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YU MING INVESTMENTS LIMITED
禹銘投資有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 666)

- (i) PROPOSED RIGHTS ISSUE AT HK\$0.10 EACH
IN THE PROPORTION OF
ONE RIGHTS SHARE FOR EVERY ONE SHARE HELD
TO THE QUALIFIED SHAREHOLDERS ONLY
(WITH 2011 WARRANTS ISSUE ON THE BASIS OF
ONE 2011 WARRANT FOR EVERY FIVE RIGHTS SHARES TAKEN UP
UNDER THE RIGHTS ISSUE)**
- (ii) INCREASE IN AUTHORISED SHARE CAPITAL
AND**
- (iii) RESUMPTION OF TRADING**

Financial adviser to Yu Ming Investments Limited



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

Underwriter to the Rights Issue



結好証券有限公司
GET NICE SECURITIES LIMITED

PROPOSED RIGHTS ISSUE

The Company announces that, subject to the Conditions, it intends to raise approximately not less than HK\$187 million and not more than HK\$224 million, before expenses, by way of Rights Issue of no less than 1,869,172,517 Rights Shares and no more than 2,243,006,386 Rights Shares at the Subscription Price of HK\$0.10 per Rights Share on the basis of one Rights Share for every one Share held on the Record Date.

The expected net proceeds from the Rights Issue of approximately HK\$181.5 million (after deduction of expenses and assuming no 2009 Warrants or 2011 Warrants is exercised) is intended to be applied to investment opportunities that the Company may identify from time to time.

Pursuant to the Rights Issue, the Qualified Shareholders will be provisionally allotted one Rights Share in nil-paid form for every one Share held on the Record Date.

The Rights Issue other than those Rights Shares subject to the Subscription Undertaking will be fully underwritten by the Underwriter on the terms and the conditions as set out in the Underwriting Agreement. In particular, the Rights Issue is conditional upon, among other things, the approval by Independent Shareholders at the EGM.

PROPOSED 2011 WARRANTS ISSUE

Subject to the completion of the Rights Issue, the Company also proposes the 2011 Warrants Issue on the basis of one 2011 Warrant for every five Rights Shares taken up under the Rights Issue. Each 2011 Warrant will entitle its holder to subscribe for one new Share at an initial subscription price of HK\$0.10 per Share upon exercise of the 2011 Warrant. No less than 373,834,503 2011 Warrants and no more than 448,601,277 2011 Warrants will be issued pursuant to the 2011 Warrants Issue.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

The Record Date and the dates for the closure of the register of members of the Company will be announced by the Company in due course. No transfers of Shares will be registered during the book closure period. In order to be entitled to vote at the EGM or to qualify for the Rights Issue, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by not later than 4:30 p.m. on the Record Date pursuant to the expected timetable of the Rights Issue to be announced.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The authorised share capital of the Company as at the date of this announcement is HK\$300,000,000 divided into 3,000,000,000 Shares, of which 1,869,172,517 Shares have been issued and are fully paid up. There are 373,833,869 outstanding 2009 Warrants, upon full exercise of which, the total issued and paid up Shares would be increased to 2,243,006,386 Shares. Upon completion of the Rights Issue and the full exercise of the 2011 Warrants, the issued Shares of the Company would be increased to 4,112,179,537 Shares assuming no new Shares were issued before the Record Date and 4,934,614,049 Shares assuming full exercise of the 2009 Warrants before the Record Date. To facilitate the Rights Issue and the 2011 Warrants, the Company intends to increase its authorised share capital from HK\$300,000,000 to HK\$700,000,000 (divided into 7,000,000,000 Shares of HK\$0.10 each by the creation of 4,000,000,000 new Shares of HK\$0.10 each). Such new Shares, upon issue, shall rank *pari passu* in all respects with the existing Shares.

GENERAL

Subject to the approval of the Rights Issue and the 2011 Warrants Issue by the Independent Shareholders and the increase in authorised share capital of the Company by the Shareholders at the EGM, application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully paid forms), the 2011 Warrants and the Warrant Shares which may fall to be issued.

