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

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

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Unity Investments Holdings Limited

合一投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 913)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

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

VINCO 城高

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

A notice convening an extraordinary general meeting (the “**EGM**”) of Unity Investments Holdings Limited (合一投資控股有限公司) to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Thursday, 29 December 2011 at 9:00 a.m. is set out on pages 59 to 60 of this circular. Whether or not you are able to attend the EGM, you should complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s share registrar and transfer office in Hong Kong, **Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong** as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof, should you so wish.

12 December 2011

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DEFINITIONS

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

“Annual Caps”	the maximum aggregate annual value in respect of the Transactions as referred to in the headed “Annual Caps” in the Letter from the Board, comprising of the Financial Services Cap and the Margin Financing Facilities Cap
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“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 whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CUIM”	CU Investment Management Limited
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on Thursday, 29 December 2011 at 9:00 a.m., at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of approving the Master Transactions Agreement and the transactions contemplated thereunder including the Annual Caps
“Financial Services”	the provision of securities brokerage and corporate financial advisory services by HCG Group to the Group under the Master Transactions Agreement
“Financial Services Cap”	the Annual Cap for Financial Services subject to the Master Transactions Agreement referred to under the heading “Annual Caps” in the Letter from the Board of this circular
“Group”	the Company and its subsidiaries
“HCG”	Hennabun Capital Group Limited
“HCG Group”	HCG and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board which comprises Mr. Chung Kong Fei, Stephen, Mr. Tsang Wing Ki and Mr. Ngai Wai Kin
“Independent Shareholders”	shareholders of the Company other than those materially interested in the Transactions
“Investment Management Agreement”	the investment management agreement dated 5 November 2003 entered into between the Company and CUIIM and renewed annually with fee revisions on various occasions
“Investment Management Cap”	the proposed annual cap for Investment Management Services
“Investment Management Services”	the provision of investment management services by HCG Group to the Group under the Investment Management Agreement
“Latest Practicable Date”	8 December 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Transactions Agreement”	the agreement between the Company (for itself and on behalf of its subsidiaries) and HCG (for itself and on behalf of its subsidiaries) in relation to the Transactions dated 17 October 2011, as amended by the supplemental agreement between the same parties dated 9 December 2011
“Margin Financing Facilities”	the provision of margin trading and financing facilities by HCG Group to the Group under the Master Transactions Agreement
“Margin Financing Facilities Cap”	the Annual Cap for Margin Financing Facilities subject to the Master Transactions Agreement referred to under the heading “Annual Caps” in the Letter from the Board of this circular
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Agreement(s)”	any agreement setting out the details terms and conditions entered or to be entered pursuant to terms of Master Transactions Agreement from time to time
“Transactions”	the transactions between the Group and HCG Group described in the section headed “Transactions” in the Letter from the Board of this circular

DEFINITIONS

“Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited, a corporation licensed to carry business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps)
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



Unity Investments Holdings Limited

合一投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 913)

Executive Directors:

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

Registered office:

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

12 December 2011

To the Shareholders

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement of the Company dated 17 October 2011, pursuant to which the Company entered into the master transactions agreement dated 17 October 2011 with HCG in relation to the Transactions. During the process of vetting of this circular, the Company entered into the supplemental agreement with HCG on 9 December 2011 to revise the Annual Caps under the Master Transactions Agreement so that (i) the annual cap amount for investment management services by CUIM was separated from the Financial Services Cap and the amount of the Financial Services Cap proposed by the Company at the EGM was reduced accordingly; and (ii) the margin financing interests was included in the Margin Financing Facilities Cap only. Given that more information is required to be submitted in connection with the Investment Management Cap, the Company has also entered into a renewal agreement with CUIM on 9 December 2011 in respect of the Investment Management Agreement to renew the appointment of CUIM for a further term of one year on the same terms of the Investment Management Agreement which provides termination rights by either party upon giving one month's notice immediately to the other. Accordingly, the Financial Services Cap and the Margin Financing Facilities Cap will be

LETTER FROM THE BOARD

put forward (as separate resolutions) for approval at the EGM. The Company will convene a separate general meeting for the Independent Shareholders to vote on the transactions in relation to the Investment Management Services as soon as practicable.

The Master Transactions Agreement and the Transactions (including the Annual Caps) constitute continuing connected transactions subject to the reporting, announcement and Independent Shareholders approval requirements as set out in Chapter 14A.52 of the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the terms of the Master Transactions Agreement and transactions contemplated thereunder (including the Annual Caps) are fair and reasonable so far as the Shareholders are concerned and Vinco Capital has been appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to provide you, among others, (i) further details about the Master Transactions Agreement and the Transactions (including the Annual Caps) as required under the Listing Rules; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice of Vinco Capital to the Independent Board Committee and the Independent Shareholders in relation to the Master Transactions Agreement and the Transactions (including the Annual Caps); and (iv) a notice of the EGM at which ordinary resolutions will be proposed to consider and, if thought fit, to approve the Master Transactions Agreement and Transactions (including the Annual Caps).

MASTER TRANSACTIONS AGREEMENT

Date of agreement: 17 October 2011 (as amended by the supplemental agreement dated 9 December 2011)

Parties: (1) the Company (for itself and on behalf of its subsidiaries)

(2) HCG (for itself and on behalf of its subsidiaries)

Transactions: Under the Master Transactions Agreement, the Group and HCG Group acknowledge that they may from time to time enter into the Transactions. The Transactions comprise of the provision of securities brokerage, margin trading and financing facilities and corporate financial advisory services by HCG Group to the Group.

(i) Terms of the Financial Services

Securities brokerage refers to securities dealing services provided by corporations within the HCG Group licensed to carry out business within the scope of type 1 regulated activities under the SFO.

LETTER FROM THE BOARD

Corporate financial advisory services refer to advisory services on corporate finance provided by a corporation within the HCG Group licensed to carry out business within the scope of type 6 regulated activities under the SFO.

(ii) Terms of the Margin Financing Facilities

As the Company is an investment company, securities trading is part of the main business activity of the Company conducted in its usual and ordinary course of business. The Company generally trades on margin trading and financing facilities.

HCG Group grants margin trading and financing facilities to the Group from time to time based on an agreed percentage of the market value of the Group's portfolio maintained with the HCG Group. The terms of the margin trading facility are as follows. Settlement is done on the second trading day after the transaction date (T + 2) which is in accordance with the requirements for on market trades on the Stock Exchange. It is a term of the standard margin client agreement(s) entered into between the HCG Group and the Group that interest is charged on outstanding balances. The current interest rate is 5% to 8% per annum, which is subject to change as determined from time to time by the HCG Group, and is in line with rates offered in the market for services of this nature by other brokers. The margin facility line is only drawn and interest is charged if settlement is not done on T + 2 terms. The margin client agreements also state that if the Group commits a default in payment on demand of the deposits or margins or any other sums payable to the HCG Group, on the due date the HCG Group shall have the right to close the margin account(s) without notice to the Group and to dispose of any or all securities held for or on behalf of the Group and to apply the proceeds to pay the HCG Group all outstanding balances owing to the HCG Group. This has consistently been treated in the past as a charge on assets of the Group in the financial statements of the Company.

Basis:

The Transactions shall be conducted on normal commercial terms or terms no less favourable to the Group than those offered to the Group by independent third parties.

The parties further acknowledge that the relevant members of the Group have entered or may enter into Subsidiary Agreements with HCG Group with respect to the Transactions. Each Subsidiary Agreement to be entered into after the date of the Master Transactions Agreement shall not be in breach of the Master Transactions Agreement and the relevant requirements under the Listing Rules.

LETTER FROM THE BOARD

Annual Caps: The parties agree that the Transactions will be subject to the following annual caps (“Annual Caps”):

The aggregate amounts payable by the Group to HCG Group for the Transactions (in respect of which Independent Shareholders’ approval is proposed to be sought at the EGM) for each of the three years ending 31 December 2014 shall not exceed the following:

	For the year ending 31 December 2012 <i>HK\$’000</i>	For the year ending 31 December 2013 <i>HK\$’000</i>	For the year ending 31 December 2014 <i>HK\$’000</i>
Financial Services (including securities brokerage and corporate financial advisory services) (“Financial Services Cap”)	5,800	6,200	6,500
Margin Financing Facilities (including interest on margin financing) (“Margin Financing Facilities Cap”)	70,000	74,000	77,000

The Annual Caps for the margin financing facilities are determined on a revolving facility basis and refer to the maximum amount which may be outstanding at any given time.

Condition precedent: The Master Transactions Agreement is conditional on the approval of the Master Transactions Agreement and the transactions contemplated thereunder by Independent Shareholders in accordance with the Listing Rules. If the condition is not satisfied on or before 31 December 2011 (or such later date as may be agreed between the parties), the Master Transactions Agreement will automatically terminate and neither party nor its subsidiaries shall have any claim against the other or its subsidiaries save in respect of any antecedent breaches.

