

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 532 OF 2006

In the matter of **Unity Investments Holdings Limited (合一投資控股有限公司)**

And in the matter of the Companies Law (2004 Revision)

And Grand Court Rules 1995 Order 102

PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of Unity Investments Holdings Limited (合一投資控股有限公司) shows as

follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2004 Revision) (the "Companies Law") confirming a reduction of the capital of your Petitioner **Unity Investments Holdings Limited (合一投資控股有限公司)** (the "Company").
2. The Company was incorporated under the Companies Law on 5 March, 1999 with the name "Unity Investments Holdings Limited" and registered in the Cayman Islands as an exempted company with registration number CR-88028. On 2 May, 2003, the name of the Company was changed from "Unity Investments Holdings Limited" to "Unity Investments Group Limited" and immediately thereafter, the new name of the Company of "Unity Investments Group Limited" was further changed to "Unity Investments Holdings Limited (合一投資控股有限公司)".
3. The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-

1111, Cayman Islands.

4. Upon the date of incorporation of the Company, its authorised share capital was HK\$20,000,000 divided into 200,000,000 shares of a nominal or par value of HK\$0.10 each.
5. On 24 May, 2002, an ordinary resolution was passed by the shareholders of the Company at its extraordinary general meeting to increase the authorised share capital from HK\$20,000,000 to HK\$40,000,000 by the creation of 200,000,000 new shares of HK\$0.10 par value each.
6. On 28 February, 2005, a special resolution was passed by the shareholders of the Company at its extraordinary general meeting to, conditional upon fulfillment of certain conditions set out in the notice of extraordinary general meeting of the Company dated 31 January, 2005:-
 - (a) reduce the issued share capital of the Company by cancelling the issued and paid up capital to the extent of HK\$0.09 on each issued share of the Company thereby reducing the nominal value of each issued share from HK\$0.10 to HK\$0.01 (the "Capital Reduction"); and
 - (b) subdivide every authorised but unissued share of HK\$0.10 each of the Company into 10 unissued new shares of HK\$0.01 each (the "Subdivision").
7. On 28 February, 2005, an ordinary resolution was also passed by the shareholders of the Company at its extraordinary general meeting to, conditional upon the Capital Reduction becoming effective, increase the authorized share capital (the "Increase of Authorized Capital") of the Company by such amount as shall have resulted from the Capital Reduction to HK\$500,000,000 by the creation of such number of new shares of HK\$0.01 each as shall be necessary to increase the authorized share capital of the Company to HK\$500,000,000.
8. The Capital Reduction, the Subdivision and the Increase of Authorised Capital became effective on 10 May, 2005 after all of the conditions thereto, including confirmation of the

Capital Reduction by this Honourable Court, were fulfilled.

9. On 13 September, 2005, an ordinary resolution was passed by the shareholders of the Company at its extraordinary general meeting to consolidate every 10 shares of HK\$0.01 each in the issued and unissued share capital of the Company into one share of HK\$0.10 each.

10. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited since 27 October, 1999. Over the years, the Company has allotted and issued various tranches of ordinary shares, being the only class of shares of the Company. As at the date of this Petition, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.10 each and its issued share capital is HK\$112,229,116.3 divided into 1,122,291,163 ordinary shares of HK\$0.10 each.

11. The objects for which the Company was established are unrestricted and the Company has full power and authority to exercise all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by section 27(2) of the Companies Law.

12. The Articles of Association of the Company provide, *inter alia*, as follows:

Article 79 "The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some

person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Law; and

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

Article 80 The Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any manner authorised and subject to any conditions prescribed by Law.”

13. By a special resolution of the Company (the "Special Resolution") duly passed in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 17 November, 2006 (the "Extraordinary General Meeting"), it was

resolved:

“THAT, conditional upon (i) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in the Adjusted Shares (as defined below); (ii) approval by the Grand Court of Cayman Islands (the “Court”) and (iii) compliance with any conditions imposed by the Court and with effect from the date on which those conditions are fulfilled:

- (A) the issued share capital of the Company as at the date of filing of the order of the Court relating to the Capital Reduction (as defined below) at the Registrar of Companies in the Cayman Islands (“Order Date”) be reduced by cancelling paid up capital to the extent of HK\$0.09 on each of the Shares in issue as of the date of this resolution (the “Capital Reduction”) so that each issued share of HK\$0.10 in the capital of the Company shall be treated as one fully paid up share of HK\$0.01 in the capital of the Company (“Reduced Share”) and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied;
- (B) every 10 issued Reduced Shares of HK\$0.01 each be consolidated into one consolidated share of HK\$0.10 (“Adjusted Share”) and any fraction of Adjusted Shares arising from the share consolidation shall not be allocated to the holders of the Reduced Shares otherwise entitled thereto but such fractions shall be aggregated and be sold for the benefit of the Company (“Share Consolidation”);
- (C) the credit arising from the Capital Reduction be applied towards cancelling the accumulated deficit of the Company in the amount of HK\$11.4 million as shown in the unaudited financial statements of the Company as at 30th June, 2006;
- (D) all of the Adjusted Shares resulting from the Capital Reduction shall rank pari passu in all respects and have the rights and privileges and be subject to the restrictions contained in the Company’s articles of association; and

(E) the directors of the Company be and are hereby authorised generally to do all things they may consider appropriate and desirable to effect and implement the Capital Reduction, Share Consolidation and application of credit arising from the Capital Reduction (together with "Capital Reorganisation")."

Each of the capitalised terms referred to in the Special Resolution above is defined in the information circular exhibited to the affirmation of KITCHELL, Osman Bin ("KO-6").

14. The number of members of the Company present and voting in person or by corporate representatives or by proxy at the Extraordinary General Meeting is as set out in the table below:-

	Present & Voting	For	Against
How Present	No.	No.	No.
In person/by corporate representatives	10 members	10 members	0 member
By proxy	0 member	0 member	0 member
Total	10 members	10 members	0 member

As appeared from the table, the Extraordinary General Meeting was attended in person or by corporate representatives or by proxy by 10 members, all of whom voted in favour of the resolution and none voted against the resolution. The resolution was voted on by way of show of hands and the members present and voting in person or by corporate representatives or by proxy at the Extraordinary General Meeting represents more than three-fourths of the votes cast for the resolution approved the Capital Reduction and therefore the chairman of the Extraordinary General Meeting declared the resolution passed in accordance with the Articles of Association of the Company.

15. There was an unaudited accumulated loss of about HK\$11,400,000 as shown in the unaudited accounts of the Company for the period ended 30 June, 2006. The purpose of the proposed Capital Reduction is to enable the Company to apply the credit or part thereof arising from the Capital Reduction towards cancelling the accumulated deficit of

the Company in the amount of about HK\$11,400,000 as shown in the unaudited financial statements of the Company as at 30 June, 2006.

16. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Furthermore, the Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company nor will it affect the proportionate interests of the shareholders.

17. The form of Minute proposed to be registered is as follows:-


"The issued share capital of Unity Investments Holdings Limited (合一投資控股有限公司) (the "Company") was by virtue of a Special Resolution passed on 17 November, 2006 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [•], 2006, reduced from HK\$112,229,116.3 divided into 1,122,291,163 ordinary shares of HK\$0.10 each to HK\$11,222,911.63 divided into 1,122,291,163 ordinary shares of HK\$0.01 each (the "Capital Reduction"). Upon the Capital Reduction becoming effective, the 1,122,291,163 issued shares of HK\$0.01 each, shall be consolidated into 112,229,116.3 shares of HK\$0.10 each in the capital of the Company. At the date of the registration of this Minute, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 shares of HK\$0.10 each, of which 112,229,116.3 ordinary shares of HK\$0.10 each have been issued and are fully paid or credited as fully paid."

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 13 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on Unity Investments Holdings Limited (合一投資控股有限公司), at its registered office located at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

DATED THIS 12th DAY OF December, 2006.



CHARLES ADAMS, RITCHIE & DUCKWORTH
Attorneys-at-Law for the Petitioner herein

Notice of Hearing

This Petition having been presented to the Court on the _____ day of _____, 2006 will be heard at the Law Courts, George Town, Grand Cayman on the 9th day of February, 2007 at 10:00 a.m./p.m. or as soon thereafter as the Petition can be heard.

DATED THIS _____ DAY OF _____, 2006.

This Petition was filed by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Applicant herein whose address for service is that of its Attorneys, P.O. Box 709GT, Zephyr House, Mary Street, George Town, Grand Cayman, Cayman Islands.

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