Pursuant to the Rule 7.19(6)(a) of the Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval by the Independent Shareholders at the EGM by way of poll by an ordinary resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, the Company has no controlling Shareholder. Mr. Lee Yip Wah, Peter, being a non-executive Director, holds 1,550,000 Shares and 310,000 2009 Warrants, therefore shall abstain from voting in favour of the ordinary resolutions to approve the Rights Issue and the 2011 Warrants Issue at the EGM. No Shareholders shall abstain from voting on the ordinary resolution to approve the increase in the authorized share capital of the Company.

An independent board committee of the Company comprising all the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue and the 2011 Warrants Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

A circular containing, among others, details of (i) the Rights Issue, the 2011 Warrants Issue and the proposed increase in authorised share capital of the Company; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Rights Issue and the 2011 Warrants Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue and the 2011 Warrants Issue; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as possible. The Company will send the Prospectus Documents to the Qualified Shareholders and the Prospectus (without the PAL and EAF) to the Excluded Shareholders on the Posting Date for information only.

WARNING OF THE RISK OF DEALINGS

Shareholders and potential investors of the Company should note that (i) the Rights Issue is conditional, *inter alia*, upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” below); and (ii) the 2011 Warrants will be issued subject to completion of the Rights Issue.

Dealings in the Shares and the Rights Shares in nil-paid form is expected to take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares and the nil-paid Rights Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue will not become unconditional and may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares and the nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Overseas Shareholders should note that they may be entitled to vote at the EGM, but may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Further details as to the entitlement of Overseas Shareholders to the Rights Issue will be set out in the Prospectus to be despatched to Shareholders relating to the Rights Issue and the 2011 Warrants Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 13th February, 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 16th February, 2009.

RIGHTS ISSUE

Terms of the Rights Issue

Subscription Price	:	HK\$0.10
Basis of Rights Issue	:	One Rights Share for every one Share held on the Record Date
Number of Shares in issue as at the date of this announcement	:	1,869,172,517 Shares
Number of Shares which may be issued upon full exercise of subscription rights attaching to the 2009 Warrants (<i>Note</i>)	:	373,833,869 Shares

Number of Rights Shares (*Note*) : Not less than 1,869,172,517 Rights Shares (assuming no issue of new Shares from the date of this announcement to the Record Date) and not more than 2,243,006,386 Rights Shares (assuming exercise in full of the subscription rights attached to the 2009 Warrants prior to the Record Date)

Underwriter : Get Nice Securities Limited

Notes:

The number of the Rights Shares to be issued under the Rights Issue will be increased in proportion to additional Shares which might fall to be allotted and issued upon exercise of 2009 Warrants before the Record Date to the 2009 Warrant holders. As at the date of this announcement, 373,833,869 2009 Warrants are outstanding. In the event of the exercise in full of the subscription rights attached to the 2009 Warrants before the Record Date, 373,833,869 Rights Shares will fall to be allotted and issued, which will result in the issue of an aggregate of 2,243,006,386 Rights Shares.

Save for the 2009 Warrants disclosed above, as at the date of this announcement, the Company has no other share options or convertible securities outstanding entitling any person to subscribe for Shares prior to the Record Date.

The Underwritten Rights Shares will be fully underwritten by the Underwriter on the terms and subject to the conditions as set out in the Underwriting Agreement, details of which are described in the section headed “Underwriting Agreement” below.

Subscription Price

The subscription price for the Rights Shares is HK\$0.10 per Rights Share, which is payable in full upon acceptance of the relevant provisional allotment of Rights Shares or application for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) the closing price of HK\$0.10 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 2.04% over the average closing price of HK\$0.098 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately before the Last Trading Day;
- (iii) a premium of approximately 4.17% over the average closing price of HK\$0.096 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the Last Trading Day;

- (iv) the theoretical ex-rights price of HK\$0.10 per Share, which is calculated based on the closing price of HK\$0.10 per Share on the Last Trading Day; and
- (v) a discount of approximately 66.67% to the unaudited consolidated net assets value per Share as at 31st January, 2009 of approximately HK\$0.30, assuming no new Shares will be issued and allotted pursuant to the 2009 warrants before the Record Date.

The Subscription Price has been determined based on arm's length negotiations between the Company and the Underwriter. The Board (excluding the independent non-executive Directors who will give their view after taking into account the advice of the independent financial adviser) consider the terms of the Rights Issue to be fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares (assuming no 2009 Warrants or 2011 Warrants is exercised) will be approximately HK\$0.097.

