mr. TSANG Wing Ki was interested in 50,000 shares in China Strategic Holdings Limited (stock code: 235). Save as disclosed, none of the existing Directors held any shares in any investee company whose securities constituted the top ten investments held by the Group as at 31 December 2009.

### As at 31 December 2010

	Name of investee company	Number of shares held	Effective shareholding interest	Cost as at	Market value/	Unrealised	Dividend	Percentage
				31 December 2010	as at 31 December 2010	holding gain (loss) arising on revaluation	received/ receivable during the year	to the Company's net asset value as at 31 December 2010
				HK\$	HK\$	HK\$	HK\$	
(i)	Rising Development Holdings Limited	35,000,000	2.52%	59,500,000	62,300,000	2,800,000	-	13.14%
(ii)	Oriental Ginza Holdings Limited	42,765,000	3.90%	62,408,820	62,009,250	(399,570)	-	13.08%
(iii)	Chinese Estates Holdings Limited	3,665,000	0.19%	45,041,500	47,058,600	2,017,100	1,502,650	9.93%
(iv)	Beijing Yu Sheng Tang Pharmaceutical Group Limited	100,000,000	3.21%	28,500,000	33,500,000	5,000,000	-	7.07%
(v)	Golden Resorts Group Limited	50,000,000	0.48%	22,000,000	26,500,000	4,500,000	-	5.59%
(vi)	G-Resources Group Limited	41,207,352	0.29%	30,037,405	25,136,485	(4,900,920)	-	5.30%
(vii)	Fulbond Holdings Limited (unlisted convertible notes)	Not applicable	Not applicable	10,000,000	20,000,000	10,000,000	-	4.22%
(viii)	China Strategic Holdings Limited	71,686,666	1.94%	19,809,151	18,996,966	(812,185)	-	4.01%
(ix)	Freeman Financial Corporation Limited	54,016,818	2.13%	15,020,250	18,635,802	3,615,552	-	3.93%
(x)	ICube Technology Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	17,000,000	17,000,000	-	-	3.59%

#### Notes:

- (i) Rising Development Holdings Limited (“Rising Development”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1004). Rising Development was principally engaged in investment holding and trading in securities, manufacture and sale of fur garments, trading of fur skins and business of mining natural resources. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2010.
- (ii) Oriental Ginza Holdings Limited (“Oriental Ginza”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 996). Oriental Ginza was principally engaged in provision of retail-related consultancy and management services and property investment business. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2010.
- (iii) Chinese Estates Holdings Limited (“Chinese Estates”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 127). Chinese Estates was principally engaged in property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2010.



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## LETTER FROM THE BOARD

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- (iv) Beijing Yu Sheng Tang Pharmaceutical Group Limited (“BJ Yu Sheng Tang”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1141). BJ Yu Sheng Tang was principally engaged in supply and procurement, pharmaceutical, provision of finance and securities investment. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2010.
- (v) Golden Resorts Group Limited (“Golden Resorts”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1031). Golden Resorts was principally engaged in operation of hotels and trading of listed securities. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2010.
- (vi) 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 was principally engaged in gold and related metals mining business, provision of financial information services, trading of electronic goods and accessories, and securities trading. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2010.
- (vii) Fulbond Holdings Limited (“Fulbond”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1041). Fulbond was principally engaged in manufacture and trading of wooden products including blockboard and particle board, door skin and other wooden products. The fair value of unlisted convertible notes was the amount revalued by, Asset Appraisal Limited, an independent professional valuer on 31 December 2010.
- (viii) 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 was principally engaged in manufacturing and trading of battery products and related accessories and investment in securities. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2010.
- (ix) Freeman Financial Corporation Limited (“Freeman Financial”) was incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 279). Freeman Financial was principally engaged in trading of securities, provision of finance, property holding and investment, insurance agency and brokerage business, securities brokerage, investment advisory and investment holding. The market value was reference to the closing price as quoted on the Stock Exchange on 31 December 2010.
- (x) ICube Technology Holdings Limited (“ICube Technology”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139). ICube Technology was principally engaged in trading and distribution of electronic products and other merchandise and securities investment and trading. The fair value of unlisted convertible bonds was the amount revalued by, Asset Appraisal Limited, an independent professional valuer on 31 December 2010.

As at 31 December 2010, Mr. KITCHELL Osman Bin was interested in 500 shares in Chinese Estates Holdings Limited (stock code: 127); and Ms. CHOI Ka Wing was interested in 500 shares in Chinese Estates Holdings Limited (stock code: 127), 1,130,000 shares in Freeman Financial Corporation Limited (stock code: 279) and 1,084,000 shares in Oriental Ginza Holdings Limited (stock code: 996). Save as disclosed, none of the existing Directors held any shares in any investee company whose securities constituted the top ten investments held by the Group as at 31 December 2010.

## LETTER FROM THE BOARD

### As at the Latest Practicable Date

Name of investee company	Number of shares held	Effective shareholding interest	Cost as at	Market value	Unrealised	Dividend	Percentage
			the Latest Practicable Date	as at the Latest Practicable Date	holding gain (loss) arising on revaluation	received/ receivable during the period	to the Company's net asset value as at 31 December 2011
			HK\$	HK\$	HK\$	HK\$	
(i) Chinese Estates Holdings Limited	3,665,000	0.19%	45,041,500	46,105,700	1,064,200	73,300	24.84%
(ii) Mascotte Holdings Limited	142,564,000	3.12%	57,025,600	30,366,132	(26,659,468)	-	16.36%
(iii) China Strategic Holdings Limited	71,686,666	1.94%	19,809,151	11,183,120	(8,626,031)	-	6.03%
(iv) Heritage International Holdings Limited	177,579,347	2.54%	44,119,292	22,552,577	(21,566,715)	-	12.15%
(v) Forefront Group Limited	141,358,696	3.87%	16,817,587	14,559,946	(2,257,641)	-	7.84%
(vi) Oriental Ginza Holdings Limited	32,765,000	0.75%	43,100,161	12,123,050	(30,977,111)	-	6.53%
(vii) Beijing Yu Sheng Tang Pharmaceutical Group Limited	174,967,952	3.54%	15,946,579	11,722,853	(4,223,726)	-	6.32%
(viii) Rising Development Holdings Limited	35,000,000	2.53%	59,500,000	33,250,000	(26,250,000)	-	17.91%
(xi) Rising Development Holdings Limited (unlisted convertible notes)	Not applicable	Not applicable	10,000,000	10,000,000	-	-	5.39%
(x) ICube Technology Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	17,000,000	14,000,000	(3,000,000)	-	7.54%

*Notes:*

- (i) Chinese Estates Holdings Limited (“Chinese Estates”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 127). Chinese Estates is principally engaged in property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading. The market value was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.
- (ii) Mascotte Holdings Limited (“Mascotte”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 136). Mascotte is principally engaged in loan financing, trading of investments, manufacture and sale of accessories for photographic, electrical and multimedia products and property investments. The market value was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.
- (iii) 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 manufacture and trading of battery products and related accessories, and investment in securities. The market value was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.
- (iv) Heritage International Holdings Limited (“Heritage”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 412). Heritage is principally engaged in property investment, investments in securities, money lending and investment holding. The market value was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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- (v) Forefront Group Limited (“Forefront”) was incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 885). Forefront is principally engaged in selling and distributing of motor vehicles, provision of heavy motor vehicles repair and maintenance services, provision of logistic services, investment in forest interest, properties investments, securities trading and money lending. The market value was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.
- (vi) Oriental Ginza Holdings Limited (“Oriental Ginza”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 996). Oriental Ginza is principally engaged in provision of retail-related consultancy and management services and property investment business. The market value was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.
- (vii) Beijing Yu Sheng Tang Pharmaceutical Group Limited (“BJ Yu Sheng Tang”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1141). BJ Yu Sheng Tang is principally engaged in supply and procurement, pharmaceutical, provision of finance and securities investment. The market value of listed securities was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.
- (viii) Rising Development Holdings Limited (“Rising Development”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1004). Rising Development is principally engaged in investment holding and trading in securities, manufacture and sale of fur garments, trading of fur skins and business of mining natural resources. The market value of listed securities was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date. The unlisted convertible notes was stated at the fair value revalued by, Asset Appraisal Limited, an independent professional valuer for the financial year ended 31 December 2011.
- (ix) & (x) ICube Technology Holdings Limited (“ICube Technology”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139). ICube Technology is principally engaged in marketing and sales of self-developed semiconductor processing chips and core architecture of China’s mobile device market, trading and distribution of electronic products and other merchandise and securities investment and trading. The unlisted convertible bonds was stated at the fair value revalued by, Asset Appraisal Limited, an independent professional valuer for the financial year ended 31 December 2011.
- (iii) Set out below are the top ten loss-making investments of the Group for each of the three financial years ended 31 December 2008, 2009 and 2010, and for the period from 1 January 2011 to 31 December 2011, being the date to which the Company’s latest available management accounts have been made up to, respectively:

