

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Yu Ming Investments Limited

(Incorporated in Hong Kong with limited liability)

Megaland Development Limited

(Incorporated in the British Virgin Islands with limited liability)

OFFER RESULT ANNOUNCEMENT

**Lapse of the Mandatory Conditional General Offer by
Yu Ming Investment Management Limited
on behalf of Megaland Development Limited
to acquire all the Shares in the
issued share capital of Yu Ming Investments Limited
other than those already owned by Megaland Development Limited
and parties acting in concert with it**

Financial Adviser to Megaland Development Limited



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

The Offer lapsed at 4:00 p.m. 23rd December, 2003.

As at 4:00 p.m. 23rd December, 2003, the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances as to 106,993,550 of Shares, representing 6.33 per cent. of the issued Shares. As at 2nd December, 2003, the opening date of the Offer, the Offeror and parties acting in concert with the Offeror were interested in 693,678,258 Shares, representing 41.02 per cent. of the issued Shares. During the Offer Period, the Offeror has not acquired or agreed to acquire any Shares, whereas parties acting in concert with the Offeror have acquired 11,792,000 Shares, representing 0.70 per cent. of the issued Shares.

As at 4:00 p.m. 23rd December, 2003, the Offeror and parties acting in concert with it were interested in 700,966,258 Shares, representing 41.45 per cent. of the issued Shares.

The Offeror will not extend the Closing Date of the Offer. Accordingly, the Offer had not become unconditional on 23rd December, 2003 and lapsed.

Reference is made to the Offer Document dated 2nd December, 2003 jointly issued by the Offeror and the Company. Unless the context otherwise requires, terms used in this announcement shall have the same meaning as set out in the Offer Document dated 2nd December, 2003.

CLOSING AND LAPSE OF THE OFFER AND LEVEL OF ACCEPTANCE

The Offer lapses at 4:00 p.m. 23rd December, 2003.

As at 4:00 p.m. 23rd December, 2003, the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances as to 106,993,550 of Shares, representing 6.33 per cent. of the issued Shares. As at 2nd December, 2003, the date of commencement of the Offer, the Offeror and parties acting in concert with the Offeror were interested in 693,678,258 Shares, representing 41.02 per cent. of the issued Shares. During the Offer Period, the Offeror has not acquired or agreed to acquire any Shares, whereas parties acting in concert with the Offeror have acquired 11,792,000 Shares, representing 0.70 per cent. of the issued Shares.

Apart from the acquisition of Shares by parties acting in concert with the Offeror as stated in the above paragraph, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any voting rights, right over Shares and derivatives over the securities of the Company. To the best knowledge of the director of the Offeror and the Directors, after making all reasonable enquiries, no person had any arrangement of any kind referred to under Note 8 of Rule 22 of the Code.

As at the date of this announcement, the Company does not have any outstanding options, warrants or securities convertible into Shares.

The Offer is conditional upon the Offeror receiving valid acceptances in respect of the Shares, together with Shares held by the Offeror and parties acting in concert with it, constituting more than 50 per cent. of the issued Shares, and as at 4:00 p.m. 23rd December, 2003, Shares held by the Offeror and parties acting in concert with it, together with the valid acceptances received under the Offer, totaled 807,959,808 Shares, representing 47.78 per cent. of the issued Shares, the Offer had not become unconditional on 23rd December, 2003. The Offeror did not extend the Closing Date of the Offer and accordingly, the Offer lapsed on 23rd December, 2003.

Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title tendered for acceptance under the Share Offer will be returned to Accepting Shareholders or HKSCC Nominees Limited (as the case may be). Shareholders wishing to collect the Share certificate(s) and/or transfer receipts(s) and/or other document(s) of title in person may do so by presenting their valid proof of identity to the office of Secretaries Limited, the Registrar at Ground Floor, Bank of East Asia Harbour View Centre, 56, Gloucester Road, Wanchai, Hong Kong, during normal business hours on or before Friday, 2nd January, 2004. Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title not collected on or before Friday, 2nd January, 2004 will be sent to Accepting Shareholders by registered post to the address shown on their respective Form of Acceptance at their own risk.

For those Shareholders who have authorized their broker/custodian bank to tender acceptances through HKSCC Nominees Limited, the latter will collect the Share certificates(s) and/or transfer receipt(s) and/or other document(s) of title on their behalf from the Registrar.

SHAREHOLDINGS AND PUBLIC FLOAT OF SHARES

Immediately before the commencement of the Offer, the Offeror and parties acting in concert with the Offeror are interested in 693,678,258 Shares, representing 41.02 per cent. of the issued Shares.

As at the date of this announcement, the shareholding structure of the Company is as followed:

Name	Number of Shares held as at the date of this announcement	% of issued Shares
The Offeror	679,346,258	40.17
Parties acting in concert with the Offeror		
Mr. Tony Fung Wing Cheung	3,328,000	0.20
Mr. Peter Fung Yiu Fai	6,500,000	0.38
Mr. Warren Lee Wa Lun	11,792,000	0.70
	<hr/>	<hr/>
Sub-total of the Offeror and all parties acting in concert with it	700,966,258	41.45
	<hr/>	<hr/>
Sun Hung Kai	364,151,800	21.53
Continental Mariner Investment Company Limited	119,380,000	7.06
Directors (other than Mr. Tony Fung Wing Cheung, Mr. Peter Fung Yiu Fai and Mr. Lee Seng Hui)	2,850,000	0.17
Public	503,823,931	29.79
	<hr/>	<hr/>
Total	<u>1,691,171,989</u>	<u>100.00</u>

The minimum prescribed percentage of Shares in public hands for the Company under Rule 8.08 of the Listing Rules is 25 per cent. As at the date of this announcement, approximately 29.79 per cent. of the issued Share capital of the Company is held by Independent Shareholders, which complies with the minimum public float requirement of not less than 25 per cent. pursuant to Rule 8.08 of the Listing Rules.

By Order of the Board
MEGALAND DEVELOPMENT LIMITED
Fung Wing Cheung, Tony
Sole Director

By Order of the Board
YU MING INVESTMENTS LIMITED
Fung Yiu Fai, Peter
Managing Director

Hong Kong, 23rd December, 2003

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement other than that relating to the Company and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement other than those relating to the Company have been arrived at after due and careful consideration and there are no other facts other than those relating to the Company not contained in this announcement, the omission of which would make any statements in this announcement misleading.

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

Please also refer to the published version of this announcement in The Standard.