Status of the Rights Shares

The Rights Shares, when issued, will represent:

- (i) 100% of the existing total issued share capital of the Company; and
- (ii) 50% of the total issued share capital of the Company as enlarged by the Rights Shares.

When fully paid, the Rights Shares will rank *pari passu* in all respects with the then existing Shares. Holders of the fully-paid rights Shares will be entitled to receive all future dividends and distribution which are declared, made, paid on or after the date of issue and allotment of the fully-paid Rights Shares.

Qualified Shareholders

The Company will provisionally allot the Rights Shares, and send a Prospectus containing details of the Rights Issue to the Qualified Shareholders and to the Excluded Shareholders for information only. PALs and EAFs will be sent to the Qualified Shareholders only.

To qualify for the Rights Issue, Shareholders must be registered as a member of the Company on the Record Date. Shareholders having an address in Hong Kong on the register of members of the Company on the Record Date are qualified for the Rights Issue. Shareholders having addresses outside Hong Kong on the register of members of the Company on the Record Date are qualified for the Rights Issue only if the Board, after taking appropriate legal advice in the relevant jurisdictions, considers that the offer to these Overseas Shareholders would not be impractical or unlawful on account of any legal restriction under the laws of the relevant jurisdictions or any requirement of the relevant regulatory body or stock exchange in that jurisdiction and/or such offer will not require any relevant registration or filing requirements.

Excluded Shareholders

The Board will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries will be included in the Prospectus. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to any of the Excluded Shareholders, no provisional allotment of Rights Shares in nil-paid form will be made to such Overseas Shareholders.

Accordingly, the Rights Issue will not be extended to the Excluded Shareholders and no Rights Shares will be provisionally allotted to them. The Company will send the Prospectus to the Excluded Shareholders for their information only but will not send PALs or EAFs to them. The basis of exclusion of the Excluded Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid rights commences, if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, of HK\$100 or more will be paid to the relevant Excluded Shareholder in Hong Kong dollars pro rata to their respective shareholdings in the Company on the Record Date. The Company will retain individual amounts of less than HK\$100 for the benefit of the Company.

Any unsold entitlements of the Excluded Shareholders, together with any Rights Shares provisionally allotted to the Qualified Shareholders but not accepted, will be available for excess application by the Qualified Shareholders.

Overseas Shareholders should note that they may be entitled to vote at the EGM, but may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Record Date and closure of register of members

The Record Date and the dates for the closure of the register of members of the Company will be announced by the Company in due course. No transfers of Shares will be registered during the book closure period.

In order to be entitled to vote at the EGM or to qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date. Accordingly, to qualify for the Rights Issue, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on the Record Date to be announced.

Application for excess Rights Shares

Qualified Shareholders may apply for any unsold entitlements of the Excluded Shareholders and any Rights Shares provisionally allotted but not accepted by the Qualified Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares. Application can be made by completing the EAF and lodging the same with remittance for the excess Rights Shares. The Board will determine the allotment of the excess Rights Shares on a fair and equitable basis. Excess Rights Shares will be allocated to Qualified Shareholders who have applied for excess application on a pro-rata basis.

Shareholders with their Shares held by a nominee company should note that the Company will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange registration of the relevant Shares in the name of the beneficial owner(s) prior to the close of the register of members as mentioned above.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in nil-paid and fully paid forms), the 2011 Warrants and the Warrant Shares which may fall to be issued.

Stamp duty and any other applicable fees and charges

Dealings in the Rights Shares (in nil-paid and fully paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, Securities and Futures Commission transaction levy and any other application fees and charges in Hong Kong.

Certificates for Rights Shares

Subject to the fulfillment (or waiver) of the conditions of the Rights Issue set out in the section headed "Conditions of the Rights Issue and the Underwriting" below, certificates for all Rights Shares are expected to be posted to those who have applied and paid for the Rights Shares at their own risk.