Term: The Master Transactions Agreement shall continue until 31 December 2014, subject to satisfaction of the condition above. Upon the expiry of the Master Transactions Agreement, the parties may renew the Master Transactions Agreement, subject to compliance with the Listing Rules and all applicable law.

LETTER FROM THE BOARD

DETERMINATION OF THE ANNUAL CAPS

For each of the two financial years ended 31 December 2010 and the nine months ended 30 September 2011, the total amounts payable by the Group to HCG Group for the Transactions were approximately:

	For the year ended 31 December 2009 HK\$'000	For the year ended 31 December 2010 HK\$'000	For the nine months ended 30 September 2011 HK\$'000
Financial Services (including securities brokerage and corporate financial advisory services)	1,945	3,049 <i>(Note 1)</i>	1,872
Margin Financing Facilities (including interest on margin financing)	15,039	16,527	42,385

Note 1: HK\$1,651,000 was refunded to the Company as commission rebate, which rebate was determined by the securities brokers at its sole discretion. The net amount was approximately HK\$1,398,000.

The amounts payable for the margin financing facilities set out above are determined on a revolving facility basis and refer to the maximum amount which may be outstanding at any given time.

With respect to the amounts payable for the Financial Services set out in the table above, the figures represent a cumulative figure for the amounts paid during the relevant periods. Attention should be drawn to the gross amount payable in respect of the Transaction, (being approximately HK\$3.049 million for the full year ended 31 December 2010 and approximately HK\$1.872 million for the nine months ended 30 September 2011). The net amount indicated in Note 1 above shows the position after taking into account a discretionary rebate from the securities brokers, who has discretion to determine whether the rebate will be given at all and if so what amount for any given period.

With respect to the amounts payable for the Margin Financing Facilities set out in the table above, the figures represent the highest amount outstanding during the periods mentioned above. It is not a cumulative figure. The Company will utilise the Margin Financing Facilities depending on a variety of factors, so long as it falls within the Margin Financing Facilities Cap. The extent of utilisation of the margin trading and financing facility at any given time will depend on a variety factors such as the Company's cash balance on hand, availability of other means of financing and/or investment opportunities. The use of margin facilities provides flexibility and continuity of funds for the Company.

The Annual Caps for amounts payable under the Master Transactions Agreement are determined by reference to actual value of the Transactions in financial years ended 31 December 2009 and 2010 and nine months ended 30 September 2011 as set out above, the net asset value of the Group and the anticipated growth of the volume of the Transactions under the Master Transactions Agreement as explained in detail below.

LETTER FROM THE BOARD

(A) Financial Services Cap

The Directors have determined the Financial Services Cap with reference to the following:

- (i) the net asset value of the Group as at 30 September 2011 of approximately HK\$282 million;
- (ii) the historical brokerage fee charged by HCG Group of 0.25% on the transaction value (per buy and sell transaction);
- (iii) the expected turnover volume of the Group as determined by the Directors according to the recent market sentiment;
- (iv) the expected increment of the transaction amounts between the Group and the HCG Group in 2013 and 2014; and
- (v) providing for possible corporate financial advisory fees which services were not used in 2010.

The Directors referred to the net asset value of the Company as at 30 September 2011, the expected turnover volume of the Group (based on recent market sentiment) and then used the historical brokerage fee rate charged by the HCG Group to calculate an expected cap. This figure is then compared with historical fees paid by the Group to the HCG Group over the past three years to determine the Financial Services Cap for the year ending 31 December 2012. The Directors further worked out an expected increment for 2013 and 2014 and then determined the Financial Services Cap for the years ending 31 December 2013 and 31 December 2014.

Having considered the above, the Directors have also taken into account (i) the recent monthly turnover volume of the Hong Kong stock market, which amounted to approximately HK\$1,422.80 billion for the nine months ended 30 September 2011; (ii) the recent active equity fund raising market in Hong Kong, which raised approximately HK\$362.43 billion for the nine months ended 30 September 2011 (the corresponding amount raised was approximately HK\$335.87 billion for the same period ended 2010) (as quoted from the website of the Stock Exchange); and (iii) the expected increase in turnover volume and increase in transaction with HCG Group. The possible corporate financial advisory fees covers fees of up to HK\$1.5 million which may be payable by the Company to HCG Group for corporate finance advisory services on possible fund raising activities, matters related to compliance with the Listing Rules and other related services.

Based on all these factors, the Directors proposed the Financial Services Cap (which represents an increase from the actual amounts payable to HCG Group in the past 3 years to allow for an increment in transactions in the coming 3 years).

In seeking the Financial Services Cap, it does not mean that the Company will necessarily conduct transactions resulting in actual fees payable to HCG Group for financial services rendered up to the amounts set out in the cap. A buffer is included so that the Company can have flexibility in seeking financial services from HCG Group within the next three years.

LETTER FROM THE BOARD

(B) Margin Financing Facilities Cap

The Directors have determined the Margin Financing Facilities Cap with reference to the maximum revolving amount for margin financing facilities during each of two financial years ended 31 December 2010 and the nine months ended 30 September 2011. The Board considers the growing uncertainty in the global economy could lead to an inflow of money to Hong Kong stock market and the volatility of the prevailing stock market may also provide good investment opportunities for the Group.

Based on the above reasons and also to allow for a buffer to provide the Group with greater flexibility to conduct its investment business using financial services and margin financing facilities provided by the HCG Group, the Directors believe that the Annual Caps (which represents an increase from historical figures) are fair and reasonable.

Shareholders and investors should note that the Annual Caps referred to above are prepared to enable the Company to comply with the requirements of Chapter 14A of the Listing Rules. No assurance is given as to whether or not, and the extent to which, the Group will be able to or generate business as contemplated or estimated for the sole purpose of establishing the Annual Caps or at all.

REASONS FOR AND BENEFITS OF THE MASTER TRANSACTIONS AGREEMENT

The Company is an investment company listed under Chapter 21 of the Listing Rules. The principal business of the Group is to invest in both listed and unlisted companies.

HCG 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. In addition to CUIM, other members of the HCG Group has since around 2004 carried out the Transactions with the Group.

The Transactions are entered into by the Group in its ordinary and usual course of its business. Given that the Transactions are on terms no less favourable to the Group than those offered to the Group by independent third parties and the long standing relationship between the Group and HCG Group, the Directors are of the view that it is in the interest of the Group to continue to enter into the Transactions with HCG Group. The Master Transactions Agreement will enable the Group to continue its relationship with HCG Group in ordinary and usual course of business of the Group in compliance with the requirements of the Listing Rules, with a view to contributing to the revenue and results of the Group, and is therefore in the interest of and are beneficial to the Group.

CONNECTED PERSONS

HCG is the holding company of CUIM. CUIM is the investment manager of the Company and thus a connected person of the Company under Rule 21.13 of the Listing Rules. Accordingly, HCG Group is a connected person of the Company under Rule 21.13 of the Listing Rules. Therefore, transactions between HCG Group and the Group constitute connected transactions for the Company. To comply with Rule 14A.35 of the Listing Rules, the Company and HCG entered into the Master Transactions Agreement.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the Latest Practicable Date, (i) the Group held approximately 0.26% of the issued share capital of HCG; (ii) none of Directors had any shares in HCG Group; and (iii) save for 1 Share held by a subsidiary of HCG, HCG and its associates did not hold any shares in the Company. HCG Group is separately managed and independent of the Company. There are no common directors between the Company and HCG Group, save and except that Mr. CHAN Yin, David an executive Director is also a director of Seekers Advisors Pte. Ltd, a subsidiary of HCG. To the extent that HCG and its associates hold Shares at the date of the EGM beneficially for their own account (other than those held for the account of clients) are required to abstain from voting the resolutions proposed at the EGM to approve the Master Transactions Agreement and the Annual Caps.

In the past twelve months, the Company has not made any joint unlisted investment with the HCG Group. However, the Company and the HCG Group could have separately and independently made investments in the same listed securities.

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

GENERAL

The Master Transactions Agreement and the Transactions constitute continuing connected transactions subject to the reporting, announcement and Independent Shareholders approval requirements under Rule 14A.52 of the Listing Rules.

The Financial Services Cap and the Margin Financing Facilities Cap will be put forward as separate resolutions for approval at the EGM. Shareholders should note that, for the avoidance of doubt, as the Annual Caps form part of the transactions contemplated under the Master Transactions Agreement, if resolution numbered 1 set out in the notice of EGM accompanying this circular (i.e. resolution to approve the Master Transactions Agreement) is not passed at the EGM, resolutions numbered 2 and 3 (i.e. the separate resolutions to approve each of the Annual Caps) will not be proposed for voting. In the event that the Independent Shareholders approve the Master Transactions Agreement but do not approve any one of the Annual Caps, it is the intention of the parties to continue with the Master Transactions Agreement to the extent of the Annual Caps approved by the Independent Shareholders and the Directors will consider whether or not to enter into a supplemental agreement with HCG to make consequential changes to the terms of Master Transaction Agreement. The Company will make a separate announcement and comply with the requirements of the Listing Rules with respect to this situation, including where necessary the obtaining of Independent Shareholders' approval, if and to the extent applicable.