### For the financial year ended 31 December 2008

Stock code	Stock name	Unrealised loss <i>HK\$ million</i> <i>(approximate)</i>	Realised loss <i>HK\$ million</i> <i>(approximate)</i>	Total loss <i>HK\$ million</i> <i>(approximate)</i>
136	Mascotte Holdings Limited ( <i>Note 1</i> )	–	55.82	55.82
263	China Yunnan Tin Minerals Group Co Limited	–	26.76	26.76
273	Willie International Holdings Limited ( <i>Note 2</i> )	21.91	–	21.91
279	Freeman Corporation Limited	2.93	58.03	60.96
412	Heritage International Holdings Limited ( <i>Note 3</i> )	36.07	42.69	78.76
571	eSun Holdings Limited	47.16	–	47.16
885	Forefront Group Limited	34.31	10.71	45.02
901	Radford Capital Investment Limited ( <i>Note 4</i> )	16.51	7.59	24.10
1141	Poly Development Holdings Limited	19.12	–	19.12
P15	Pacific Century Regional Developments Limited	11.41	–	11.41

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## LETTER FROM THE BOARD

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*Notes:*

1. During the financial year 2008, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Mascotte Holdings Limited had been a shareholder of the Company holding 5% or more of issued share/underlying share of the Company since 8 October 2008 for that financial year.
2. During the financial year 2008, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Willie International Holdings Limited had been a substantial shareholder (as such term defined under the Listing Rules) of the Company for the period from 29 October 2007 to 21 October 2008 and a shareholder of the Company holding 5% or more of issued share of the Company from 22 October 2008 to 22 December 2008.
3. Throughout the financial year 2008, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Heritage International Holdings Limited had been a shareholder of the Company holding 5% or more of issued share of the Company for that financial year.
4. During the financial year 2008, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Radford Capital Investment Limited had been a shareholder of the Company holding 5% or more of issued share of the Company from 24 April 2008 to 18 December 2008.

### For the financial year ended 31 December 2009

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

*Note:*

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

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## LETTER FROM THE BOARD

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### For the financial year ended 31 December 2010

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

### For the period from 1 January 2011 to 31 December 2011

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

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## LETTER FROM THE BOARD

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### **Common investments between the Company and Directors**

As at the Latest Practicable Date, Mr. KITCHELL Osman Bin was interested in 500 shares (representing approximately 0.00003%) in Chinese Estates Holdings Limited (stock code: 127), 1,040,000 shares (representing approximately 0.02%) in Mascotte Holdings Limited (stock code: 136), 14,100,000 shares (representing approximately 0.20%) in Heritage International Holdings Limited (stock code: 412), 6,290,000 shares (representing approximately 0.17%) in Forefront Group Limited (stock code: 885), 50,000,000 shares (representing approximately 1.14%) in Oriental Ginza Holdings Limited (stock code: 996); Ms. CHOI Ka Wing was interested in 500 shares (representing approximately 0.00003%) in Chinese Estates Holdings Limited (stock code: 127), 9,260,000 shares (representing approximately 0.20%) in Mascotte Holdings Limited (stock code: 136), 21,401,000 shares (representing approximately 0.31%) in Heritage International Holdings Limited (stock code: 412), 2,410,000 shares (representing approximately 0.07%) in Forefront Group Limited (stock code: 885), 1,084,000 shares (representing approximately 0.02%) in Oriental Ginza Holdings Limited (stock code: 996) and 2,408,000 shares (representing approximately 0.05%) in Beijing Yu Sheng Tang Pharmaceutical Group Limited (stock code: 1141); and Ms. DAVIS Angela Hendricks was interested in 400,000 shares (representing approximately 0.01%) in Mascotte Holdings Limited (stock code: 136). Save as disclosed, as at the Latest Practicable Date, none of the Directors held any shares in any investee company whose securities constituted the top ten investments held by the Group as at the Latest Practicable Date.

### **Common directorship between the Company/Company's investment manager and Company's investee companies**

Ms. SWARTZ Kristi Lynn, being an independent non-executive Director appointed for the period from 1 November 2007 to 29 December 2009, had also been an independent non-executive director of Forefront Group Limited (stock code: 885) for the period from 20 July 2007 to 29 December 2009; Mascotte Holdings Limited (stock code: 136) for the period from 12 November 2007 to 29 December 2009; and Tack Fat Group International Limited (stock code: 928) for the period from 13 August 2008 to 12 September 2008. Save as Ms. SWARTZ Kristi Lynn, none of the Directors is or has been director of any investee companies of which were one of the top-ten securities bought/held for the three financial years ended 31 December 2010 and up to the Latest Practicable Date and/or substantial Shareholders.

Save and except that Mr. Chan Shek Wah, being a managing director of CUIM for the period from 27 August 2001 to 23 March 2010 is also an independent non-executive director of CST Mining Group Limited (stock code: 985) since 1 June 2007 and had been an executive director of G-Prop (Holdings) Limited (stock code: 286) for the period from 1 February 1999 to 7 May 1999; and Mr. Pak William Eui Won, being a director of CUIM since 10 May 2010 is also an independent non-executive director of Forefront Group Limited (stock code: 885) since 28 December 2009, there are no common directorship between CUIM and any investee companies of which were one of the top-ten securities bought/held for the three financial years ended 2010 and as at the Latest Practicable Date.

Save as disclosed above and in the section headed "Shareholding in the Company", to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, and based on the Company's register required to be maintained pursuant to section 336 of the SFO, the Directors are not aware of any investee companies shown under section headed "Investment Portfolio" holding more than 5% of the Shares of the Company as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### FINANCIAL SUMMARY OF THE COMPANY (2008-2010)

Set out below are the (loss) profit attributable to Shareholders and net assets of the Group for the three years ended 31 December 2010 as extracted from annual reports from 2008 to 2010 of the Company.

	2010	2009	2008
	HK\$	HK\$	HK\$
(Loss) Profit attributable to equity holders of the Company	(64,961,714)	(100,618,027)	(458,429,088)
Net asset value	473,981,496	296,515,394	153,450,852

The Company has taken all necessary measures to work towards achieving an improvement in its financial results, as indicated in the decrease in the loss attributable to shareholders of the Company in the past three financial years (2008: HK\$458 million, 2009: HK\$101 million, and 2010: HK\$65 million approximately). The Company notes that its net loss as indicated in its interim results for the six months ended 30 June 2011 has increased, but believes this is inevitable given that the Company's sole business is investment in securities and the worldwide stock market has been volatile this year. Nevertheless it will continue to closely monitor the global economic market and continue to conduct its business of investment in securities as it has done in the past and consider the advice of CUIM given from time to time with an aim to improving the investment returns in the future. No specific or particular measures are proposed to be taken by the Company to improve its business other than those in its ordinary course of business to operate its business.

### IMPLICATIONS UNDER THE LISTING RULES

Freeman is a substantial Shareholder of the Company. The Underwriter is a subsidiary of Freeman. The Underwriter is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the transactions contemplated under the Underwriting Agreement (including the Commission Payment) constitute a connected transaction under Chapter 14A of the Listing Rules. The issue of the Rights Shares to the Underwriter under the Rights Issue is exempt from the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rules 14A.31(3)(a) and (c) of the Listing Rules. As the maximum underwriting commission to be received by the Underwriter pursuant to the Underwriting Agreement is approximately HK\$3.4 million and the relevant percentage ratios (other than the profits ratio) as defined in the Listing Rules are less than 25% and the total underwriting commission is less than HK\$10,000,000, the Commission Payment constitutes a connected transaction that is only subject to the reporting and announcement requirements but is exempt from Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Underwriting Agreement and none of them has abstained from voting on the board resolutions.