Reasons for the Rights Issue and use of proceeds

The Company is an investment company listed under Chapter 21 of the Listing Rules and its purpose is to invest its funds in assets that offer good return. The Company's investments included listed securities, bonds, direct investments, projects, properties and structured products. The financial turmoil in 2008 has significantly diminished the Group's net asset value yet at the same time presents unique investment opportunities for the Group. The Board wishes to replenish the capital of the Company through the Rights Issue in anticipation of investment opportunities offering attractive valuation in both the local bond market, stock market, and such other opportunities as they arise.

The expected net proceeds from the Rights Issue of approximately HK\$181.5 million (after deduction of expenses and assuming no 2009 Warrants or 2011 Warrants is exercised), is intended to be applied for investment purpose. The Company intends to use the proceeds to purchase bonds as well equities, and such other investments that offer attractive return.

UNDERWRITING AGREEMENT

Key terms and details of the Underwriting Agreement are as set out below:

Date	:	13 th February, 2009
Underwriter	:	Get Nice Securities Limited
Number of Underwritten Rights Shares (based on the Shares in issue as at the Latest Practicable Date)	:	All the Rights Shares other than those Rights Shares undertaken to be taken up by Bright Clear under the Subscription Undertaking
Commission	:	2.5% of the aggregate amount underwritten. Based on the number of Rights Shares not being undertaken to be taken up by Bright Clear under the Subscription Undertaking, underwriting commission is estimated to be approximately HK\$3.4 million.

Subscription Undertaking

As at the date of this announcement, Bright Clear, a wholly owned subsidiary of AGL, is the registered owner of 504,371,800 Shares, representing approximately 26.98% of the issued share capital of the Company, and the registered holder of 100,874,360 2009 Warrants. AGL has irrevocably undertaken to procure Bright Clear and Bright Clear has irrevocably undertaken to the Company that it will take up all Rights Shares which will be provisionally allotted to it under the Rights Issue.

Conditions of the Rights Issue and the Underwriting

The Rights Issue and the Underwriter's obligations under the Underwriting Agreement is conditional upon each of the following event happening:—

- (i) the passing of ordinary resolutions by the Independent Shareholders at the EGM to approve (a) the Rights Issue and the authorization of the issue of the Rights Shares; and (b) the creation and issue of the 2011 Warrants and the authorization of the allotment and issue of the Warrant Shares;
- (ii) the passing of ordinary resolution(s) by the Shareholders at the EGM to approve the increase in the authorized share capital of the Company to HK\$700,000,000 by creation of an additional 4,000,000,000 shares of HK\$0.10 each;

- (iii) the signing by or on behalf of all the Directors (or their authorized agents) on or before the Posting Date of copies of the Prospectus Documents certifying in accordance with Section 38D of the Companies Ordinance that the Prospectus Documents have been approved by a resolution of the Board;
- (iv) the delivery on or before the Posting Date of one such signed copy of each of the Prospectus Documents to the Underwriter and the Stock Exchange;
- (v) the posting of copies of the Prospectus Documents to the Qualified Shareholders;
- (vi) the filing and registration on or prior to the Posting Date of one such signed copy of each of the Prospectus Documents (and all other documents required to be attached thereto) with the Registrar of Companies in Hong Kong, complying with the requirements of the Companies Ordinance;
- (vii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listings of and permission to deal in all the Rights Shares in their nil-paid and fully-paid forms, the 2011 Warrants Issue and the Warrant Shares;
- (viii) compliance by AGL and Bright Clear with all of its obligations under the Subscription Undertaking; and
- (ix) compliance by the Company with certain obligations under the Underwriting Agreement.

The Underwriter shall be entitled to waive the conditions under (viii) and (ix) above.

In the event that the above Conditions have not been satisfied (and/or waived), all liabilities of the Company and the Underwriter under the Underwriting Agreement shall cease and determine and the Rights Issue will not proceed. None of the parties to the Underwriting Agreement shall have any rights against or liability towards the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the Rights Issue (but not the underwriting commission) shall be borne by the Company.

As the proposed Rights Issue is subject to the above Conditions, it may or may not proceed accordingly.

Termination of Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on the second Business Day following the Acceptance Date if there occurs:—

- (i) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or

- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (iii) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such event would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and none of the parties thereunder shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter all reasonable costs, fees and expenses (but not the underwriting commission) referred to in the Underwriting Agreement.