EGM

A notice convening the EGM is set out on pages 59 to 60 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules and article 100 of the articles of association of the Company, all votes of the Shareholders at the EGM will be taken by poll and the Company will announce the results of the poll in the manner set out in the Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 13 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders and the letter from Vinco Capital set out on pages 14 to 24 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders in this regard.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Master Transactions Agreement and transactions contemplated thereunder (including the Annual Caps) are fair and reasonable and in the interests of the Company and Shareholders as a whole and so recommend Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Master Transactions Agreement and the transactions contemplated thereunder.

FURTHER INFORMATION

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

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

LETTER FROM INDEPENDENT BOARD COMMITTEE



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)

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

12 December 2011

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 12 December 2011 issued by the Company (the “**Circular**”), of which this letter forms a part.

Unless otherwise stated, terms defined in the Circular bear the same meanings when used herein.

We have been appointed as the members of the Independent Board Committee to consider the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps) and to advise the Independent Shareholders as to whether the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable insofar as the Independent Shareholders are concerned.

Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps).

We wish to draw your attention to the Letter from the Board (which is set out on pages 4 to 12 of the Circular) and the letter of advice from Vinco Capital (which is set out on pages 14 to 24 of the Circular).

Having taken into account the advice from Vinco Capital, we consider that the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Yours faithfully,

The Independent Board Committee

Mr. Chung Kong Fei, Stephen
Independent
non-executive Director

Mr. Tsang Wing Ki
Independent
non-executive Director

Mr. Ngai Wai Kin
Independent
non-executive Director

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the continuing connected transactions under the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps), which has been prepared for the purpose of incorporation in this circular:

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

12 December 2011

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

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

A. INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps), details of which are set out in the Letter from the Board contained in the circular of the Company dated 12 December 2011 (“**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

On 17 October 2011, the Company and HCG entered into the master transactions agreement in respect of the Transactions. On 9 December 2011, the Company entered into the supplemental agreement to revise the Annual Caps under the master transactions agreement dated 17 October 2011 so that the annual cap amount for investment management services by CUIM was separated from the Financial Services Cap and the amount of the Financial Services Cap proposed by the Company at the EGM was reduced accordingly. As stated in the Letter from the Board, CUIM, a subsidiary of HCG, is the investment manager of the Company and thus a connected person of the Company under Rule 21.13 of the Listing Rules. Accordingly, HCG Group is a connected person of the Company under Rule 21.13 of the Listing Rules. Under Chapter 14A of the Listing Rules, the Transactions contemplated under the Master Transactions Agreement (including the Annual Caps) constitute continuing connected transactions subject to the reporting, announcement and the Independent Shareholders approval requirements under Rule 14A.52 of the Listing Rules. As set out in the Letter from the Board, as at the Latest Practicable Date, the Company did not have any Directors and/or Shareholders who are materially interested in the continuing connected transactions under the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps). Accordingly, save for HCG Group to the extent they hold Shares at the date of the EGM beneficially for their own account (other than those held for the account of clients), none of the Directors and/or Shareholders and their respective associates are required to abstain from voting in favour of the resolutions proposed at the EGM.

LETTER FROM VINCO CAPITAL

The Independent Board Committee comprising Mr. Chung Kong Fei, Stephen, Mr. Tsang Wing Ki, and Mr. Ngai Wai Kin, being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps). We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps). In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give you an independent opinion as to whether the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, in the ordinary course of business, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

B. BASIS OF OUR OPINION AND RECOMMENDATION

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

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

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

Based on the foregoing, we confirm that we have taken all reasonable steps to arrive at our opinion and recommendation, which are applicable to the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps), as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

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This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps) and, except for its inclusion in the Circular and for the purpose of the EGM, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps), we have considered the following principal factors and reasons:

1. Background and reasons for the entering into of the Master Transactions Agreement

The Company is an investment company listed under Chapter 21 of the Listing Rules and the Group is principally engaged in the business of investing in both listed and unlisted companies.

HCG 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. HCG is the holding company of CUIM, the investment manager of the Company, and is therefore a connected person of the Company pursuant to the Rule 21.13 of the Listing Rules. Since around 2004, the Group has been transacting with CUIM and other subsidiaries of HCG. In order to ensure continuity in the provision of securities brokerage, margin trading and financing facilities and corporate financial advisory services by HCG Group to the Group, the Group has entered into the Master Transactions Agreement on 17 October 2011 with HCG (as amended by the supplemental agreement dated 9 December 2011) for a period of three financial years from 1 January 2012 to 31 December 2014 to continue to carry out the Transactions.

(i) Financial Services

Under the Master Transactions Agreement, the provision of Financial Services by HCG Group includes securities brokerage and corporate financial advisory services. Securities brokerage refers to the securities dealing services provided by corporations within the HCG Group licensed to carry out business in type 1 regulated activity under the SFO. The securities brokerage commission charged by the HCG Group ranges from 0.22% to 0.25% of each transaction, with reference to the commission rate of such securities transactions charged by other Hong Kong based brokerage houses, namely Haitong International Securities Company Limited, Orient Securities Limited, Philip Securities Group and Chief Securities Limited of which we selected on a random basis, ranging from 0.2% to 0.5%, the commission charged by the HCG Group is within the range of market comparable and in line with market practice. According to the historical transaction amount for financial services of the Group with HCG Group for the two years ended 31 December 2010 and the nine months ended 30 September 2011, we consulted with the Directors and understood that such amount has been utilised in the brokerage services (the exact amount can be refer to

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the below section headed “Principal terms of the Master Transactions Agreement”), while there is a transaction in relation to corporate financial advisory services on a rights issue provided by the HCG Group to the Group during the fourth quarter of 2011. The Directors has confirmed that the corporate financial advisory fee charged by HCG Group will not be more than rate charged by any third party for the same type of services. The Directors have made reference to the service fee charged by independent third party for a similar transaction executed in 2010. We have reviewed the executed mandate issued by the independent third party and also note that the service fee charged by HCG Group is less than the service fee charged by the independent third party.

The Directors expected that reserving approximately HK\$1.5 million as a buffer for corporate financial advisory services may be required. Corporate financial advisory services refers to advisory services on corporate finance provided by a corporation within the HCG Group licensed to carry out business in type 6 regulated activities under the SFO. In seeking the Financial Services Cap, it does not mean that the Company will necessarily conduct transactions resulting in actual fees payable to HCG Group for financial services rendered up to the amounts set out in the cap. A buffer of HK\$1.5 million is included so that the Company can have flexibility in seeking financial services from HCG Group within the next three years, for example, possible fund raising activities, matters related to compliance with the Listing Rules and other related services. We are of the view that the buffer is reasonable as it just merely equals to two times of the amount paid by the Company to HCG Group in relation to a rights issue conducted by the Group on the fourth quarter of 2011. Given the recent boost on the market sentiments, the use of corporate finance service such as fund raising advisory or financial advisory on acquisitions or disposals of investment which constitute notifiable transactions in accordance with Listing Rules will not be uncommon. As discussed with the Directors, the amount of services fee in relation to corporate finance advisory services charged by the HCG Group is on non-recurring basis and depends on the nature, complexity and estimated human resources and time to be allocated to the transactions.

In order to ensure the corporate financial advisory services fee charged by HCG Group will be under normal commercial terms or terms no less favourable to the Group than those charged by other independent third parties, for non-recurring corporate finance advisory service, the Company will compare the history payment records made by the Company for similar transactions. For recurring corporate finance advisory service, the Company will obtain quotations from independent third parties service providers. We concur with the Directors that the measure is effective since it will ensure the Group has considered the terms offered in the market which is fair and reasonable before selecting the service provider.

Taking into account (i) the Directors’ expectation on the market sentiment under the period covered by the Master Transactions Agreement will be recovered; (ii) the expected transaction amounts between the Group and HCG Group will be increased in 2013 and 2014 due to expected recovery of stock market in 2013 and the subsequent sustainable performance on 2014; (iii) the corporate financial advisory services of approximately HK\$1.5 million is a reasonable buffer for the Group; and (iv) the corporate financial

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advisory services fee charged by HCG Group will be under normal commercial terms or terms no less favourable to the Group than those charged by other independent third parties for the same or similar type of services; (v) the corporate financial advisory fee would provide flexibility and acting as a buffer for the Company for the sake of no additional costs to be obtained for further approval from the Independent Shareholders, we considered it, as part of the Financial Services Cap, is acceptable. In view that the Group has been transacting with HCG Group since 2004, which a long-term business relationship has been established and the provision of financial services of HCG Group is satisfied by the Group during the past financial years, we therefore concur with the Directors' consideration that the Group would obtain continuing operational convenience by transacting with HCG Group.