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## LETTER FROM THE BOARD

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### 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. THREE-YEAR FINANCIAL INFORMATION**

Financial information of the Group for each of the three years ended 31 December 2008, 2009 and 2010 are disclosed in the annual reports of the Company for the years ended 31 December 2008 (pages 34 to 107), 2009 (pages 36 to 107) and 2010 (pages 33 to 103) respectively, which are published on both the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.unity913.com](http://www.unity913.com)). The auditor of the Company has not issued any qualified opinion on the Group's financial statements for the financial years ended 31 December 2008, 2009 and 2010.

**2. UNAUDITED INTERIM RESULTS**

The unaudited consolidated financial statements of the Company for the six months ended 30 June 2011 together with the relevant notes to the accounts are disclosed in the interim report of the Company for the six months ended 30 June 2011 (pages 4 to 18), which are published on both the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.unity913.com](http://www.unity913.com)).

**3. INDEBTEDNESS**

At the close of business on 31 December 2011, 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\$72,865,000, representing the margin financing facilities of approximately HK\$22,865,000 obtained from regulated securities dealers and other loan of HK\$50,000,000.

The Group has pledged its investments held for trading and available-for-sale investments amounted to approximately HK\$263,836,000 to secure the margin financing facilities obtained from regulated securities dealers. As at 31 December 2011, these facilities have been utilised up to the extent of approximately HK\$22,865,000.

**Contingent liabilities**

As at 31 December 2011, the Group had no material contingent liabilities.

**Disclaimer**

Save as aforesaid and apart from intra-group liabilities, at the close of business on 31 December 2011, 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 2010, 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, after 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 its present requirements for at least the next twelve months following the date of this Prospectus.

#### 5. MATERIAL ADVERSE CHANGE

Save as disclosed in the Company's announcement dated 12 January 2012 in relation to a profit warning for the Company's annual results for the year ended 31 December 2011, 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 2010, being the date to which the latest published audited consolidated financial statements of the Group were made up.

#### 6. BUSINESS REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2011

##### Operation review

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

##### Results review

The Group recorded a net loss of approximately HK\$109,739,000 for the six months ended 30 June 2011 (the "Period") as compared to net loss of approximately HK\$17,905,000 in the corresponding period of last year. The net loss incurred by the Group for the Period was mainly attributable to realised loss on disposal of its listed investments held for trading and listed available-for-sale investments and unrealised loss on revaluation of its listed investments. Loss per share of the Company for the Period was HK\$0.26 as compared to loss per share of HK\$0.75 as restated for the same period in 2010.

##### Liquidity, financial resources and capital structure

The Group financed its asset portfolio by internally generated cash resources and fund raising exercises. As at 30 June 2011, the net current assets of the Group amounted to approximately HK\$116,748,000 (As at 31 December 2010: approximately HK\$148,385,000) with cash and bank balances of approximately HK\$24,312,000 (As at 31 December 2010: approximately HK\$3,852,000).

There was no material change in available credit facilities when compared with the financial year ended 31 December 2010. As at 30 June 2011, the Group did not have unsecured, interest bearing short-term borrowings (As at 31 December 2010: HK\$Nil). The gearing ratio of the Group was increased to 2.11% as compared to 1.54% as at 31 December 2010 (calculated on the basis of total liabilities divided by total assets), the liabilities as at the Period ended was mainly comprised of utilised margin facilities amounted to approximately HK\$7,097,000 (As at 31 December 2010: approximately HK\$6,863,000). The Board believed that the use of margin facilities maintains flexibility and continuity of funding. Taking into account of the amount of assets on hand and available credit facilities, the Group has sufficient working capital for its ongoing operational requirements.

During the Period under review, the Company completed a subscription for 8,500,000 shares and approximately HK\$2.5 million net proceeds were received. The net proceeds were used for general working capital of the Group. The Board has been actively seeking fund raising opportunities to strengthen the Company's financial position.

The unaudited consolidated net asset value per share of the Company as at 30 June 2011 was HK\$0.79 (As at 31 December 2010: audited HK\$1.12). The consolidated net assets value per share is calculated based on the net assets of the Group as at 30 June 2011 of approximately HK\$341,910,000 (As at 31 December 2010: approximately HK\$473,982,000) and the total number of 431,189,338 shares (As at 31 December 2010: 422,689,338 shares) in issue as at that date.

## 7. BUSINESS AND TRADING PROSPECTS

The European sovereign debt problem continues to frustrate and threaten global financial markets over the past few months. Market confidence has also become fragile, following the downgrade of the US sovereign rating and the slow progress in resolving the intensifying debt crisis in the euro area. The global growth outlook now depends much on Europe's ability to defuse the sovereign debt problem. Two scenarios – *baseline scenario* and *adverse scenario* – can be identified for the global economy.

In the *baseline scenario*, European policymakers manage to muddle through with the rescue plan announced and a global recession is avoided. Nevertheless, growth in the G2 will still be sluggish in the face of fiscal consolidation and continued de-leveraging.

In the *adverse scenario*, the measures fail and the European sovereign debt problem degenerates into a global financial crisis, resulting in a recession of great depth and scale.

In either case, Hong Kong's economy is bound to be affected. A slowdown in the G2 economies in the baseline scenario will be transmitted to the Hong Kong economy initially via reduced exports. Thereafter, the disturbance will spread through the economy, affecting other key components, such as property prices and ultimately output growth. A slowdown in the G2 economies in the adverse scenario represents the impact from the interactions between real and financial sectors on the local economy could be significant. There will be seen fund flow pressures, rise in funding costs coupled with reduction in credit availability and correction in property prices.

In view of the above, advanced economy growth is expected to slow down from an already meager 1.6 percent in 2011 to 1.3 percent in 2012, and emerging economies will slow in growth by 1.3 percentage points on average, going from 6.4 percent growth in 2011 to 5.1 percent in 2012, partly as a result of slower export growth and partly because several of them have been growing above trend.

Regionally, Asia's emerging economies will grow robustly into 2012, led once again by China. In fact, high growth has maintained on the Mainland for years. Though in the year ahead economic growth on the Mainland is likely to moderate amid a tightened policy environment but remain high by international standards. China's economy is expected to sustain healthy, impressive growth on a firmer footing in the long run. Hong Kong remains well positioned to benefit from China's continuing growth and development.

It is noteworthy that the 2008/09 crisis provides a useful lesson on how to prepare for, and manage, a materialisation of such a risk. During the crisis, stress emerged in Hong Kong's economic and financial conditions, contributing to the steep slide in the economy. However, Hong Kong's financial system remained robust, and the impact on the labour market was much less severe than that experienced during the Asian financial crisis because financial institutions and the private sector in the region entered the recent crisis with strong balance sheets. Past experiences can serve as a timely reminder of the importance of the need to strengthen the private sector balance sheet against the possibility of new severe shocks.

The group will continue to prudently select appropriate investment opportunities to expand and diversify its portfolio. Although the market is still full of uncertainties, it is evident that there are still abundant opportunities for the group to capture. In addition, the board will consider fundraising to strengthen its asset base as and when the opportunity arises.

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**APPENDIX II            PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

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

**Introduction**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared by the directors of the Company in accordance with paragraph 29 of Chapter 4 of the Listing Rules to illustrate the effect of the proposed rights issue on the basis of two rights shares for every share held on the record date (the “**Rights Issue**”) on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been undertaken and completed on 30 June 2011.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the unaudited consolidated net assets of the Group as at 30 June 2011, as extracted from published unaudited interim results of the Group for the six months ended 30 June 2011 set out in the interim report of the Company for the six months ended 30 June 2011 (pages 4 to 18), which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.unity913.com), 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.

			Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders immediately after completion of the Rights Issue	Unaudited consolidated net tangible assets per Share attributable to the Shareholders as at 30 June 2011	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the Shareholders immediately after completion of the Rights Issue
	Unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2011 <i>(Note 2)</i> HK\$'000	Estimated net proceeds from the Rights Issue <i>(Note 3)</i> HK\$'000		Unaudited consolidated net tangible assets per Share attributable to the Shareholders as at 30 June 2011 <i>(Note 4)</i> HK\$	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the Shareholders immediately after completion of the Rights Issue <i>(Note 5)</i> HK\$
Rights Issue of 862,378,676					
Rights Shares <i>(Note 1)</i>	341,910	81,150	423,060	0.793	0.327

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## APPENDIX II      PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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*Notes:*

1. The Rights Issue of 862,378,676 Rights Shares is based on 431,189,338 Shares in issue as at the Record Date.
2. The unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2011 is arrived at based on the published unaudited interim results of the Group for the six months ended 30 June 2011 of approximately HK\$341,910,000 as set out in the interim report of the Company for the six months ended 30 June 2011 (pages 4 to 18), which are published on both the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.unity913.com](http://www.unity913.com)).
3. The estimated net proceeds from the Rights Issue is calculated based on 862,378,676 Rights Shares to be issued at the subscription price of HK\$0.10 per Rights Share. The gross proceeds from the Rights Issue of approximately HK\$86,240,000 is deducted by the estimated related expenses of approximately HK\$5,090,000.
4. The number of Shares used for the calculation of unaudited consolidated net tangible assets per Share is 431,189,338 as at 30 June 2011.
5. The unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue is calculated based on 1,293,568,014 Shares which comprise 431,189,338 Shares in issue before the Rights Issue and 862,378,676 Rights Shares expected to be issued on the completion of the Rights Issue.
6. No adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 30 June 2011.

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

*The following is the full text of a report received from the reporting accountant of the Company, Mazars CPA Limited, in respect of the unaudited pro forma financial information of the Group for the purpose of incorporation in this Prospectus.*

**MAZARS CPA LIMITED**

瑪澤會計師事務所有限公司

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18 Harbour Road, Wanchai, Hong Kong  
香港灣仔港灣道 18 號中環廣場 42 樓

Tel 電話: (852) 2909 5555

Fax 傳真: (852) 2810 0032

Email 電郵: info@mazars.com.hk

Website 網址: www.mazars.com.hk

7 February 2012

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 financial information of Unity Investments Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on pages 51 to 52 under the heading of “Pro forma financial information of the group” of the Company’s prospectus dated 7 February 2012 (the “Prospectus”) in connection with the proposed rights issue (the “Rights Issue”) of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. The unaudited pro forma financial information has been prepared by the directors of the Company (the “Directors”) for illustrative purposes only to provide information about how the Rights Issue might have affected the financial information of the Group as at 30 June 2011. The basis of preparation of the pro forma financial information is set out on pages 51 to 52 to the Prospectus.

**Respective Responsibilities of the Directors and Reporting Accountants**

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

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## APPENDIX II      PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion solely 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 pro forma financial information with the Directors. 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 pro forma financial information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2011 or any future date.

### **Opinion**

In our opinion:

- a. the unaudited pro forma financial information has been properly compiled by the Directors 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 4.29(1) of the Listing Rules.

Yours faithfully,

**Mazars CPA Limited**

*Certified Public Accountants*

Hong Kong

**Fung Shiu Hang**

Practising Certificate Number: P04793



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

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

Pak William Eui Won  
26th Floor  
China United Centre  
28 Marble Road  
North Point  
Hong Kong

Au Yeung Kam Kay  
26th Floor  
China United Centre  
28 Marble Road  
North Point  
Hong Kong

Chan Wing Yan, Carman  
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.

The following are the directors of CUIM:

**Dr. Wong Foelan (“Dr. Wong”)** has more than 10 years of professional experiences in the financial services industry. Dr. Wong has worked for regional financial institutions. Dr. Wong has been engaged in proprietary trading in equity, futures and options, fund management, research analyst, equity capital market and private equity investment. Dr. Wong is a licensed responsible officer under Securities and Futures Ordinance. Dr. Wong graduated in Australia and received a Master degree and got a Doctor degree in the United States (U.S.). Dr. Wong is the director of Hennabun Capital Group Limited. Dr. Wong was appointed as the managing director of CUIM on 4 March 2010.

**Mr. Pak William Eui Won (“Mr. Pak”)** holds a Master of Laws degree in U.S. taxation from the University of Washington School of Law, a Juris Doctor’s degree from the University of British Columbia Faculty of Law and an Economics and Commerce degree from the University of British Columbia Faculty of Arts. Mr. Pak is an attorney licensed by the New York State Bar and is a member of the New York State Bar Association and the American Bar Association. Mr. Pak was a lawyer in the investment funds practice at White & Case’s New York and Hong Kong offices. Mr. Pak has substantive experience in the establishment and representation of both U.S. and international private investment funds including private equity funds, hedge funds, real estate funds, distressed funds and hybrid funds. Investors in such funds have included U.S. tax exempt and ERISA investors, U.S. taxable investors and various other non-U.S. investors. Mr. Pak has acted for fund sponsors, fund managers, placement agents and investors from the United States, Europe, the Middle East and Asia. Prior to joining White & Case, Mr. Pak worked in the mergers & acquisitions department in the San Francisco office of Ernst & Young where he provided transactional tax advisory services for mergers and acquisitions, reorganisations, and spin-offs involving private equity funds, U.S. corporations, partnerships, LLCs and foreign entities. Mr. Pak is currently an independent non-executive director of Forefront Group Limited (stock code: 885), which is a company listed on the Main Board of the Stock Exchange. Mr. Pak was appointed as the director of CUIM on 10 May 2010.

**Mr. Au Yeung Kam Kay (“Mr. Au Yeung”)** has devoted himself in the financial service sector since 1981. Mr. Au Yeung was engaged in numerous insurance (reinsurance, general insurance and insurance broking) companies from 1981 to 1989. Mr. Au Yeung has been engaged in numerous investment companies (securities dealing, investment advisory and asset management) since 1989. Mr. Au Yeung was once involved in the setting up of two SFC-licensed asset management firms in Hong Kong in 2006 and 2008 respectively. Mr. Au Yeung is well experienced in the management field. Mr. Au Yeung once held senior posts of member companies (China Reinsurance, The Ming An Insurance, Taiping Securities) of Hong Kong China Taiping Insurance Group (formerly known as Hong Kong China Insurance Group), which is directly under the Ministry of Finance of State Council, and privately owned financial institutions (including Hantec Group). Mr. Au Yeung is currently licensed by the Securities & Futures Commission to carry on advising on securities and asset management regulated activities. Mr. Au Yeung acquired by examination the insurance professional qualification ACII in 1985. Mr. Au Yeung was appointed as a director of CUIM on 3 August 2010.

**Miss Chan Wing Yan, Carman** (“**Miss Chan**”) has over 7 years of high level global banking and finance experiences. Prior to joining CUIM, Miss Chan held the position of Vice President in Swiss bank. Miss Chan has previous work experience in Canada and Europe and is familiar with the Frankfurt Stock Exchange. Miss Chan studied and graduated in British Columbia, Canada. Miss Chan was a Hong Kong Securities and Future Commission licensed person. Miss Chan was appointed as a director of CUIM on 8 July 2011.

### **Role of CUIM**

CUIM is responsible for making investment proposals to the Company in accordance with the Investment Management Agreement, the Articles and the investment policies of the Company. The Company receives investment advisory reports from CUIM from time to time. The Company seeks investment advice from CUIM and/or CUIM provides investment advice from time to time based on the Company’s situation including asset portfolio of the Company, change in market conditions and/or funding available (whether or not the funding is from proceeds of the Company’s fund-raising exercises). The Company will from time to time have discussions with CUIM on investment opportunities and provide update information on the Company’s investment portfolio to CUIM. CUIM will give investment advice and prepare investment advisory reports to the Company from time to time for consideration by the executive Directors. The executive Directors will review the reports and decide on whether to proceed with the investment. The executive Directors will evaluate the content and analysis in the investment advisory reports including the investee company’s business background information, financial position and the investment risk involved. In evaluating the recommendations by CUIM, the executive Directors will also take into account the current portfolio available on hand, the spread of investments, the Company’s financial position and the overall market condition. Any investment (if approved) can only be executed into by the Company directly and as principal, and CUIM does not have the authority to bind the Company to any investment. Only the executive Directors are involved in reviewing the content and analysis in the investment advisory reports from CUIM and are responsible for making investment decisions.