To the best of the Directors' knowledge and information and after making reasonable enquiries, the Underwriter and its ultimate beneficial owners are independent third parties and not connected persons (as defined in the Listing Rules) of the Company.

The Underwriter may make arrangements with sub-underwriters for sub-underwriting of all or any part of the Underwritten Rights Shares provided that the Underwriter undertakes to the Company to ensure that (a) the subscribers procured by it or by sub-underwriters to subscribe for the Underwritten Rights Shares are or the sub-underwriters themselves are third parties independent of and not acting in concert with and shall not be connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; and (b) no such subscriber or purchaser of the Underwritten Rights Shares shall be procured by it or by sub-underwriters if allotment and issue of any Rights Shares to it would result in it and its associate and concert parties, when aggregated with the Shares (if any) already held by them, holding 30% or more of the enlarged issued share capital of the Company immediately after completion of the Rights Issue.

THE 2011 WARRANTS ISSUE

Subject to fulfillment and/or waiver of the Conditions and completion of the Rights Issue, the Company proposes the bonus issue of one 2011 Warrant for every five Rights Shares taken up by the Qualified Shareholders. The 2011 Warrants will entitle their holders to subscribe for new Shares at an initial subscription price of HK\$0.10 per Share (subject to adjustments) upon exercise of one 2011 Warrant.

Terms of the 2011 Warrants

Term	:	Two years from the date of issue
Conversion right	:	Right for holders of 2011 Warrants to convert all or any of their 2011 Warrants at any time during the conversion period
Conversion period	:	From the date of first issue of the 2011 Warrants to the date immediately preceding the second anniversary of the date of first issue of the 2011 Warrants
Initial Conversion price	:	HK\$0.10 per Share
Transferability	:	Freely transferable

Based on no less than 1,869,172,517 Rights Shares (assuming no issue of new Shares from the date of this announcement to the Record Date) and no more than 2,243,006,386 Rights Shares (assuming exercise in full of the subscription rights attached to the 2009 Warrants) to be issued pursuant to the Rights Issue, the number of 2011 Warrants to be issued will be no less than 373,834,503 2011 Warrants and no more than 448,601,277 2011 Warrants, entitling the holders to subscribe for the same number of Shares, representing approximately 20% of the issued share capital of the Company as at the date of this announcement and 10% of the issued share capital as enlarged by the Rights Issue. The number of 2011 Warrants proposed to be issued upon completion of the Rights Issue, when aggregated with the 2009 Warrants, will not exceed 20% of the total issued share capital of the Company (as enlarged by the issue of the Rights Shares) at the time the 2011 Warrants are issued.

Subscription price of 2011 Warrants

Each unit of the 2011 Warrants will entitle its holder to subscribe for one new Share at an initial subscription price of HK\$0.10 per Share (subject to adjustments) upon exercise of one 2011 Warrant. The subscription price of HK\$0.10 represents:

- (i) the closing price of HK\$0.10 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 2.04% over the average closing price of HK\$0.098 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately before the Last Trading Day;
- (iii) a premium of approximately 4.17% over the average closing price of HK\$0.096 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the Last Trading Day;

- (iv) the same price as the theoretical ex-rights price of HK\$0.10 per Share, which is calculated based on the closing price of HK\$0.10 per Share on the Last Trading Day; and
- (v) a discount of approximately 66.67% to the unaudited consolidated net assets value per Share as at 31st January, 2009 of approximately HK\$0.30.

The subscription price was determined with reference to the prevailing market prices of the Shares. The Board (excluding the independent non-executive Directors who will give their view after taking into account the advice of the independent financial adviser) consider the subscription price and the terms of the 2011 Warrants Issue to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

The subscription price of the 2011 Warrants will be adjusted on, *inter alia*, any capitalization issue, capital distribution, issue of rights, Shares or convertible securities at less than 90% of the then market price of the Shares and purchase of Shares or convertible securities at more than 110% of the then market price of the Shares. The number of Warrant Shares to be issued will also be adjusted on Share consolidation or sub-division. Further announcement will be made by the Company should there be any event or circumstances the occurrence of which would result in an adjustment to the subscription price or number of Warrant Shares to be issued. Details of adjustment terms to the number and price of the 2011 Warrants will be set out in the Prospectus.