(ii) *Margin Financing Facilities*

The Company generally trades on margin trading and financing facilities as part of the main business activities of the Company conducted in its usual and ordinary course of business.

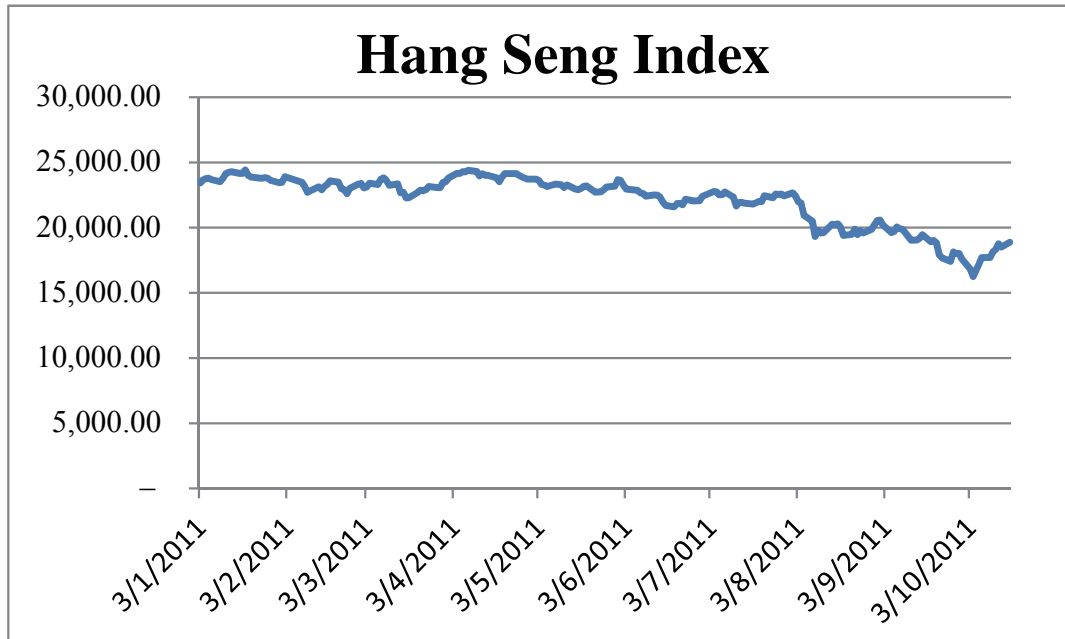
HCG Group grants margin trading and financing facilities to the Group from time to time based on an agreed percentage of the market value of the Group's portfolio maintained with the HCG Group. The margin interest is charged on outstanding balances and the current interest rate is 5% to 8% per annum, which is subject to change as determined from time to time by HCG Group. In this regard, we have enquired the management of the Company and reviewed on the websites of four Hong Kong based brokers of which we selected on a random basis, who are independent third parties to the Group, namely Get Nice Securities Limited, Orient Securities Limited, Philip Securities Group and Chief Securities Limited, and noted that the respective margin interest rates, which ranged from 7.5% to 9.252%, as stipulated are similar to the margin interest rate of the Master Transactions Agreement. Accordingly, we consider the margin interest rate is fair and reasonable to the Company and the Independent Shareholders as a whole. Meanwhile, settlement is done on the second trading day after the transaction date (T+2) which is in accordance with the requirements for on market trades on the Stock Exchange. The margin facility line is only drawn and interest is charged only if settlement is not done on T+2 terms.

Given that the Company is an investment company, the Transactions are part of the principal business activities of the Company and thus are conducted in its ordinary course of business.

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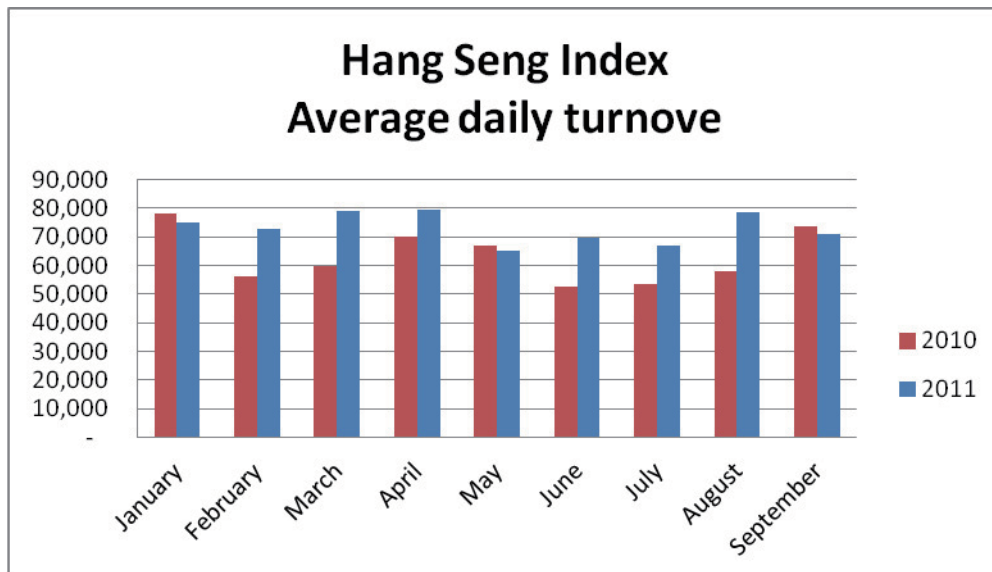
2. Prospect of the stock market in Hong Kong

Set out the historical closing prices of the Hang Seng Index from 3 January 2011 and up to 17 October 2011 (being the date of the Master Transactions Agreement) (“Review Period”).



Source: <http://hk.finance.yahoo.com>

As illustrated from the graph above, we noted that the daily closing price of the Hang Seng Index have demonstrated a slightly decreasing trend from a high of 24,420 on 19 January 2011 to a low of 16,250 on 4 October 2011 during the Review Period.



Source: The Stock Exchange

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Based on the chart above, the average daily turnover of Hang Seng Index was quite stable during the Review Period. The average daily turnover amount for September 2011 was HK\$71.14 billion, representing a slightly decrease of 3.48% when compared to the corresponding amount of HK\$73.71 billion for the same period of 2010. However, as reference to the chart above, other than January, May and September of 2010, the average daily turnover amounts for the first nine months of 2011 are higher than that of 2010.

As noted from the website of the Stock Exchange, the initial public offering (“IPO”) market in Hong Kong raised capital of approximately HK\$17.32 billion and HK\$156.78 billion in the first and second quarter of 2011 respectively, which falls by approximately 49.02% and increases by approximately 861.54% when compared to the capital raised of approximately HK\$33.96 billion and HK\$16.30 billion during the corresponding periods of 2010. Meanwhile, the placing market in Hong Kong has been active that capital raised in the second quarter of 2011 was approximately HK\$39.89 billion, representing an increase of 326.63% when compared to that of approximately HK\$9.35 billion in the first quarter of 2011.

As set out in the Company’s interim report 2011 for the six months ended 30 June 2011, the Group focuses more on equity and debt securities in Hong Kong to achieve medium-term or long-term capital appreciation. Under the prevailing stock market fluctuations, the Directors, however, will be actively seeking opportunities, evaluate potential investments and endeavor to explore further business diversification for its investment portfolio. Having taken into consideration of the increasing trend in securities transactions (including those relate to IPOs and private placing and stock market turnover), the Group’s transaction amounts with HCG Group may increase.

3. Principal terms of the Master Transactions Agreement

The following table illustrates the actual amounts payable by the Group to HCG Group for the Transactions during each of the two financial years ended 31 December 2010 and for the nine months ended 30 September 2011:

	For the year ended 31 December 2009 <i>HK\$’000</i>	For the year ended 31 December 2010 <i>HK\$’000</i>	For the nine months ended 30 September 2011 <i>HK\$’000</i>
Financial services (including securities brokerage and corporate financial advisory services)	1,945	3,049 <i>(Note1)</i>	1,872
Margin financing facilities (including interest on margin financing) <i>(Note 2)</i>	15,039	16,527	42,385

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Notes:

1. HK\$1,651,000 was refunded to the Company as commission rebate, which rebate was determined by the securities brokers at its sole discretion. The net amount was approximately HK\$1,398,000.
2. The amounts payable for the margin financing facilities are determined on a revolving facility basis and refer to the maximum amount which may be outstanding at any given time.