### **The Relationship between the Company and the Investment Manager**

CUIM is the subsidiary of Hennabun Capital Group Limited (“Hennabun”). CUIM confirmed to the Company that there was no common investment made by the Group and CUIM (referring only to the top-ten securities held by the Group as at the Latest Practicable Date). As at the Latest Practicable Date, (i) the Group held approximately 0.26% of the issued share capital of Hennabun; (ii) none of Directors had any shareholding in Hennabun and its subsidiaries (“Hennabun Group”); and (iii) save for 1 Share held by a subsidiary of Hennabun, Hennabun Group did not have any shareholding in the Company. The Company does not have any information on associates of Hennabun. There are no common directors between the Company and Hennabun Group, save and except that Mr. CHAN Yin, David an executive Director is also a director of Seekers Advisors Pte Ltd, a subsidiary of Hennabun. Hennabun Group is separately managed and independent of the Company. To the best knowledge of the Company, Hennabun Group is engaged in the provision of financial services including securities brokerage, commodity trading, fund management, money lending, margin financing, investment management and corporate finance advisory as well as proprietary trading and direct investment. The Company has no information on the details of Hennabun Group’s investment portfolio. The Company confirms that in the past twelve months it has not made any joint unlisted investment with the Hennabun Group. However, the Company and the Hennabun Group could have separately and independently made investments in the same listed securities. In addition to CUIM, other members of the Hennabun Group has since around 2004 provided securities brokerage, margin trading and financing facilities and corporate financial advisory services to the Group.

**Common investments between the Company and other clients of CUIM**

CUIM acts as investment manager of the Company and two other Chapter 21 investment companies. CUIM has confirmed to the Company that the investment objectives, policies and restrictions including length of investments, forms of investments, geographical coverage and investments limit of the other Chapter 21 investment companies that CUIM also acting as investment manager are similar but not identical to that of the Company. In terms of length of investments, the Company intends to identify medium-term to long-term investments while the two CUIM Chapter 21 clients intend to identify short-term to medium-term (i.e. less than one year to five years) investments. The Company's investments are normally in the form of equity related securities and debt instruments in listed and unlisted companies in Hong Kong and the PRC while the investments of the two CUIM Chapter 21 clients are (i) at least 50% in equity securities, convertible notes, preference shares, options, warrant, futures contracts, debt securities, mutual funds and unit trusts issued or managed by listed and unlisted companies in Hong Kong and the PRC; and (ii) at least 70% in the forms of equity securities, equity-related securities, debt instruments issued by listed or unlisted enterprises in Hong Kong and/or the PRC, respectively. The investment limit of Company is not more than 20% of the net asset value being invested in such company or entity as at the date of the investment is made, while that of the two CUIM Chapter 21 clients is (i) not more than 20% of the net asset value being invested in such company or entity as at the date of the investment is made; and (ii) less than 20% of the net asset value or HK\$10,000,000 or such amount as may be resolved by the board from time to time, respectively. The Company is restricted to invest not more than 20% of its assets outside Hong Kong and the PRC, while the two CUIM Chapter 21 clients are restricted to invest not more than 30% and 50% of its asset outside Hong Kong and PRC, respectively.

CUIM has confirmed to the Company that same advisory role is performed for its other clients and it will provide investment advisory reports for its clients in accordance with their respective investment objectives as a reference and will not execute investment decision for and behalf of any of its clients. It is the clients of CUIM themselves who directly make the investment by executing the order themselves. Whether the clients are successful in making the investments would ultimately be determined by such clients. Given that CUIM does not execute investment decisions on behalf of its clients nor is it obligated to verify whether its clients have so executed investments based on its advice, CUIM cannot determine whether in fact there are any common investments amongst its clients. It is however possible that its different clients may have made investments in the same target(s), although they would be done separately and independently (amongst the clients of CUIM).

**(a) Investment Management Agreement acknowledges potential conflict of interests**

Under the Investment Management Agreement, it is acknowledged that CUIM may, in the course of its business, have potential conflicts of interest with the Company.

**(b) Dealing with conflict of interests situation and mechanism to avoid conflict of interest**

The Investment Management Agreement also provides how CUIM shall deal with certain conflict of interests situation as follows:

*(i) Allocation of resources and investment opportunities*

It is stated in the Investment Management Agreement that:

*“CUIM shall devote such time and effort to the Company’s business as is necessary to promote the interests of the Company. If conflicts in relation to allocation of resources and attention and/or the allocation of investment opportunities do arise between the Company and other clients (including funds) being managed or advised by and/or clients of CUIM, the opportunities which are to be allocated between the Company and such other clients shall be based on (i) the nature and size of the investment; (ii) the investment restrictions of the Company and such other clients; and/or (iii) the risk portfolio and required rate of return on the investment. If more than one of the funds managed or advised by, and/or the clients of, CUIM, have the intention to participate in the same investment, CUIM shall allocate such investment opportunities on a reasonable and equitable basis.”*

Over 90% of the Company’s investment portfolio was comprised of listed securities or unlisted convertible debt securities in the past three financial years.

CUIM also explained to the Company that it deals with situations of actual and potential conflicts of interests as follows:

- (1) For listed securities – CUIM will advise its clients based on each client’s investment objectives, existing investments portfolio maintained and preferences of that client, if any. The investment advice given for different clients may, depending on the above factors, be the same or differ between clients.

CUIM has told the Company it will not execute any investment decision on behalf of any of its clients. The investment decision is made by each client independently and executed directly by such clients through their brokers. The actual order placed by each client, even for the same investment target may differ as to price, quantity and timing. Accordingly, in the case of CUIM giving advice on listed investments where there is an open market, there should be no potential or actual conflict of interest.

- (2) For unlisted investments – CUIM will offer potential investment opportunities in unlisted investments to all their clients at the same time (except for those of their clients who are restricted from making such investment) so as to ensure each client is given an opportunity to decide on whether it wishes to participate in such investment. At the same time, CUIM will also disclose to each client the potential conflict of interest between their clients in the same investment opportunity. If the available investment is insufficient to satisfy the need among the clients of CUIM, CUIM will allocate the investment to the Company and other clients on a pro-rata basis depending on the respective subscription request.

- (3) CUIM has confirmed to the Company that it has established proper chinese walls in accordance with the rules and regulations set forth by the SFC to restrict the flow of information and prevent leakage of confidential information. For example, the office of CUIM is physically separated from the offices of the companies within the group handling corporate finance and brokerage matters. CUIM keeps separate client files, separate client correspondence and separate client advice amongst the Company and other clients (the “Information Barrier”). The Information Barrier isolates information given to the Company from information given to the other clients. The related requirements of the SFC have been documented in the written procedures of CUIM. Furthermore, the employees of CUIM are regularly reminded of their obligations under the written procedures and the rules and regulations of the SFC.