Listing and Board Lot

Application for listing of, and permission to deal in, the 2011 Warrants and the Warrant Shares which may fall to be issued will be made to the Stock Exchange. The 2011 Warrants shall have the board lot size of 50,000 2011 Warrants in one board lot. The Warrant Shares which may fall to be issued will rank *pari passu* in all respect with the then existing issued Shares.

Certificates for the 2011 Warrants

Subject to the fulfillment (or waiver) of the conditions of the Rights Issue set out in the section headed “Conditions of the Rights Issue and the Underwriting” above and completion of the Rights Issue, certificates for the 2011 Warrants are expected to be posted to subscribers of the Rights Shares, at their own risk.

Fractions of the 2011 Warrants

The Company will not issue fractions of 2011 Warrants. All fractions of 2011 Warrants will be aggregated and sold for the benefit of the Company.

The 2011 Warrants Issue is conditional upon completion of the Rights Issue.

SHAREHOLDING STRUCTURE

	As at the Latest Practicable Date		Immediately upon Completion assuming all Qualified Shareholders take up their respective entitlements under the Rights Issue		Immediately upon Completion assuming all Qualified Shareholders take up their respective entitlements under the Rights Issue and all 2011 Warrants exercised in full		Immediately upon Completion assuming no Qualified Shareholders (apart from AGL) take up their respective entitlements under the Rights Issue		Immediately upon Completion assuming no Qualified Shareholders (apart from AGL) take up their respective entitlements under the Rights Issue and all 2011 Warrants exercised in full	
	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %
Non-public										
Allied Group Limited	504,371,800	26.98%	1,008,743,600	26.98%	1,109,617,960	26.98%	1,008,743,600	26.98%	1,109,617,960	26.98%
Lee Yip Wah, Peter	1,550,000	0.08%	3,100,000	0.08%	3,410,000	0.08%	1,550,000	0.04%	1,550,000	0.04%
Albert Ho	1,000,000	0.06%	2,000,000	0.06%	2,200,000	0.06%	1,000,000	0.03%	1,000,000	0.02%
Non-public subtotal	506,921,800	27.12%	1,013,843,600	27.12%	1,115,227,960	27.12%	1,011,293,600	27.05%	1,112,167,960	27.04%
Underwriter	0	0.00%	0	0.00%	0	0.00%	1,364,800,717	36.51%	1,637,760,860	39.83%
Public										
Fung Wing Cheung and his associate	168,254,258	9.00%	336,508,516	9.00%	370,159,367	9.00%	168,254,258	4.50%	168,254,258	4.09%
Poly (Hong Kong) Investments Limited	109,150,000	5.84%	218,300,000	5.84%	240,130,000	5.84%	109,150,000	2.92%	109,150,000	2.65%
Chong Sok Un and its controlled entity	127,512,000	6.82%	255,024,000	6.82%	280,526,400	6.82%	127,512,000	3.41%	127,512,000	3.10%
Other Public	957,334,459	51.22%	1,914,668,918	51.22%	2,106,135,810	51.22%	957,334,459	25.61%	957,334,459	23.29%
Public subtotal	1,362,250,717	72.88%	2,724,501,434	72.88%	2,996,951,577	72.88%	1,362,250,717	36.44%	1,362,250,717	33.13%
Total	1,869,172,517	100.00%	3,738,345,034	100.00%	4,112,179,537	100.00%	3,738,345,034	100.00%	4,112,179,537	100.00%

Note:

Given the current market price of the Shares and the prevailing conditions of the stock market, the 2009 Warrant is out of money as at the date of this Announcement. Therefore, the above shareholding structure assumes that no rights attached to the 2009 Warrants would be exercised before the Record Date in respect of difference scenarios.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Rights Issue and the associated trading arrangements will be announced by the Company in due course.

INCREASE IN AUTHORISED SHARE CAPITAL

The existing authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Shares of HK\$0.10 each. As at the date of this announcement, there are 1,869,172,517 Shares in issue and fully paid.

Upon completion of the Rights Issue and the full exercise of the 2011 Warrants, the issued Shares of the Company would be increased to 4,112,179,537 Shares assuming no new Shares were issued before the Record Date and 4,934,614,049 Shares assuming full exercise of the 2009 Warrants before the Record Date. To facilitate the Rights Issue and the 2011 Warrants, the Company proposes to increase its authorised share capital from HK\$300,000,000 (divided into 3,000,000,000 Shares of HK\$0.10 each) to HK\$700,000,000 (divided into 7,000,000,000 Shares of HK\$0.10 each) by the creation of 4,000,000,000 new Shares of HK\$0.10 each. Such new Shares, upon issue, shall rank pari passu in all respects with the existing Shares. The proposed increase in authorised share capital is conditional on the Shareholders' approval by ordinary resolution at the EGM. The increase in the authorized share capital is not conditional upon the Rights Issue.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

On 1st April, 2008, the Company announced a bonus issue of 2009 Warrants on the basis of one 2009 Warrant for every five Shares held as at 23rd May, 2008. 373,834,397 2009 Warrants with subscription price of HK\$0.33 per Share have been issued pursuant to the 2009 Warrants.

As at date of this announcement, 528 units of 2009 Warrants have been exercised, amounting in net proceeds of HK\$174.24. All the funds raised have been applied to the daily operations of the Company.

Save as disclosed above, the Company has not conducted any fund raising activities in the immediate 12 months before the date of this announcement.

LISTING AND SETTLEMENT

Subject to the granting of the listing of, and permission to deal in, the Rights Shares, the 2011 Warrants and the Warrant Shares falling to be issued on the Stock Exchange, the Rights Shares, the 2011 Warrants and the Warrant Shares falling to be issued will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of their respective dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Rights Shares (in board lots of 2,000), the 2011 Warrants (in board lots of 50,000) and the Warrant Shares which may fall to be issued under the 2011 Warrants will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

GENERAL

In accordance with Rule 7.19(6)(a) of the Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll by an ordinary resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, the Company has no controlling shareholder. Mr. Lee Yip Wah, Peter, being a non-executive Director holding 1,550,000 shares and 310,000 2009 Warrants, shall abstain from voting in favour of the ordinary resolutions to approve the Rights Issue and the 2011 Warrants Issue at the EGM. No shareholders shall be required to abstain from voting on the ordinary resolution to approve the increase in authorized share capital of the Company.

An independent board committee of the Company comprising all the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue and the 2011 Warrants Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

An EGM is proposed to be convened to approve the increase in the authorized share capital, the Rights Issue and the 2011 Warrants Issue in accordance with the Listing Rules.

A circular containing, among others, details of (i) the Rights Issue, the 2011 Warrants Issue and the proposed increase in authorised share capital of the Company; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Rights Issue and the 2011 Warrants Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue and the 2011 Warrants Issue; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as possible. The Company will send the Prospectus Documents to the Qualified Shareholders and the Prospectus (without the PAL and EAF) to the Excluded Shareholders for information only on the Posting Date.

WARNING OF THE RISKS OF DEALINGS

Shareholders and potential investors of the Company should note that (i) the Rights Issue is conditional, *inter alia*, upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of Underwriting Agreement” above); and (ii) the 2011 Warrants will be issued subject to completion of the Rights Issue.

Dealings in Shares and the Rights Shares in nil-paid form is expected to take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares and nil-paid rights up to the date on which all conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue will not become unconditional and may not proceed. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares and the nil-paid rights, and if they are in any doubt about their position, they should consult their professional advisers.

Overseas Shareholders should note that they may be entitled to vote at the EGM, but may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 13th February, 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 16th February, 2009.

DEFINITIONS

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

“2009 Warrant(s)”	the warrants issued by the Company, each entitling the holders thereof to subscribe for one new Share at an exercise price of HK\$0.33 each (subject to adjustments) between 29 th May, 2008 and 28 th May, 2009;
“2009 Warrant holder(s)”	holder(s) of the 2009 Warrant(s);
“2011 Warrant(s)”	warrant(s) proposed to be issued by the Company on the basis of one 2011 Warrant for every five Rights Shares taken up under the Rights Issue, each entitling the holder thereof to subscribe for one new Share at an initial subscription price of HK\$0.10 per Share (subject to adjustments) during the period from the date of first issue of the 2011 Warrants to the date immediately preceding the second anniversary of the date of first issue of the 2011 Warrants;
“2011 Warrants Issue”	the proposed issue of 2011 Warrants, on the basis of one 2011 Warrant for every five Rights Shares taken up under the Rights Issue;