The Annual Caps for the three financial years ending 31 December 2014 will not exceed the following amounts:

	For the year ending 31 December 2012	For the year ending 31 December 2013	For the year ending 31 December 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial Services (including securities brokerage and corporate financial advisory services)	5,800	6,200	6,500
Margin Financing Facilities (including interest on margin financing)	70,000	74,000	77,000

Pursuant to the Master Transactions Agreement, the Annual Caps payable are conducted on normal commercial terms or terms no less favourable to the Group than those offered to the Group by the independent third parties with a period of three financial years from 1 January 2012 to 31 December 2014. In determining the Annual Caps under the Master Transactions Agreement, the Company has primarily adopted the following basis and assumptions, including but not limited to, the actual transaction amounts in relation to the financial services and margin financing facilities for each of the two financial years ended 31 December 2010 and the nine months ended 30 September 2011, the net asset value of the Group and the anticipated growth of the volume of the Transactions under the Master Transactions Agreement. Further to our discussion with the Directors, we noted that the Directors have also accounted for (i) the recent monthly turnover volume of the Hong Kong stock market, which amounted to approximately HK\$1,422.80 billion for the nine months ended 30 September 2011; (ii) the recent active equity fund raising market in Hong Kong, which raised approximately HK\$362.43 billion for the nine months ended 30 September 2011 (the corresponding amount raised was approximately HK\$335.87 billion for the same period ended 2010) (as quoted from the website of the Stock Exchange); and (iii) the expected increase in turnover volume and transaction with HCG Group. As mentioned, the Group has been transacting with CUIM and other subsidiaries of HCG since around 2004, the continual engagement of HCG Group would ensure the Group has the margin financing facilities and financial services availability to the Group. Accordingly, we are of the view that even though the Financial Services Cap (including a buffer) and Margin Financing Facilities Cap (including a buffer) higher than the respective historical transacted amounts are still fair and reasonable.

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In further assessing the fairness and reasonableness of the Annual Caps, we have reviewed the breakdown of determining the Financial Services Cap and Margin Financing Facilities Cap and discussed with the Directors regarding, among other things, the basis and assumptions made by the Company in determining the Annual Caps. We were advised by the Directors with respect to the basis and assumptions of the Financial Services Cap, it is determined with reference to the following parameters: (i) the net asset value of the Group as at 30 September 2011 of approximately HK\$282 million; (ii) the historical brokerage fee charged by HCG Group of 0.25% on the transaction value (per buy and sell transaction); (iii) the expected turnover volume of the Group as determined by the Directors according to the recent market sentiment; (iv) the expected increment of the transaction amounts between the Group and the HCG Group in 2013 and 2014; and (v) the provision for possible corporate financial advisory fees which services were not used by the Group in 2010. We concur with the Directors that the above factors are relevant in determining the Annual Caps because the Annual Caps for Financial Services were calculated based on the six times turnover rate on net asset value of the Group as at 30 September 2011, approximately HK\$282 million, multiplied by the historical brokerage rate of 0.25%. This figure is then compared with historical fees paid by the Group to the HCG Group over the past three years to determine the Financial Services Cap for the year ending 31 December 2012. The Directors further worked out an expected increment, based on management expectation, for 2013 and 2014 and then determined the Financial Services Cap for the years ending 31 December 2013 and 31 December 2014.

While, with respect to the basis and assumptions of the Margin Financing Facilities Cap, we noted that it is determined with reference to the maximum revolving amount for margin financing facilities during each of two financial years ended 31 December 2010 and the nine months ended 30 September 2011, in which the Board considers the growing uncertainty in the global economy could lead to an inflow of money in Hong Kong stock market and the volatility of the prevailing stock market may also provide good investment opportunity to the Group. Under the prevailing volatility market condition, a timely decision for investment is crucial to the Company. Given that the margin financing facilities provided by the HCG Group has been adopted by the Company for a period of time, any other means of financing such as bank financing may cause a lengthy due diligence procedure made by banks. The Annual Cap for Margin Financing Facilities for 2012 was calculated based on 25% of the net asset value of the Group as at 30 September 2011, as discussed with the Directors, pursuant to the provision of the articles of association of the Company, 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. Therefore, the Directors took a conservative approach and estimate the maximum margin financing amount to be just 25% of the net asset value as at 30 September 2011 (approximately HK\$70.5 million). We concur with the Directors that it is reasonable to determine the Annual Caps of Margin Financing Facilities based on the Group's net asset value. Although there is a difference between the Annual Cap and the historic amount, we are of the view that given the recent positive market sentiment, it is beneficial for the Group to obtain the maximum possible Annual Caps in order to avoid to go through Shareholders' approval process in case the actual transaction volume has exceed the Annual Caps approved by the Shareholders. Based on our review and discussion with the Directors, we are of the view that the abovementioned assumptions are fair and reasonable to the Company and the Independent Shareholders as a whole.

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To assess the fairness and reasonableness of the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps), we have further discussed with the Directors and are given to understand that such Annual Caps have been set based on the existing transactions amounts with HCG Group with a buffer included so as to allow the Group to have greater flexibility in conducting its investment business using the financial services provided by HCG Group. The buffer is justifiable as the Company does not need to pay any fee to HCG Group upon entering into the Master Transactions Agreement. Therefore, the Directors negotiated the Annual Caps on a prudent basis in order to have a greater flexibility in conducting its investment business. On the contrary, if the Annual Caps are set too low, the Company may incur additional costs to obtain further approval from the Independent Shareholders if the Annual Caps are exceeded.

In addition, we are advised by the Directors that the Annual Caps have been and will be on normal commercial terms determined after arm's length negotiation between the Group and HCG Group and the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps) will be on terms or terms no less favourable to the Group than those offered to the Group by independent third parties. In this regard, we have reviewed the pricing terms and the interest rates of certain sample transactions in relation to the provision of financial services and margin financing facilities which the Group had conducted with HCG Group and other independent third parties. Based on our review, we are of the view that the Transactions were in line with terms charged by other independent third parties for those similar transactions and were on terms which are no less favourable to the Group extended by independent third parties.

Given that the Transactions are on terms no less favourable to the Group than those offered to the Group by independent third parties and the long established relationship between the Group and HCG Group, the Directors are of the view that it is in the interest of the Group to continue the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps) with HCG Group. To comply with the requirements of the Listing Rules, the Company and HCG have to enter into the Master Transactions Agreement so as to allow the Group to continue its Transactions with HCG Group that are in the ordinary and usual course of business of the Group. As advised by the Directors, the procurement of other independent third parties to provide financial services and margin financing facilities to the Group may subject to lengthy negotiation and may result in substantial search and administrative costs.

Taking into consideration that (i) the terms of the Master Transactions Agreement are determined after arm's length negotiation between the Group and HCG Group and the Transactions are in the ordinary and usual course of business of the Group; (ii) the Transactions will be conducted on normal commercial terms or on terms no less favourable than those offered by independent third parties; and (iii) the continuation of the long established relationship between the Group and HCG Group would not result in lengthy negotiation and substantial search and administrative costs for the Group, we are thus of the opinion that the terms of the Master Transactions Agreement in relation to the Financial Services and Margin Financing Facilities are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole.

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D. CONCLUSION

Having considered that (i) the Group would obtain continuing operational convenience by transacting with HCG Group, (ii) the terms of each of the Financial Service and Margin Financing Facilities are fair and reasonable; (iii) the recent positive market sentiments and the increasing trend in securities trading; and (iv) the basis and assumptions for determining the Annual Caps for each of the Financial Service and Margin Financing Facilities are fair and reasonable, we are of the view that the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps) are entered into in the ordinary and usual course of business of the Group and on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM for approving the Master Transactions Agreement and the transactions contemplated thereunder (including the Annual Caps).

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

A. ADDITIONAL INFORMATION ON THE INVESTMENT MANAGER**CUIM**

CUIM is a company incorporated in Hong Kong on 27 August 2001 with limited liability and is a corporation licensed under the SFO to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities.

Role of CUIM

CUIM is responsible for making investment proposals to the Company in accordance with the Investment Management Agreement, the articles of association of the Company and the investment policies of the Company. 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 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 investment portfolio available on hand, the spread of investments, the Company's financial condition and the overall market condition. 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.

CUIM has told the Company it is the investment manager of two other Chapter 21 investment companies plus other clients. In respect of the Chapter 21 investment companies, CUIM confirmed to the Company that it has separate officers responsible for providing services to each company since July 2011. 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 two Chapter 21 investment companies that CUIM also acting as investment manager are similar but not identical to that of the Company.

Common investments between the Company and other clients of CUIM

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 it will not execute investment decisions for and behalf of any of its clients. Any investment (if approved) can only be executed into by its clients directly and as principal, and CUIM does not have the authority to bind any client to any investment. It is the clients of CUIM themselves who directly make the investment. Therefore, there is no past/existing investments previously/currently under the management of CUIM. 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 obliged 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 explained to the Company that it deals with situations of actual and potential conflicts of interests as follows:

- (a) 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.