(ii) *Co-investments*

It is stated in the Investment Management Agreement that:

*“CUIM may draw upon the research capabilities of and information resources available to it or its affiliates, and also the research and investment ideas of other companies whose brokerage services it utilizes. CUIM reserves the right for itself and/or its affiliates to co-invest on their own with the Company and the right for its affiliates to co-invest for its other funds and/or its clients together with the Company, although any such co-investment must be made on terms no better than those in which the Company is investing, and may also make investments in companies in which the Company has previously invested. CUIM shall, in any event, disclose to the Company any transaction involving investments in which the Company has invested or may reasonably be expected to invest before CUIM enters into such transaction on its own account or on behalf of any third party by giving a notice to the Board to that effect, provided always that CUIM shall not be required to disclose information about its other clients which is subject to client confidentiality.”*

**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 reallowance 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:

1. Investments will normally be made in the form of equity related securities and debt instruments in listed and unlisted companies engaged in different industries including (but not limited to) the manufacturing, services, property, telecommunications, technology and infrastructure sectors to maintain a balance in the Company's exposure to different industry sectors in order to minimise the impact on the Company of any downturn in any particular sector.
2. Investments will normally be made in enterprises which are established in their respective fields and in which the Board believes that there are prospects of long-term growth. In particular, the Company will seek to identify businesses with a potential of profit growth, strong management, high level of technical expertise and research and development capabilities as well as management commitment to the long-term growth. However, the Company will also consider investments in companies or other entities which are considered by the Board and the Investment Manager to be in special or recovery situations.
3. Where possible, the Board and the Investment Manager would seek to identify investments where there is a certain degree of synergy with other investee companies and where cooperation between such companies would be of mutual benefit to each other.
4. The Company's investments are intended to identify medium-term or long-term capital appreciation and there is no present intention to realise any of such investments in any specific period or by any specific date. Nevertheless, the Board will from time to time realise investments where they believe that to do so would be in the best interests of the Company or where the terms on which such realisation can be achieved are believed by the Board to be particularly favourable to the Company.

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

**INVESTMENT 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 Singapore Dollars ("SG\$"), the Group is exposed to the movement in the 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 currently pays the Investment Manager a monthly investment management fee payable in advance at HK\$100,000 per month up to 31 December 2012.

**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 following are the details of the ten largest investments of the Group as at 31 December 2010, 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 2010. 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 2010.

Name of investee company	Number of shares held	Effective shareholding interest	Cost as	Market value/	Unrealised	Dividend	Percentage	Percentage
			at 31 December 2010	fair value as at 31 December 2010	holding gain (loss) arising on revaluation	received/ receivable during the year	to the Company's net asset value as at 31 December 2010	to the Company's gross asset value as at 31 December 2010
			HK\$	HK\$	HK\$	HK\$		
(i) Rising Development Holdings Limited	35,000,000	2.52%	59,500,000	62,300,000	2,800,000	-	13.14%	12.94%
(ii) Oriental Ginza Holdings Limited	42,765,000	3.90%	62,408,820	62,009,250	(399,570)	-	13.08%	12.88%
(iii) Chinese Estates Holdings Limited	3,665,000	0.19%	45,041,500	47,058,600	2,017,100	1,502,650	9.93%	9.78%
(iv) Beijing Yu Sheng Tang Pharmaceutical Group Limited	100,000,000	3.21%	28,500,000	33,500,000	5,000,000	-	7.07%	6.96%
(v) Golden Resorts Group Limited	50,000,000	0.48%	22,000,000	26,500,000	4,500,000	-	5.59%	5.50%
(vi) G-Resources Group Limited	41,207,352	0.29%	30,037,405	25,136,485	(4,900,920)	-	5.30%	5.22%
(vii) Fulbond Holdings Limited (unlisted convertible notes)	Not applicable	Not applicable	10,000,000	20,000,000	10,000,000	-	4.22%	4.15%
(viii) China Strategic Holdings Limited	71,686,666	1.94%	19,809,151	18,996,966	(812,185)	-	4.01%	3.95%
(ix) Freeman Financial Corporation Limited	54,016,818	2.13%	15,020,250	18,635,802	3,615,552	-	3.93%	3.87%
(x) ICube Technology Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	17,000,000	17,000,000	-	-	3.59%	3.53%

## Notes:

- (i) Rising Development Holdings Limited ("Rising Development") was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1004). Rising Development was principally engaged in investment holding and trading in securities, manufacture and sale of fur garments, trading of fur skins and business of mining natural resources. For the financial year ended 31 March 2010, the audited consolidated loss attributable to equity holders of Rising Development was HK\$142,901,000 with basic and diluted loss per share of HK\$21.77 cents. As at 31 March 2010, its audited consolidated net assets attributable to the equity holders was HK\$1,057,405,000.

For the financial year ended 31 March 2011, the audited consolidated loss attributable to equity holders of Rising Development was HK\$114,081,000 with basic and diluted loss per share of HK\$8.23 cents. As at 31 March 2011, its audited consolidated net assets attributable to the equity holders was HK\$980,345,000.

- (ii) Oriental Ginza Holdings Limited ("Oriental Ginza") was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 996). Oriental Ginza was principally engaged in provision of retail-related consultancy and management services and property investment business. For the financial year ended 31 December 2009, the audited consolidated loss attributable to equity holders of Oriental Ginza was HK\$458,755,000 with basic and diluted loss per share of HK\$0.46. As at 31 December 2009, its audited consolidated net assets attributable to the equity holders was HK\$1,571,073,000.

For the financial year ended 31 December 2010, the audited consolidated loss attributable to equity holders of Oriental Ginza was HK\$1,941,000 with basic and diluted loss per share of HK\$0.002. As at 31 December 2010, its audited consolidated net assets attributable to the equity holders was HK\$1,437,869,000.

- (iii) Chinese Estates Holdings Limited (“Chinese Estates”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 127). Chinese Estates was principally engaged in property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading. For the financial year ended 31 December 2009, the audited consolidated profit attributable to equity holders of Chinese Estates was HK\$8,648,727,000 with basic and diluted earnings per share of HK\$4.34. As at 31 December 2009, its audited consolidated net assets attributable to the equity holders was HK\$38,632,912,000.

For the financial year ended 31 December 2010, the audited consolidated loss attributable to equity holders of Chinese Estates was HK\$8,858,245,000 with basic and diluted loss per share of HK\$4.6. As at 31 December 2010, its audited consolidated net assets attributable to the equity holders was HK\$33,507,866,000.

- (iv) Beijing Yu Sheng Tang Pharmaceutical Group Limited (“BJ Yu Sheng Tang”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1141). BJ Yu Sheng Tang was principally engaged in supply and procurement, pharmaceutical, provision of finance and securities investment. For the financial year ended 31 March 2010, the audited consolidated loss attributable to equity holders of BJ Yu Sheng Tang was HK\$16,762,000 with basic and diluted loss per share of HK0.92 cent. As at 31 March 2010, its audited consolidated net assets attributable to the equity holders was HK\$946,679,000.

For the financial year ended 31 March 2011, the audited consolidated loss attributable to equity holders of BJ Yu Sheng Tang was HK\$120,373,000 with basic and diluted loss per share of HK4.05 cents. As at 31 March 2011, its audited consolidated net assets attributable to the equity holders was HK\$1,297,559,000.

- (v) Golden Resorts Group Limited (“Golden Resorts”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1031). Golden Resorts was principally engaged in operation of hotels and trading of listed securities. For the financial year ended 31 December 2009, the audited consolidated profit attributable to equity holders of Golden Resorts was HK\$228,244,000 with basic and diluted earnings per share of HK2.80 cents and HK2.79 cents respectively. As at 31 December 2009, its audited consolidated net assets attributable to the equity holders was HK\$3,200,886,000.

For the financial year ended 31 December 2010, the audited consolidated profit attributable to equity holders of Golden Resorts was HK\$99,558,000 with basic and diluted earnings per share of HK2.06 cents and HK1.98 cents respectively. As at 31 December 2010, its audited consolidated net assets attributable to the equity holders was HK\$3,815,867,000.

- (vi) 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 was principally engaged in gold and related metals mining business, provision of financial information services, trading of electronic goods and accessories, and securities trading. For the financial year ended 30 June 2010, the audited consolidated loss attributable to equity holders of G-Resources was HK\$351,973,000 with basic and diluted loss per share of HK2.5 cents. As at 30 June 2010, its audited consolidated net assets attributable to the equity holders was HK\$4,687,063,000.

For the financial year ended 30 June 2011, the audited consolidated loss attributable to the equity holders of G-Resources was US\$21,405,000 with basic and diluted loss per share of US0.15 cent. As at 30 June 2011, its audited consolidated net assets attributable to the equity holders was US\$590,198,000.