“Acceptance Date”	the latest time for acceptance of and payment for the Rights Shares;
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
“Board”	the board of Directors, or the executive committee established by the board of Directors with the full power of the Board;
“Bright Clear”	Bright Clear Limited, a company incorporated in the British Virgin Islands, the registered owner of 504,371,800 Shares and 100,874,360 2009 Warrants and a wholly owned subsidiary of AGL as at the date of this announcement;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Yu Ming Investments Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Rights Issue;
“Conditions”	conditions of the Rights Issue and the Underwriting Agreement;
“Directors”	directors of the Company;
“EAF(s)”	the excess application form(s) to be issued to the Qualified Shareholders in respect of applications for excess Rights Shares pursuant to the Rights Issue;
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, inter alia, the resolutions in relation to the Rights Issue, the 2011 Warrants Issue and the increase in the authorised share capital;
“Excluded Shareholders”	Overseas Shareholders which the Directors, having made enquiries regarding the legal restrictions under the laws of relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction;

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholders”	Shareholders other than any controlling shareholders (as defined in the Listing Rules) of the Company and their associates (as defined in the Listing Rules) or, where there are no controlling shareholders of the Company, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates;
“Last Trading Day”	12 th February, 2009, being the last trading day before the suspension of trading in the Shares on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date and whose addresses as shown on such register are outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualified Shareholders in respect of their assured entitlements under the Rights Issue;
“Posting Date”	the expected date on which the Prospectus Documents are sent to Qualified Shareholders and the Prospectus to the Excluded Shareholders for information only, or such other date as may be agreed between the Company and the Underwriter;
“Prospectus”	the prospectus relating to the Rights Issue and the 2011 Warrants Issue prepared in accordance with the requirements of the Listing Rules to be dispatched to the Shareholders in due course;
“Prospectus Documents”	the Prospectus, the PAL and the EAF to be issued by the Company to the Qualified Shareholders in relation to the Rights Issue and the 2011 Warrants Issue;

“Qualified Shareholders”	the Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders;
“Record Date”	the date by reference to which entitlements of the Shareholders to participate in the Rights Issue is determined;
“Rights Issue”	the proposed issue for subscription by way of rights of no less than 1,869,172,517 Rights Shares (with 2011 Warrants) and no more than 2,243,006,386 Rights Shares (with 2011 Warrants) at the Subscription Price on the basis of one Rights Share (with 2011 Warrants) for every one Share held on the Record Date, on the terms and subject to conditions to be set out in the Prospectus Documents;
“Rights Share(s)”	Share(s) to be issued and allotted under the Rights Issue, being not less than 1,869,172,517 Shares and not more than 2,243,006,386 Shares;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holders of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.10 per Rights Share;
“Subscription Undertaking”	the irrevocable undertaking by AGL and Bright Clear to subscribe for all Rights Shares provisionally allotted to it under the Rights Issue;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Underwriter”	Get Nice Securities Limited, licensed under the Securities and Futures Ordinance to undertake regulated activities for types 1 (dealings in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management);
“Underwritten Rights Shares”	Rights Shares other than those Rights Shares undertaken to be taken up by Bright Clear under the Subscription Undertaking, to be underwritten by the underwriter;
“Underwriting Agreement”	the underwriting agreement dated 13 th February, 2009 entered into between the Company and the Underwriter in relation to the Rights Issue;

“Warrant Shares” means new Share(s) falling to be issued by the Company upon exercise of the subscription rights attaching to the 2011 Warrants;

“%” per cent

As at the date of this announcement, the Board comprises eight Directors of which Mr. Warren Lee Wa Lun (Managing Director), Mr. Edwin Lo King Yau and Mr. Mark Wong Tai Chun are Executive Directors; Mr. Arthur George Dew and Mr. Peter Lee Yip Wah are Non-Executive Directors; and Mr. Ambrose So Shu Fai, Mr. Albert Ho and Ms. Lam Tak Yee are Independent Non-Executive Directors.

By order of the board of
YU MING INVESTMENTS LIMITED
Warren Lee Wa Lun
Managing Director

Hong Kong, 14th February, 2009