- (b) 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.

- (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.”

Directors of CUIM

The following are the qualification and details of the directors of CUIM based on information provided by 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 possesses over 10 years of experience in professional management of investments on behalf of third party investors and/or in providing investment advisory services to professional/institutional investors. In 1996 to 1997, Dr. Wong was a dealer in a securities firm listed in Hong Kong serving several in-house private funds with size around HK\$1,000 million, the investment objective of which was for medium and long term investment appreciation and their performance were correlated with Hang Seng Index. During this period, he focused on trading for in-house and institutional client funds. In 1998 to 1999, Dr. Wong worked in a PRC Securities firm serving an in-house fund of a size of around HK\$50 million with a focus on Hong Kong indexes arbitrary tradings, the investment objective of which was for short to medium term investment appreciation and its performance was correlated with Hang Seng Index. During this period, he conducted proprietary trading for in-house and institutional client funds and wrote investment reports. In 1999 to 2000, Dr. Wong worked in a securities firm in Hong Kong serving an in-house fund in the size of around HK\$50 million, the investment objective of which was for short to medium term investment appreciation and its performance was correlated with Hang Seng Index. During this period, he focused on proprietary trading for in-house and institutional client funds and wrote investment reports. In 2000 to 2001, Dr. Wong worked at a securities firm in Hong Kong serving an in-house fund of a size of HK\$10 million, the investment objective of which was for long term investment appreciation and its performance was correlated with Hang Seng Index. During this period, he focused on proprietary trading for in-house and institutional client funds and wrote investment reports. In 2003, Dr. Wong worked in a Taiwanese Company serving a private fund in the size of HK\$10 million with a focus on Hong Kong indexes arbitrary tradings, the investment objective of which was for short to medium term capital appreciation and its performance was correlated with Hang Seng Index. During this period, he focused on proprietary trading for the private fund. In 2004 to 2007, Dr. Wong worked as a manager serving a Tokyo public trust of a size of around HK\$550 million with a focus on investment in Hong Kong listed PRC firms, the investment objective of which was for long term investment appreciation and its performance was correlated with Hang Seng Index. During this period, his duty was to provide strategic investment advisory reports and to follow up the fund’s investment activities. In 2007 to 2008, Dr. Wong worked for CUIM and provided investment advisory reports to two Chapter 21 investment companies, Radford Capital Investment Limited and the Company, of a fund size of around HK\$100 million to HK\$200 million. The investment objectives were for capital growth. In 2008 to 2009, Dr. Wong worked for a China capital based private fund with a size of around HK\$100 million, the investment objective of which was for short to long term capital appreciation. Its performance was correlated with Hang Seng Index. During this period, he was responsible for setting up and to supervise the fund’s investment activities. In 2009, Dr. Wong worked for an Indian capital based fund with a size of around HK\$70 million, with the investment objective for short to medium term capital appreciation. Its performance was correlated with Hang Seng Index. During this period, he was responsible for setting up and to

supervise the fund's investment activities. Since 2010, Dr. Wong worked for CUIM and provided investment advisory reports to Radford Capital Investment Limited, National Investments Fund Limited (up to July 2011) and the Company (up to July 2011), of a fund size of around HK\$100 million to HK\$200 million. The investment objectives were for capital growth. All of the funds mentioned above were private funds (except for the Chapter 21 investment companies and the Tokyo public trust fund). Dr. Wong does not have any information on the performance of the private funds and Tokyo public trust. Dr. Wong is licensed to conduct dealing in securities, dealing in futures contracts, advising on securities and asset management regulated activities by the Securities and Futures Commission of Hong Kong. Dr. Wong graduated in Australia and received a Master of Management Information Systems degree in 2003 and got a Business Administration in doctorate degree in the United States (U.S.) in 2010. Dr. Wong is the director of HCG. Dr. Wong was appointed as the managing director of CUIM on 4 March 2010. Dr. Wong was not involved in any breaches of laws, rules and regulations in the securities industry which has bearing on his integrity and competence.

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 since 2005, a Juris Doctor's degree from the University of British Columbia Faculty of Law since 2004 and an Economics and Commerce degree from the University of British Columbia Faculty of Arts since 2001. 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 since 2007. He was a lawyer in the investment funds practice at White & Case's New York and Hong Kong offices. He has substantive experience in the establishment and representation of numerous U.S. and international private investment funds including private equity funds, hedge funds, real estate funds, distressed funds and hybrid funds for over four years, ranging in sizes from US\$50 million to US\$3 billion. 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 has also gained experience in handling transactions involving mergers and acquisitions, reorganisations, spin-offs and other corporation transactions activities on behalf of US private equity funds. Mr. Pak is currently the 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. Pak does not have any experience in the professional management of investments on behalf of third party investors. Mr. Pak was not involved in any breaches of laws, rules and regulations in the securities industry which has bearing on his integrity and competence.

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 is well experienced in the financial service management field since 1993. He held the positions of General Manager, Chief Executive Officer and Managing Director, overseeing the functions of securities dealing, investment advisory and asset management of stated-owned, private and public financial institutions, in different periods in the past. 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. During the periods from 1998 to 2001 when he served Hantec Asset Management Fund (“HAMF”) with a fund size of US\$3 million and from 2006 to 2010 when he served the two newly-set up asset management firms, Mr. Au Yeung oversaw the fund management function of the respective companies. These private discretionary funds he managed invested in Hong Kong stocks. The Company also invests in the Hong Kong stock market. The objectives of such funds depended on the risk tolerance level of the investors. During the period HAMF was under Mr. Au Yeung’s management, the performance of HAMF corresponded to that of the Hang Seng Index. Mr. Au Yeung also provided investment management services to the China Investment Fund (“CIF”) under China Investment Fund Limited (stock code: 612) a Chapter 21 investment company from 2002 to 2004. The size of CIF was approximately HK\$30 million and it invested in Hong Kong stocks. The Company also invests in the Hong Kong stock market. The objective of CIF was to achieve long-term capital appreciation, which is similar to the investment objectives of the Company. During the period CIF was under Mr. Au Yeung’s management, the performance of CIF corresponded to that of the Hang Seng Index. As far as roles and responsibilities are concerned, in addition to provide investment management services to third party investors, Mr. Au Yeung oversaw the overall operation of respective companies. As such, Mr. Au Yeung is well qualified to take up his present role and responsibilities of giving investment advice in the form of advisory reports. Mr. Au Yeung acquired the ACII professional qualification granted by the Chartered Insurance Institute, UK in 1985. Mr. Au Yeung was a dealer and an investment adviser registered under the Commodities Trading Ordinance (Cap. 250 of the Laws of Hong Kong) respectively before the new licensing regime under the SFO commenced in 2003. Mr. Au Yeung is currently licensed by the Securities and Futures Commission to carry on dealing in securities, advising on securities and asset management regulated activities. Mr. Au Yeung was appointed as a director of CUIM on 3 August 2010. Mr. Au Yeung was not involved in any breaches of laws, rules and regulations in the securities industry which has bearing on his integrity and competence.

Miss Chan Wing Yan, Carman (“Miss Chan”) has over 7 years of high level global banking and finance experiences. Miss Chan has previous work experience in Hong Kong, Canada and Europe and is familiar with the Frankfurt Stock Exchange. Miss Chan has over 7 years in providing investment advice and serving funds on behalf of third party investors. Miss Chan served two Canadian funds (the “Canadian Funds”) during her employment within a top five Canadian bank from 2004 to 2007. Miss Chan is responsible for the investment management of the Canadian Funds. Her role as a private banker is to assist in fund management and to provide investment advisory services in the form of advisory reports to institutional and professional clients. The fund sizes were approximately HK\$1 billion each. The investment objectives were to provide long-term growth through capital appreciation by investing primarily in small to medium-sized listed companies judged to be undervalued or that had above-average growth potential, which is similar to the Company. To achieve its investment objectives, the Canadian Funds identified stocks with attractive value characteristics from among a broad universe of stocks and