- (vii) Fulbond Holdings Limited (“Fulbond”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1041). Fulbond was principally engaged in manufacture and trading of wooden products including blockboard and particle board, door skin and other wooden products. For the financial year ended 31 December 2009, the audited consolidated loss from continuing operations and discontinued operation attributable to equity holders of Fulbond was US\$53,877,000 with basic and diluted loss per share of US0.41 cent. As at 31 December 2009, its audited consolidated net liabilities attributable to the equity holders was US\$59,992,000. At the reporting year ended 31 December 2010, the fair value of the Fulbond unlisted convertible notes was revalued at HK\$20,000,000 by, Asset Appraisal Limited, independent professional valuer.

For the financial year ended 31 December 2010, the audited consolidated loss from continuing operations and discontinued operation attributable to equity holders of Fulbond was US\$100,630,000 with basic and diluted loss per share of US0.29 cent and US0.31 cent respectively. As at 31 December 2010, its audited consolidated net liabilities attributable to the equity holders was US\$35,405,000.

- (viii) 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 was principally engaged in manufacturing and trading of battery products and related accessories and investment in securities. For the financial year ended 31 December 2009, the audited consolidated loss attributable to equity holders of China Strategic was HK\$51,686,000 with basic and diluted loss per share of HK2.23 cents. As at 31 December 2009, its audited consolidated net assets attributable to the equity holders was HK\$844,626,000.

For the financial year ended 31 December 2010, the audited consolidated loss attributable to equity holders of China Strategic was HK\$58,641,000 with basic and diluted loss per share of HK1.59 cents. As at 31 December 2010, its audited consolidated net assets attributable to the equity holders was HK\$788,174,000.

- (ix) Freeman Financial Corporation Limited (“Freeman Financial”) was incorporated in Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 279). Freeman Financial was principally engaged in trading of securities, provision of finance, property holding and investment, insurance agency and brokerage business, securities brokerage, investment advisory and investment holding. For the financial year ended 31 March 2010, the audited consolidated profit attributable to equity holders of Freeman Financial was HK\$297,486,000 with basic and diluted earnings per share of HK\$1.16. As at 31 March 2010, its audited consolidated net assets attributable to the equity holders was HK\$1,528,222,000.

For the financial year ended 31 March 2011, the audited consolidated loss attributable to equity holders of Freeman Financial was HK\$189,530,000 with basic and diluted loss per share of HK10.45 cents. As at 31 March 2011, its audited consolidated net assets attributable to the equity holders was HK\$2,501,824,000.

- (x) ICube Technology Holdings Limited (“ICube Technology”) was incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139). ICube Technology was principally engaged in trading and distribution of electronic products and other merchandise and securities investment and trading. For the financial year ended 31 March 2010, the audited consolidated loss attributable to equity holders of ICube Technology was HK\$57,966,000 with basic and diluted loss per share of HK2.05 cents. As at 31 March 2010, its audited consolidated net assets attributable to the equity holders was HK\$168,674,000. At the reporting year ended 31 December 2010, the fair value of ICube Technology unlisted convertible bonds was revalued at HK\$17,000,000 by, Asset Appraisal Limited, independent professional valuer.

For the financial year ended 31 March 2011, the audited consolidated loss attributable to equity holders of ICube Technology was HK\$46,416,000 with basic and diluted loss per share of HK1.64 cents. As at 31 March 2011, its audited consolidated net assets attributable to the equity holders was HK\$128,104,000.

## AVAILABLE-FOR-SALE INVESTMENTS

The details of the available-for-sale investments of the Group as at 31 December 2010 are as follows:

	<b>2010</b> <i>HK\$</i>	<b>2009</b> <i>HK\$</i>
<b>Equity investments, at fair value</b>		
Listed in Hong Kong	314,091,572	214,556,799
<b>Equity investments, at cost</b>		
Unlisted in Hong Kong	36,058,300	36,058,300
Impairment loss	(30,058,300)	(30,058,300)
	<u>6,000,000</u>	<u>6,000,000</u>
Unlisted overseas	11,640,900	11,640,900
Impairment loss	(8,530,916)	–
	<u>3,109,984</u>	<u>11,640,900</u>
	<u>9,109,984</u>	<u>17,640,900</u>
<b>Debt investments, unlisted in Hong Kong, at fair value</b>	<u>3,600,000</u>	<u>26,600,000</u>
<b>Total</b>	326,801,556	258,797,699
<b>Current portion</b>	(3,600,000)	–
	<u><u>323,201,556</u></u>	<u><u>258,797,699</u></u>

Note:

Provision for diminution in value on unlisted equity investments as at 31 December 2010 comprises:

	<b>Effective shareholding interest</b>	<b>Cost HK\$</b>	<b>Recoverable amount HK\$</b>	<b>Impairment loss HK\$</b>
(i) Hennabun Capital Group Limited ("Hennabun")	0.59%	31,000,000	6,000,000	25,000,000
(ii) CSN Group Holdings Limited ("CSN Group")	0.49%	5,058,300	–	5,058,300
(iii) LIC Opportunities Fund (Cayman) Limited ("LIC")	Not applicable	11,640,900	3,109,984	8,530,916
		<u>47,699,200</u>	<u>9,109,984</u>	<u>38,589,216</u>

<sup>(i)</sup> Hennabun is a private company incorporated in the British Virgin Islands and is principally engaged in investment holding and its subsidiaries are engaged in securities trading, investment holding and provision of brokerage and financial services. Hennabun is the holding company of the Investment Manager, CUIM.

<sup>(ii)</sup> CSN Group is a private company incorporated in Cayman Islands and is principally engaged in business of advertising, media services and television home shopping.

<sup>(iii)</sup> LIC is an open-ended fund and the investment of LIC is primarily focus in Asia-Pacific equity market. Fortis Prime Fund Solutions (Cayman) Limited and Fortis Prime Fund Solutions (Asia) Limited is the administrator and sub-administrator of LIC respectively.

The recoverable amount has been assessed by the Directors with reference to latest available financial information of the investee companies and the amount of impairment loss is measured as the difference between the cost and the recoverable amount.

## 1. RESPONSIBILITY STATEMENT

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

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at Latest Practicable Date was as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>200,000,000,000</u>	Shares of HK\$0.01 each	<u>2,000,000,000.00</u>
<i>Issued and fully paid:</i>		
<u>431,189,338</u>	Shares	<u>4,311,893.38</u>

The authorised and issued share capital of the Company as at the Record Date and completion of the Rights Issue will be as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>200,000,000,000</u>	Shares of HK\$0.01 each	<u>2,000,000,000.00</u>
<i>Issued and to be issued:</i>		
431,189,338	Shares in issue as at the Record Date	4,311,893.38
862,378,676	Rights Shares to be allotted and issued under the Rights Issue	8,623,786.76
<u>1,293,568,014</u>	Shares in issue immediately after completion of the Rights Issue	<u>12,935,680.14</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 the 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 had 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 waived.

### 3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests or short positions of the Directors 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 were as follows:

#### Long positions in the Shares

Name of Director	Capacity	Number of Shares	Approximate percentage of shareholding
CHOI Ka Wing	Beneficial owner	1,253,250	0.29% (Note)

*Note:*

The percentage of shareholding in the Company is calculated on the basis of 431,189,338 Shares in issue as at the Latest Practicable Date.



