

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. ⁰³⁵⁷ OF 2008

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 (2007 Revision)

AND the 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 (2007 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 "2005 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 "2005 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 2005 Capital Reduction becoming effective, increase the authorised share capital (the "2005 Increase of Authorised Capital") of the Company by such amount as shall have resulted from the 2005 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 authorised share capital of the Company to HK\$500,000,000.
8. The 2005 Capital Reduction, the 2005 Subdivision and the 2005 Increase of Authorised Capital became effective on 10 May, 2005 after all of the conditions thereto, including confirmation of the 2005 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. On 17 November, 2006, 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 25 October, 2006:-
 - (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 "2007 Capital Reduction"); and
 - (b) consolidate every 10 issued and reduced shares of HK\$0.01 each of the Company into one issued consolidated share of HK\$0.10 each (the "2007 Consolidation").
11. The 2007 Capital Reduction and 2007 Consolidation became effective on 13 February, 2007 after all of the conditions thereto, including confirmation of the 2007 Capital Reduction by this Honourable Court, were fulfilled.
12. On 11 July, 2007, an ordinary resolution was also passed by the shareholders of the Company at its extraordinary general meeting to increase the authorised share capital of the Company by the creation of such number of new shares of HK\$0.10 each as shall be necessary to increase the authorised share capital of the Company from HK\$500,000,000 to HK\$2,000,000,000.
13. On 30 January, 2008, 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 7 January, 2008:-

- (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 "2008 Capital Reduction"); and
 - (b) consolidate every 10 issued and reduced shares of HK\$0.01 each of the Company into one issued consolidated share of HK\$0.10 each (the "2008 Consolidation").
14. The 2008 Capital Reduction and 2008 Consolidation (collectively, the "2008 Capital Reorganisation") became effective on 14 May, 2008 after all of the conditions thereto, including confirmation of the 2008 Capital Reduction by this Honourable Court, were fulfilled.
15. 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\$2,000,000,000 divided into 20,000,000,000 ordinary shares of HK\$0.10 each and its issued share capital is HK\$187,895,737 divided into 1,878,957,370 ordinary shares of HK\$0.10 each.
16. 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.
17. 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.”

18. 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 25 July, 2008 (the "Extraordinary General Meeting"), it was resolved: "THAT, conditional upon (i) approval by the Grand Court of Cayman Islands (the "Court") of the Capital Reduction (as defined below), registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; and (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting the permission to deal in, shares of HK\$0.10 each in the issued share capital of the Company, upon the date (the "Effective Date") on which the Capital Reduction (as defined below) becomes effective:-

- (A) the issued share capital of the Company be reduced by cancelling paid up capital to the extent of HK\$0.08 on each of the Shares in issue as of the Effective Date (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\$0.02 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 and that the amount of issued capital hereby cancelled be made available for issue of the Adjusted Shares (as defined below) so that the authorised capital of the Company of HK\$2,000,000,000 remains unchanged on the Effective Date;
- (B) every five issued Reduced Shares of HK\$0.02 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 (if any) with the entire amount or the balance to be transferred to the distributable capital reduction reserve account of the Company;
- (D) all of the Adjusted Shares resulting from the Capital Reduction and Share Consolidation 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").

19. 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	16 members	15 members	0 member
By proxy	1 member	0 member	0 member
Total	17 members	15 members	0 member

As appeared from the table, the Extraordinary General Meeting was attended in person or by corporate representatives or by proxy by 17 members, 15 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.

20. The accumulated deficit of the Company of approximately HK\$153.8 million as set out in its audited financial statements for the year ended 31 December, 2007 has been fully eliminated as a result of the completion of the 2008 Capital Reorganisation. If the Company have accumulated losses upon the time of approval of the Capital Reduction by this Honourable Court, the credit arising from the reduction will be used to cancel the accumulated losses of the Company and the proposal to be put forward to shareholders of the Company for the Capital Reduction and the application of the credit arising from the reduction to cancel the accumulated losses of the Company (if any) and to transfer the entire amount or the balance (as the case may be) to the distributable capital reduction reserve account of the Company (the "Adjustment Proposal") will provide flexibility for the Company to declare and pay dividends. Further, notwithstanding the 2008 Capital Reorganisation, the shares of the Company have been trading at prices below their nominal value of HK\$0.10 each since 10 June, 2008. Under the Companies Law, it is not permissible for the Company to issue new shares at a discount to the nominal value of its shares unless such issuance is in compliance with section 35 of the Companies Law. The Adjustment Proposal and share consolidation will reduce the total number of shares currently in issue. As such, it is expected to bring about a corresponding upward adjustment in the trading price of the adjusted shares of HK\$0.10 of the Company (the "Adjusted Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), which will reduce the overall transaction costs for dealings in the Adjusted Shares and allow flexibility for the issue of new shares to facilitate fund raising exercises in future. As the Company is an "investment company" listed under Chapter 21 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the business of the Company is restricted to that of making and holding of investments. The Company does not carry out any other business. The Company is continually seeking (i) investment opportunities, as part of its ordinary and usual course of business, and (ii) fund raising exercises as and when opportunities arise. Hence, it is crucial for the Company to be able to raise new funds whenever the conditions in the

capital market are favourable so that it has readily available funds to make investments as and when the opportunity arises.

21. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital and the Company has no intention to make any payment of paid up capital to any shareholder. 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 of the Company.
22. The form of Minute proposed to be registered is as follows:-

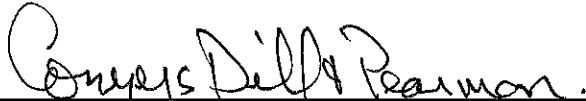
"The issued share capital of Unity Investments Holdings Limited (合一投資控股有限公司) (the "Company") was by virtue of a Special Resolution passed on 25 July, 2008 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [], 2008, reduced from HK\$187,895,737 divided into 1,878,957,370 ordinary shares of HK\$0.10 each to HK\$37,579,147.40 divided into 1,878,957,370 ordinary shares of HK\$0.02 each (the "Capital Reduction"). Upon the Capital Reduction becoming effective, the 1,878,957,370 issued shares of HK\$0.02 each, shall be consolidated into 375,791,474 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\$2,000,000,000 divided into 20,000,000,000 shares of HK\$0.10 each, of which 375,791,474 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 18 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 25th DAY OF July 2008.



CONYERS DILL & PEARMAN
Attorneys-at-Law for the Petitioner herein

Notice of Hearing

This Petition having been presented to the Court on the 25th day of July 2008 will be heard at the Law Courts, George Town, Grand Cayman on the ___th day of _____ 2008 at _____ am/pm or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Applicant herein whose address for service is that of its Attorneys, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

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