small to medium capitalisation stocks that traded at reasonable valuation. The Canadian Funds also invested in some well-known established companies and aimed to add value through prudent security selection, based on fundamental, bottom-up analysis. From 2007 to 2008, Miss Chan was an associate director of a regional financial institution with a fund size of approximately HK\$100 million. The investment objective of such fund was to achieve short to medium term capital appreciation by investing in small to medium listed and unlisted companies mainly in Hong Kong and the PRC, which is similar to the Company. During this period, she is responsible for managing the institutional clients and in-house funds portfolio investment activities. In 2008, Miss Chan held the position of Vice President in a Swiss bank during which she served a fund in a size of approximately HK\$1 billion. Miss Chan is responsible for the investment management of such fund. Her role includes providing investment advisory services in the form of advisory reports to institutional and professional clients. The investment objective was to achieve a performance as high as possible in the context of the general trend on the Asian equities market, while limiting the risk, which is similar to the Company. The fund invested at least two thirds of its assets, in accordance with the principle of risk spreading, in quoted shares of leading companies having a good quality and headquartered or operating mainly in Asia (excluding Japan). The remaining portion, which could not exceed one third its assets, was to be invested in liquid assets or in fixed income or floating rate securities with a residual maturity of less than 12 months. The objective was to achieve long-term capital growth was aimed by investing in carefully selected equities and warrants of small to medium sized listed companies which is similar to the investment objectives of the Company. From October 2008 to August 2010, Miss Chan served a Hong Kong listed issuer managing a fund size of approximately HK\$200 million. The focus of the fund was to invest in small to medium listed and unlisted securities and the investment objective of which was to achieve capital growth, which is similar to the Company. During this period, Miss Chan was responsible for maintaining relationships with and to provide investment reports to public and professional investors. From August 2010 to June 2011, Miss Chan served a Frankfurt financial advisory firm with a fund size of approximately US\$30 million with a focus on assisting private companies to go public in Europe, which is different from the investments made by the Company and the investment objectives of the Company. During this period, Miss Chan obtained diverse experience in her participation over the listing process of such fund. Since October 2011, Miss Chan worked for CUIM and provided investment advisory reports to National Investments Fund Limited (“National Fund”), of a fund size of around HK\$100 million. The investment objective is to achieve short to medium term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC. National Fund also tends to invest in unlisted companies with potential to seek a listing on the Stock Exchange or any overseas stock exchange. As least 50% of National Fund’s assets will be invested in equity securities, convertible notes, preference shares, options, warrants, futures contracts, debt securities, mutual funds and unit trusts issued or managed by listed and unlisted companies in Hong Kong and the PRC, or such other types of investments in accordance with the investment objectives and policies adopted by National Fund from time to time and the requirements of the memorandum and articles of association of National Fund, the Listing Rules and the investment management agreement. Miss Chan’s roles and responsibilities in the present and the past included giving investment advice. Miss Chan studied and graduated in British Columbia, Canada with an Associate of Arts degree in 2004. Miss Chan is licensed to carry out advising on securities and asset management regulated activities by the Securities and Futures Commission. Miss Chan was appointed as a director of CUIM on 8 July 2011. Miss Chan was not involved in any breaches of laws, rules and regulations in the securities industry which has bearing on her integrity and competence.

Appointment of CUIM

CUIM was first appointed on 5 November 2003.

The Company is satisfied that CUIM is a licensed person to provide investment advisory report for the consideration of the Company. The top ten investments bought and top ten loss-making investments were all recommended by CUIM and approved by the executive Directors. The Directors are satisfied with the investment advise given by CUIM and they are of the view that the performance of the Company is not affected solely by the performance of CUIM. The Company's investment return and changes in net assets value depends on various factors including market conditions and price level of respective invested securities.

B. INFORMATION ON THE COMPANY'S INVESTMENTS**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, the People's Republic of China (the "PRC") and other main markets around the world.

The Company has adopted the following investment policies:

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

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 <i>HK\$ million</i> <i>(approximate)</i>
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:

- 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.
- 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.
- 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.
- 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.

For the financial year ended 31 December 2009

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

Note 1: Throughout the financial year 2009, based solely on the Company's register required to be maintained pursuant to section 336 of the SFO, Heritage International Holdings Limited 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 had been a substantial shareholder (as such term is defined under the Listing Rules) of the Company.

For the financial year ended 31 December 2010

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

For the period from 1 January 2011 to Latest Practicable Date

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

- (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	Market value/ fair value	Unrealised holding gain (loss) arising on revaluation	Dividend received/ receivable during the year	Percentage to the Company's net asset
				31 December 2008 HK\$	as at 31 December 2008 HK\$			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 is 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 is 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 is 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.
- (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 is 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 are 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 is 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 is 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 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.

- (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 is 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 International Holdings Limited 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 is 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 Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 279). Freeman is 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.

As at 31 December 2009

Name of investee company	Number of shares held	Effective shareholding interest	Market value/ fair value		Unrealised holding gain (loss) arising on revaluation	Dividend received/receivable during the year	Percentage to the Company's net asset as at 31 December 2009
			Cost as at 31 December 2009	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%

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 is principally engaged in hospital data evaluation analytics, hospital information technology system for medical data acquisition, processing and application system, mining of mineral resources and accessories in the People’s Republic of China, radio trunking systems integration and provision of telemedia-related and other value-added telecommunication-related technical services. 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 is 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 is 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 is principally engaged in supply and procurement business operations and securities investment. During the financial year of 2009, Poly Development has expanded the business scope of its supply and procurement business into commodities of fuel, metal minerals and recycled metal materials. 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 is 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 is 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 is 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 are 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 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 is 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.

As at 31 December 2010

Name of investee company	Number of shares held	Effective shareholding interest	Cost as at 31 December 2010	Market value/	Unrealised	Dividend	Percentage
				fair value as at 31 December 2010	holding gain (loss) arising on revaluation	received/ receivable during the year	to the Company's net asset 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 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 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 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 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 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 on 31 December 2010.
- (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 is 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 is 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 is 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 is 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 is 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 is 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 is 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 the Latest Practicable Date

Name of investee company	Number of shares held	Effective shareholding interest	Market value	Unrealised	Dividend	Percentage	
			Cost as at 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 October 2011
			HK\$	HK\$	HK\$	HK\$	
(i) Chinese Estates Holdings Limited	3,665,000	0.19%	45,041,500	45,885,800	844,300	73,300	17.77%
(ii) Mascotte Holdings Limited	150,000,000	3.29%	60,000,000	39,000,000	(21,000,000)	-	15.10%
(iii) Heritage International Holdings Limited	186,853,102	2.84%	47,064,586	33,259,852	(13,804,734)	-	12.88%
(iv) Forefront Group Limited	141,358,696	3.87%	16,817,587	14,277,228	(2,540,359)	-	5.53%
(v) Tack Fiori International Group Limited	95,800,000	3.80%	22,941,940	15,998,600	(6,943,340)	-	6.19%
(vi) Oriental Ginza Holdings Limited	32,765,000	2.99%	43,100,161	16,382,500	(26,717,661)	-	6.34%
(vii) Rising Development Holdings Limited	35,000,000	2.53%	59,500,000	29,050,000	(30,450,000)	-	11.25%
(viii) Beijing Yu Sheng Tang Pharmaceutical Group Limited	175,367,952	3.55%	15,983,035	17,186,059	1,203,024	-	6.65%
(ix) ICube Technology Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	17,000,000	Not applicable	Not applicable	-	6.58%
(x) Hong Kong Life Group Holdings Limited (unlisted convertible bonds)	Not applicable	Not applicable	20,000,000	Not applicable	Not applicable	-	7.74%

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) 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.
- (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 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.
- (v) Tack Fiori International Group Limited (“Tack Fiori”) was incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 928). Tack Fiori is principally engaged in retail and concessionaire sales of garments. 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) 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 was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.
- (viii) 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 was reference to the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.
- (ix) 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 2010.
- (x) Hong Kong Life Group Holdings Limited (“HK Life Group”) was incorporated in the Cayman Islands and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8212). HK Life Group is principally engaged in trading of edible oil and mineral materials, provision of shrine for memorial ancestor and paper-offering business. The unlisted convertible bonds was acquired during the year of 2011 and stated at the acquisition cost.

As at the Latest Practicable Date:

- (a) Mr. KITCHELL Osman Bin was interested in 500 shares in Chinese Estates Holdings Limited (stock code: 127); Ms. CHOI Ka Wing was interested in 500 shares in Chinese Estates Holdings Limited (stock code: 127), 9,260,000 shares in Mascotte Holdings Limited (stock code: 136), 20,001,000 shares in Heritage International Holdings Limited (stock code: 412), 2,410,000 shares in Forefront Group Limited (stock code: 885), 4,344,000 shares in Tack Fiori International Group Limited (stock code: 928), 1,084,000 shares in Oriental Ginza Holdings Limited (stock code: 996) and 2,408,000 shares in Beijing Yu Sheng Tang Pharmaceutical Group Limited (stock code: 1141); and Ms. DAVIS Angela Hendricks was interested in 400,000 shares 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.
- (b) 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.
- (c) As at the Latest Practicable Date:
- (1) based on the register maintained by the Company under the SFO, none of the investee companies comprising the top ten investments of the Company as at the Latest Practicable Date (“**Top 10 Investee Companies LPD**”) made any notification in relation to their interests in the Shares of the Company. Based solely on this, the Top 10 Investee Companies LPD did not hold more than 5% of the Shares of the Company.
 - (2) based on public information, there were no common directorships between the Company and each of the Top 10 Investee Companies LPD.
 - (3) so far as the Directors are aware having made all reasonable enquires, save and except that the Company has borrowed an unsecured short term loan in the principal amount of HK\$50 million from a subsidiary of Heritage International Holdings Limited, bearing interest at prime rate quoted by HSBC per annum and payable in 3 months, there was no other relationship between the Company and each of the Top 10 Investee Companies LPD.