Save as disclosed above, as at the Latest Practicable Date, 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

Name of Shareholders	Capacity	Number of Shares/ underlying Shares	Approximate percentage of shareholding
Freeman Financial Corporation Limited	Interest of controlled corporation	45,354,000 <i>(Note 1)</i>	10.52%
		1,121,092,276 <i>(Note 2)</i>	66.67% <i>(Note 3)</i>
Asia Hunter Global Limited	Interest of controlled corporation	45,354,000 <i>(Note 1)</i>	10.52%
Smart Jump Corporation	Beneficial owner	45,354,000 <i>(Note 1)</i>	10.52%
Freeman Financial Investment Corporation	Interest of controlled corporation	1,121,092,276 <i>(Note 2)</i>	66.67% <i>(Note 3)</i>
Ambition Union Limited	Interest of controlled corporation	1,121,092,276 <i>(Note 2)</i>	66.67% <i>(Note 3)</i>
Freeman United Investments Limited	Interest of controlled corporation	1,121,092,276 <i>(Note 2)</i>	66.67% <i>(Note 3)</i>
Dynastic Union Limited	Interest of controlled corporation	1,121,092,276 <i>(Note 2)</i>	66.67% <i>(Note 3)</i>
Freeman Securities Limited	Beneficial owner	1,121,092,276 <i>(Note 2)</i>	66.67% <i>(Note 3)</i>

*Notes:*

1. Based on the filings under the SFO, these Shares are held by Smart Jump Corporation, which is wholly-owned by Asia Hunter Global Limited, which is in turn wholly-owned by Freeman.
2. These are the Rights Shares which the Underwriter has underwritten in respect of the Rights Issue (assuming no repurchase of Shares, full utilisation of the Issue Mandate and full exercise of the subscription rights attaching to the maximum number of Options granted under the Share Option Scheme on or before the Record Date). As the Underwriter is a subsidiary of Freeman, Freeman is deemed to be interested in these Shares under the SFO.
3. The percentage of shareholding in the Company is calculated on the basis of 1,681,638,414 Shares in issue immediately after completion of the Rights Issue (assuming no repurchase of Shares, full utilisation of the Issue Mandate and full exercise of the subscription rights attaching to the maximum number of Options granted under the Share Option Scheme on or before the Record Date).

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 2010, 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. EXPERT

The following is the qualification of the expert who has given opinions or advice, which is contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Mazars CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, Mazars CPA Limited did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legally enforceable or not) 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 2010, the date to which the latest published audited financial statements of the Group were made up.

Mazars CPA Limited 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, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

## **9. MATERIAL CONTRACTS**

The following contracts had 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 2 March 2010 (as amended by a supplemental agreement dated 17 March 2010) entered into between the Company and Get Nice Securities Limited in relation to the rights issue of 569,279,762 rights shares on the basis of two rights share for every share of HK\$0.10 each held by qualifying Shareholders at the subscription price of HK\$0.15 per rights share, details of which have been disclosed in the announcement of the Company dated 4 March 2010;
- (ii) an agreement dated 27 July 2010 (as amended by a supplemental agreement dated 15 October 2010) entered into between the Company and Get Nice Securities Limited in relation to the rights issue on a fully underwritten basis, not less than 341,567,856 rights shares and not more than 444,038,208 rights shares on the basis of eight rights shares for every adjusted share of HK\$0.01 each held by qualifying Shareholders at the subscription price of HK\$0.36 per rights share, details of which have been disclosed in the announcement of the Company dated 27 July 2010;

- (iii) an agreement dated 29 March 2011 entered into between the Company and Mr. Au Yeung Kai Chor regarding a subscription of 8,500,000 new Shares at a subscription price of HK\$0.30 per Share, details of which have been disclosed in the announcement of the Company dated 29 March 2011; and
- (iv) the Underwriting Agreement.

## 10. CORPORATE INFORMATION

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

<b>Legal adviser to the Company</b>	<i>(As to Hong Kong Law)</i> Shum & Co. Room 2801-03, 28th Floor China United Centre 28 Marble Road North Point Hong Kong
<b>Auditor</b>	Mazars CPA Limited <i>Certified Public Accountants</i> 42nd Floor, Central Plaza 18 Harbour Road Wanchai Hong Kong
<b>Principal bankers</b>	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**

<b>Name</b>	<b>Address</b>
<b>Executive Directors</b>	
KITCHELL Osman Bin	Room 2206, 22nd Floor China United Centre 28 Marble Road North Point Hong Kong
CHAN Yin, David	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  
Flat M, 12th Floor  
Phase 3, Kaiser Estate  
11 Hok Yuen Street  
Hung Hom, Kowloon  
Hong Kong

NGAI Wai Kin  
Flat B, 51st Floor, Tower 6  
Tseung Kwan O Plaza  
1 Tong Tak Street  
Tseung Kwan O, New Territories  
Hong Kong

**Executive Directors:**

**Mr. KITCHELL Osman Bin** (“**Mr. KITCHELL**”), aged 47, 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 15 years of 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.

**Mr. CHAN Yin, David (“Mr. CHAN”)**, aged 51, Singaporean, holds an MBA and a Degree of Bachelor of Business Administration from Simon Fraser University, Canada. Mr. CHAN has over 20 years of experience in the asset management industry. Most recently, Mr. CHAN was an Executive Director at Centurion Investment Management Pte Ltd where he was the Head of Alternative and Listed Equity Products. Prior to this, Mr. CHAN was a Managing Partner at Swiss-Asia Financial Services Pte. Ltd, a Managing Director at AGF Asset Management Asia Ltd and an Associate Director of Investment at Nomura Capital Management (Singapore) Ltd. Mr. CHAN started his career as a Fund Management Officer at Overseas Union Bank. Mr. CHAN is currently also an independent director of Synear Food Holdings Limited (stock code: Z75) and Changtian Plastic & Chemical Limited (stock code: D2V), both companies are listed on the Singapore Exchange Limited. Mr. CHAN was appointed as an executive Director and vice chairman of the Company on 23 May 2011.

**Ms. DAVIS Angela Hendricks (“Ms. DAVIS”)**, aged 44, 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 had 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 29, 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 worked in customer services in the catering division of a 5 star hotel in Hong Kong over one year and gained 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 55, obtained a Bachelor Degree of Science from the Wharton School of Business, University of Pennsylvania, United States of America. Mr. CHUNG is one of the founders and executive directors of SDM Dental Inc., an investment holding company which operating dental clinics in the PRC. Mr. CHUNG has extensive experience in investments in the PRC. Mr. CHUNG had been an independent non-executive director of Computech Holdings Limited (stock code: 8081), a company listed on the Growth Enterprise Market of the Stock Exchange, for the period from 30 September 2004 to 30 June 2011. Mr. CHUNG was appointed as an independent non-executive Director on 16 March 2004.

**Mr. TSANG Wing Ki (“Mr. TSANG”)**, aged 50, 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 Associated of Chartered Certified Accountants. Mr. TSANG has more than 20 years of experience in auditing and financial accounting. Mr. TSANG had been an executive director of Noble Jewelry Holdings Limited (stock code: 475), a company listed on the Main Board of the Stock Exchange, for the period from 15 August 2008 to 20 December 2011. Mr. TSANG was appointed as an independent non-executive Director on 23 September 2004.

**Mr. NGAI Wai Kin** (“**Mr. NGAI**”), aged 47, holds a Professional Diploma in Accountancy from the Hong Kong Polytechnic, a Bachelor of Laws (Hons) degree from the University of London and a Master of Laws degree from the City University of Hong Kong. Mr. NGAI is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia respectively. Mr. NGAI is also a barrister in England and Wales and a barrister in Hong Kong. Mr. NGAI has over 20 years of experience in finance and accounting field in both Hong Kong and Australia. Mr. NGAI was appointed as an independent non-executive Director on 23 July 2008.

#### **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, financial advisory fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$5.09 million on the basis of 862,378,676 Rights Shares to be issued, and will be payable by the Company.

#### **13. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours on any weekday (except Saturdays and public holidays) 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 Monday, 27 February 2012:

- (a) the Memorandum and the Articles;
- (b) the annual reports of the Company for the three financial years ended 31 December 2008, 31 December 2009 and 31 December 2010;
- (c) the interim report of the Company for the six months ended 30 June 2011;
- (d) the letter on the unaudited pro forma financial information of the Group issued by Mazars CPA Limited which is set out in appendix II to this Prospectus;
- (e) the written consents referred to in the paragraph under the heading “Expert” in this appendix;
- (f) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this appendix;



- (g) the circular of the Company dated 12 December 2011 in relation to the renewal of continuing connected transactions regarding financial services and margin financing facilities provided by Hennabun Capital Group Limited and its subsidiaries (“HCG Group”) to the Group;
- (h) the circular of the Company dated 11 January 2012 in relation to the renewal of continuing connected transactions regarding investment management services provided by HCG Group to the Group; and
- (i) the Circular and the Prospectus.

**14. 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 “Expert” in this appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance.