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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)

## **DESPATCH OF CIRCULAR**

### **EXPECTED TIMETABLE IN RELATION TO THE PROPOSED RIGHTS ISSUE**

**AND**

### **CHANGE IN BOARD LOT SIZE**

**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**



**結好證券有限公司**  
**GET NICE SECURITIES LIMITED**

## **DESPATCH OF CIRCULAR**

A circular containing, amongst others, details of (i) the Rights Issue, the 2011 Warrants Issue, the proposed increase in authorised share capital of the Company and the change in board lot size; (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 on Friday, 6<sup>th</sup> March, 2009. Details of the expected timetable of the Rights Issue are set out in this announcement.

**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” in the Announcement and the Circular. In particular, the Rights Issue and the 2011 Warrants Issue is conditional upon the approval of the Independent Shareholders at the EGM. The 2011 Warrants Issue will be issued subject to completion of the Rights Issue. Accordingly, the Rights Issue and the 2011 Warrants Issue may or may not proceed.**

**Dealings in the Shares and the Rights Shares in nil-paid form (which is expected to commence on Monday, 30<sup>th</sup> March, 2009) are 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 Friday, 17<sup>th</sup> April, 2009, being 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, and if they are in any doubt about their position, they should consult their professional advisers.**

#### **CHANGE IN BOARD LOT SIZE**

Subject to completion of the Rights Issue, the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares in compliance with requirements under Listing Rules. The change in board lot size will be effective from 23<sup>rd</sup> April, 2009 and not affect any of the Shareholders’ rights. Currently, based on the theoretical ex-rights price of HK\$0.10 per Share, the market value of one board lot of 2,000 Shares is HK\$200. Based on the theoretical ex-right price of HK\$0.10 per Share, the market value of one board lot of 20,000 Shares will be HK\$2,000 following the change in board lot size.

Reference is made to the announcement of the Company dated 14<sup>th</sup> February, 2009 (the “Announcement”) in relation to, amongst other things, the proposed rights issue of the Company. Terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

The Company proposes 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.

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.

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 subscription rights attaching to the 2011 Warrant. Not less than 373,834,503 2011 Warrants and not more than 448,601,277 2011 Warrants will be issued pursuant to the 2011 Warrants Issue.

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 to purchase bonds as well equities, and such other investments that offer attractive return.

## **DESPATCH OF CIRCULAR**

A circular containing, amongst others, details of (i) the Rights Issue, the 2011 Warrants Issue, the proposed increase in authorised share capital of the Company and the change in board lot size of the Shares; (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 and recommendation from Menlo Capital Limited, being 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 (the “Circular”), will be despatched to the Shareholders on Friday, 6<sup>th</sup> March, 2009.

**EXPECTED TIMETABLE**

Set out below is an indicative timetable for the proposed Rights Issue. The timetable is subject to the results of the EGM and, if any, other changes in accordance with the Underwriting Agreement. The Company will notify the Shareholders on any changes to the expected timetable as and when appropriate. The expected timetable will also be set out in the Circular.

2009

Last day of dealings in the Shares on a cum-right basis ..... Monday, 16<sup>th</sup> March

First day of dealings in the Shares on an ex-right basis ..... Tuesday, 17<sup>th</sup> March

Latest time for lodging transfer of the Shares and subscription forms for the 2009 Warrants for entitlement to the Rights Issue.....4:30 p.m. on Wednesday, 18<sup>th</sup> March

Registers of members and holders of the 2009 Warrants of the Company closed ..... Thursday, 19<sup>th</sup> March to Tuesday, 24<sup>th</sup> March (both days inclusive)

Latest time for lodging forms of proxy for the EGM .....4:30 p.m. on Sunday, 22<sup>nd</sup> March

EGM..... 4:30 p.m. on Tuesday, 24<sup>th</sup> March

Record Date..... Tuesday, 24<sup>th</sup> March

Announcement of the results of the EGM to be published .....by 11:00 p.m. Tuesday, 24<sup>th</sup> March

Registers of members and holders of the 2009 Warrant of the Company re-opens ..... Wednesday, 25<sup>th</sup> March

Despatch of the Prospectus Documents to the Qualified Shareholders and Prospectus to the Excluded Shareholders for information only .....Thursday, 26th March

First day of dealings in the nil-paid Rights Shares..... Monday, 30th March

Latest time for splitting the nil-paid Rights Shares..... 4:00 p.m. on Friday, 3<sup>rd</sup> April

Last day of dealings in the nil-paid Rights Shares ..... Wednesday, 8<sup>th</sup> April

Latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares ..... 4:00 p.m. on Wednesday, 15<sup>th</sup> April

Underwriting Agreement becomes unconditional on or before..... 4:00 p.m. on Friday, 17<sup>th</sup> April

Announcement of results of the Rights Issue expected to be made on the websites of the Stock Exchange and the Company on or before .....Thursday, 23<sup>rd</sup> April

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted.....Thursday, 23<sup>rd</sup> April

Certificates for the fully paid Rights Shares and 2011 Warrants to be despatched on or before .....Thursday, 23<sup>rd</sup> April

Dealings in fully-paid Rights Shares and 2011 Warrants commence ..... Monday, 27<sup>th</sup> April

*Notes:*

1. All times in this announcement refer to Hong Kong times.
2. Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares:

The latest time for acceptance of and payment for the Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning. If such circumstance is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 15<sup>th</sup> April, 2009, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Share does not take effect on Wednesday, 15<sup>th</sup> April, 2009, the dates mentioned above may be affected. An announcement will be made by the Company in such event.

3. Shareholders should note that the EGM will be held on Tuesday, 24<sup>th</sup> March, 2009 at 4:30 p.m..

## **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, 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 below.

## **WARNING OF THE RISKS OF DEALINGS**

**Shareholders and potential investors of the Company should note that 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” in the**

**Announcement and the Circular). The 2011 Warrants Issue will be issued subject to completion of the Rights Issue. Accordingly, the Rights Issue and the 2011 Warrants Issue may or may not proceed.**

**Dealings in the Shares and the Rights Shares in nil-paid form (which is expected to commence on Monday, 30<sup>th</sup> March, 2009) are 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 Friday, 17<sup>th</sup> April, 2009, being 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, 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, details of which will be set out in the Circular and prospectus to be issued by the Company. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

#### **RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS AND REGISTER OF HOLDERS OF 2009 WARRANTS**

The Record Date will be Tuesday, 24<sup>th</sup> March, 2009 and the register of members and the register of holders of the 2009 Warrants of the Company will be closed from Thursday, 19<sup>th</sup> March, 2009 to Tuesday, 24<sup>th</sup> March, 2009 (both days inclusive). No transfers of Shares, 2009 Warrants and no subscription of Shares by way of exercise of rights attached to the 2009 Warrants 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 be entitled to vote at the EGM and to qualify for the Rights Issue, all transfer of Shares accompanied by the relevant share certificates and transfer forms, in the case of holders of the 2009 Warrants, subscription forms accompanied by the relevant warrant certificates together with the relevant subscription money, must be lodged for registration with the Company's share registrar, Tricor Secretaries Limited, at 26<sup>th</sup> Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 18<sup>th</sup> March, 2009.

## **CHANGE IN BOARD LOT SIZE**

Subject to completion of the Rights Issue, the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares in compliance with the requirements under Listing Rules. The change in board lot size will become effective on 23<sup>rd</sup> April, 2009 and will not affect any of the Shareholders' rights. Currently, based on the theoretical ex-rights price of HK\$0.10 per Share, the market value of one board lot of 2,000 Shares is HK\$200. Based on the theoretical ex-right price of HK\$0.10 per Share, the market value of one board lot of 20,000 Shares will be HK\$2,000 following the change in board lot size.

## **EXPECTED TIMETABLE FOR CHANGE IN BOARD LOT SIZE**

2009

Effective date of the change in board lot size from  
2,000 Shares to 20,000 Shares.....Thursday, 23<sup>rd</sup> April

Designated broker starts to stand in the market to  
Provide matching services for odd lots.....Thursday, 23<sup>rd</sup> April

Designated broker ceases to stand in the market to  
Provide matching services for odd lots.....Friday, 22<sup>nd</sup> May

Effective from 23<sup>rd</sup> April, 2009, any new share certificates will be issued in board lot of 20,000 Shares each (except for odd lots or where the Company's share registrar is otherwise instructed). All existing share certificates in board lot of 2,000 Shares each will continue to be evidence of title to such Shares and be valid for transfer, delivery and settlement purposes. Accordingly, no arrangement of free exchange of existing share certificates for new share certificates under the new board lot of 20,000 Shares would be provided. Save and except for the change in the number of the Shares for each board lot, new share certificates will have the same format and color as the existing share certificates.

In order to facilitate the trading of odd lots (if any) of the Shares arising from the change in board lot size, the Company has appointed Sun Hung Kai Investment Services Limited to stand in the market to provide matching services for the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from 23<sup>rd</sup> April, 2009 to 4:00 p.m. 22<sup>nd</sup> May, 2009 (both dates inclusive). Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or top up to a full board lot, may directly or through their brokers, contact Ms.Vicky Tang Lok Ki of Sun Hung



Kai Investment Services Limited by telephone at 3920 1760 or by fax at 3920 1777 during this period. Holders of odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is on a best effort basis only and successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional adviser.

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

By order of the Board of  
**YU MING INVESTMENTS LIMITED**  
**Lee Wa Lun, Warren**  
*Managing Director*

Hong Kong, 4<sup>th</sup> March, 2009