- (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 October 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

Notes:

- 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.
- 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.
- 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.
- 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:

- 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.

For the financial year ended 31 December 2010

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>
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 October 2011

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>
209	China Tycoon Beverage (Holdings) Limited	–	8.89	8.89
273	Willie International Holdings Limited	–	18.06	18.06
329	Dragonite International Limited	–	8.31	8.31
412	Heritage International Holdings Limited	13.17	1.32	14.49
692	Boa Yuan Holdings Limited	–	7.53	7.53
928	Tack Fat Group International Limited	7.58	–	7.58
996	Oriental Ginza Holdings Limited	9.83	4.80	14.63
1004	Rising Development Holdings Limited	23.45	–	23.45
1141	Beijing Yu Sheng Tang Pharmaceutical Group Limited	–	19.02	19.02
8202	Inno-Tech Holdings Limited	1.81	5.17	6.98

C. FINANCIAL SUMMARY OF THE COMPANY (2003-2010)

Set out below are the (loss) profit attributable to Shareholders and net assets of the Group for the eight years ended 31 December 2010 as extracted from annual report from 2003 to 2010 of the Company.

	2010 <i>HK\$</i>	2009 <i>HK\$</i>	2008 <i>HK\$</i>	2007 <i>HK\$</i>	2006 <i>HK\$</i>	2005 <i>HK\$</i>	2004 <i>HK\$</i>	2003 <i>HK\$</i>
(Loss) Profit attributable to equity holders of the Company	(64,961,714)	(100,618,027)	(458,429,088)	(98,995,641)	12,204,259	(44,513,118)	(16,810,024)	(25,433,132)
Net asset value	473,981,496	296,515,394	153,450,852	416,800,936	212,261,266	136,408,333	106,914,474	97,777,597

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 and usual course of business to operate its business.

D. FUND RAISING ACTIVITIES BY 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>

Date of announcement	Fund raising activities	Net proceeds raised <i>(approximate)</i>	Proposed use of the net proceeds	Actual use of the net proceeds
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>

Date of announcement	Fund raising activities	Net proceeds raised <i>(approximate)</i>	Proposed use of the net proceeds	Actual use of the net proceeds
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

Notes:

- 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.
- 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.
- 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.
- The net proceeds of approximately HK\$10.6 million had been fully used for investments in Hong Kong listed securities in financial – banks sector.
- 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.
- 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	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment
2 February 2009	136	Mascotte Holdings Limited ("Mascotte")	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")	0.7	Medium to long term capital appreciation – Forefront engaged in new exploration in carbon fiber business
	985	China Sci-Tech Holdings Limited ("China Sci-Tech")	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")	3.5	Short term capital appreciation – Smart Rich engaged in new business exploration in energy and natural resources sectors
12 June 2009	1387	Renhe Commercial Holdings Co Limited ("Renhe Commercial")	36.8	Medium to long term capital appreciation – Renhe Commercial had competitive shopping centre development in PRC
	1051	Smart Rich Energy Finance (Holdings) Limited	23.3	Short term capital appreciation – Smart Rich engaged in new business exploration in energy and natural resources sectors

Date of announcement	Stock code	Name of investee company	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment
7 September 2009	136	Mascotte Holdings Limited	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”)	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”)	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	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
	901	Radford Capital Investment Limited (“Radford”)	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”)	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

Date of announcement	Stock code	Name of investee company	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment
	1141	Poly Development Holdings Limited ("Poly Development")	0.9	Medium to long term capital appreciation – Poly Development recorded gross profit of approximately HK\$9 million for 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	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")	6.8	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
	3988	Bank of China Limited ("BOC")	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")	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

Date of announcement	Stock code	Name of investee company	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment	Latest financial summary of the investee company at time of investment
	127	Chinese Estates Holdings Limited ("Chinese Estates")	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	0.57	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
27 July 2010	136	Mascotte Holdings Limited	1.97	Medium to long term capital appreciation – Mascotte planed 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")	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")	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

Date of announcement	Stock code	Name of investee company	Amounts invested <i>HK\$ million</i> <i>(approximate)</i>	Reason for making investment	Latest financial summary of the investee company at time of investment
	1004	Rising Development Holdings Limited ("Rising Development")	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
	1224	C C Land Holdings Limited ("C C Land")	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 and availability of resources to the Company, investment advisory 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 include 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.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

A. Directors' Interests

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% <i>(Note)</i>

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.

B. Substantial Shareholders' Interests

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%
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:

- 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 Financial Corporation Limited ("Freeman").
- These are the rights shares to the maximum extent which Freeman Securities Limited has underwritten in respect of the proposed rights issue as referring to the Company's announcement dated 11 October 2011 (the "Rights Issue"). As Freeman Securities Limited is a subsidiary of Freeman, Freeman is deemed to be interested in these rights shares under the SFO.
- 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 issue of rights shares at the maximum extent).

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.

C. Competing Interests of Directors and Associates

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business (other than as an independent non-executive Director) which competes or is likely to compete, either directly or indirectly, with the business of the Group.

D. Directors' Service Contracts

As at the Latest Practicable Date, none of the Directors has entered into any service contracts with any members of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

E. Interests in Assets of the Group

As at the Latest Practicable Date, none of the Directors or Vinco Capital had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by or leased to, any member 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).

F. Interests in Contracts

As at the Latest Practicable Date, none of the Directors was materially interested in any contracts or arrangements entered into by any member of the Group and subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

G. Qualifications of Expert and Consent

- (i) The following are the qualifications of the expert which has given an opinion or advice contained in this circular.

Name	Qualifications
Grand Vinco Capital Limited	a licensed corporation for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

- (ii) Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of references to its name and its letter in the form and context in which it appears.
- (iii) As at the Latest Practicable Date, Vinco Capital did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

H. Material Adverse Change

The Directors are not aware as at the Latest Practicable Date of any material adverse change in the financial or trading position of the Group since 31 December 2010, the date to which the latest published audited financial statements of the Company were made up.

I. Documents Available For Inspection

A copy of the following document is available for inspection at the office of the Company at Room 2206, 22nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong during normal business hours on any weekday (except Saturdays and public holidays) for a period commencing on the date of this circular up to the date of EGM:

- (i) the Master Transactions Agreement; and
- (ii) the Investment Management Agreement.

J. General

The English version of this circular shall prevail over the Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Unity Investments Holdings Limited

合一投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 913)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Unity Investments Holdings Limited (合一投資控股有限公司) (the “**Company**”) will be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Thursday, 29 December 2011 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (A) the entering of a master transactions agreement dated 17 October 2011, as amended by the supplemental agreement dated 9 December 2011 (the “**Master Transactions Agreement**”), between the Company (for itself and on behalf of its subsidiaries together the “**Group**”) and Hennabun Capital Group Limited (for itself and on behalf of its subsidiaries together the “**HCG Group**”) pursuant to which the HCG Group agreed to provide securities brokerage, margin trading and financing facilities and corporate financial advisory services to the Group until 31 December 2014 on the terms set out therein (a copy of the Master Transactions Agreement has been produced to this meeting marked “**A**” and initialled by the chairman of the meeting for identification purpose), and the transactions contemplated under the Master Transactions Agreement, be and is hereby approved, ratified and confirmed; and
- (B) the directors of the Company (the “**Directors**”) be and are hereby authorised to implement all the transactions referred to in the Master Transactions Agreement and to do all such acts and things and sign all such documents, agreements or deeds on behalf of the Company as they shall in their absolute discretion consider necessary or desirable to give effect to the Master Transactions Agreement and the arrangements contemplated thereunder.”

2. “**THAT** conditional upon resolution numbered 1 above being passed, the annual caps for each of the three years ending 31 December 2012, 2013 and 2014 in respect of the financial services (including securities brokerage and corporate financial advisory services) as set out in the Master Transactions Agreement be and are hereby approved.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. “**THAT** conditional upon resolution numbered 1 above being passed, the annual caps for each of the three years ending 31 December 2012, 2013 and 2014 in respect of the margin trading and financing facilities (including interest on margin financing) as set out in the Master Transactions Agreement be and are hereby approved. ”

By order of the Board
Unity Investments Holdings Limited
合一投資控股有限公司
KITCHELL Osman Bin
Executive Director

Hong Kong, 12 December 2011

Notes:

- (1) A form of proxy to be used for the meeting is enclosed.
- (2) Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead.
- (3) The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- (4) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be delivered at the Company's share registrar and transfer office in Hong Kong, **Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong** not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in such instrument proposes to vote. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting, or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

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

Executive Directors:

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

Independent non-executive Directors:

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