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# **SHANGHAI MING YUAN HOLDINGS LIMITED**

**上海銘源控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**Financial Adviser**

**Henco & Associates**

**Henco Capital Limited**

## **PROPOSAL FOR SUBDIVISION OF SHARES CHANGE OF BOARD LOT SIZE AND AMENDMENT OF MEMORANDUM OF ASSOCIATION**

The Company will propose to the Shareholders that each of the existing issued and unissued shares of HK\$0.25 each in the share capital of the Company be subdivided into five shares of HK\$0.05 each. In view of the prevailing market condition, the board of directors of the Company considers that the lower price per share following the Share Subdivision will enable the Company to attract more investors, hence widening its shareholder base.

As the par value of the shares of the Company will be changed from HK\$0.25 per Current Share to HK\$0.05 per Subdivided Share after the Share Subdivision, it is necessary for the Company to amend clause 6 of its memorandum of association to reflect the new par value of its shares. A special resolution will be proposed at the Special General Meeting to approve the aforesaid amendment.

A circular containing, among other things, details of the Share Subdivision, the odd lot arrangement, exchange of share certificates in respect of the Subdivided Shares, appointment of the Agent, change in the number and issue price of the Consideration Shares and the amendment of the memorandum of association of the Company together with the relevant notice to convene the Special General Meeting for the purposes of considering and passing the relevant resolutions to approve, among other things, the Share Subdivision and the amendment of the memorandum of association of the Company will be despatched to Shareholders as soon as practicable.

### **SHARE SUBDIVISION**

Shanghai Ming Yuan Holdings Limited (the “Company”) will put to its shareholders a proposal (the “Share Subdivision”) that each of the existing issued and unissued shares of HK\$0.25 each in the capital of the Company (the “Current Shares”) be subdivided into five shares of HK\$0.05 each (the “Subdivided Shares”). The Company also proposes to change the board lot of the shares of the Company from 2,000 Current Shares to 10,000 Subdivided Shares upon the Share Subdivision becomes effective. In view of the prevailing market condition, the board of directors of the Company considers that the lower price per share following the Share Subdivision will enable the Company to attract more investors, hence widening its shareholder base.

As at the date of this announcement, the authorised share capital of the Company is HK\$150,000,000 comprising 600,000,000 Current Shares, of which 432,619,246 Current Shares are in issue. Immediately upon the Share Subdivision becomes effective, the authorised share capital of the Company will be HK\$150,000,000 comprising 3,000,000,000 Subdivided Shares, of which 2,163,096,230 Subdivided Shares will be in issue and fully paid assuming that no further Current Shares are issued or repurchased prior to the Share Subdivision becomes effective. The Subdivided Shares will rank pari passu in all respects with the Current Shares in issue prior to the Share Subdivision (but their nominal value will be different) and the rights attaching to the Subdivided Shares will not be affected by the Share Subdivision.

## **CONDITIONS OF THE SHARE SUBDIVISION**

The Share Subdivision is conditional upon, inter alia:

- (a) the passing of an ordinary resolution by the shareholders of the Company (the “Shareholders”) at the special general meeting of the Company (the “Special General Meeting”); and
- (b) the Bermuda Monetary Authority granting its consent to the Share Subdivision; and
- (c) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, the Subdivided Shares.

Implementation of the Share Subdivision will not, of itself, alter the underlying assets, business operations, and management or financial position of the Company or the proportional interests of the Shareholders. The board of directors of the Company believes that the Share Subdivision will not have a material adverse effect on the financial position of the Company and its subsidiaries.

## **ODD LOT ARRANGEMENT**

In order to facilitate the trading of odd lots of Subdivided Shares as a result of the Share Subdivision, the Company will appoint an agent (the “Agent”) to provide the service to match the sale and purchase of odd lots of the Current Shares during the period from Tuesday, 17 April, 2003 to Friday, 14 May, 2003, both days inclusive. Details of the odd lot arrangement and the Agent will be set out in the circular of the Company to be despatched to the Shareholders on or about 12 March, 2003.

Holders of the Current Shares in odd lots should note that the matching of the sale and purchase of odd lots of the Current Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in any doubt about the facility described above.

## EXPECTED TIMETABLE

The expected timetable for the Share Subdivision is as follows:

*Year 2003*

Circular relating to the Share Subdivision to be despatched on or about .....	Wednesday, 12 March
Register of members to be closed .....	from 27 March to 2 April
Latest time for lodging forms of proxy for the Special General Meeting .....	10:00a.m. on Monday, 31 March
Special General Meeting .....	10:00a.m. on Wednesday, 2 April
Effective date of Share Subdivision .....	Thursday, 3 April
Dealing in Subdivided Shares commences .....	9:30 a.m. on Thursday, 3 April
Existing counter for trading in Current Shares in board lots of 2,000 Current Shares temporarily closes .....	9:30 a.m. on Thursday, 3 April
Temporary counter for trading in Subdivided Shares in board lots of 10,000 Subdivided Shares (in the form of existing share certificates) opens .....	9:30 a.m. on Thursday, 3 April
First day of free exchange of certificates for Current Shares for new certificates for the Subdivided Shares .....	Thursday, 3 April
Existing counter for trading in Subdivided Shares in board lots of 10,000 Subdivided Shares (in the form of new certificates for Subdivided Shares) reopens .....	9:30 a.m. on Thursday, 17 April
Parallel trading in Subdivided Shares (in the form of new certificates for Subdivided Shares and certificate for Current Shares) commences .....	9:30 a.m. on Thursday, 17 April
Temporary counter for trading in Subdivided Shares in board lots of 10,000 Subdivided Shares (in the form of existing share certificates) ends .....	4:00 p.m. on Wednesday, 14 May

Parallel trading in Subdivided Shares  
(in the form of new certificates for  
Subdivided Shares and certificates  
for Current Shares) ends .....4:00 p.m. on Wednesday, 14 May

Last day for free exchange of certificates for  
Current Shares for new certificates for  
Subdivided Shares ..... 4:00 p.m. on Monday, 19 May

All the existing certificates for the Current Shares will only be valid for delivery and settlement only in respect of dealings for the period up to 4:00p.m., 14 May, 2003 and thereafter will not be accepted for dealing purposes. However, the existing certificates for the Current Shares will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Current Share for five Subdivided Shares and may be exchanged for new certificates for Subdivided Shares at any time on or after 3 April, 2003. New share certificates for the Subdivided Shares will be issued to the Shareholders free of charge for the period from 3 April, 2003 to 19 May, 2003, both days inclusive. Thereafter, existing share certificates for the Current Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued.

#### **AMENDMENT OF MEMORANDUM OF ASSOCIATION**

As the par value of the shares of the Company will be changed from HK\$0.25 per Current Share to HK\$0.05 per Subdivided Share after the Share Subdivision, it is necessary for the Company to amend clause 6 of its memorandum of association to reflect the new par value of its shares. A special resolution will be proposed at the Special General Meeting to approve the aforesaid amendment.

#### **ACQUISITION OF GIANT POWER INTERNATIONAL LIMITED**

With reference to the announcement and the circular of the Company dated 27 January, 2003 and 14 February, 2003 respectively regarding the acquisition of Giant Power International Limited by Fun Area Limited, a wholly-owned subsidiary of the Company (the "Acquisition"), the Company will issue and allot the 40,000,000 shares of the Company (the "Consideration Shares") to Mr. Lee Kuan Teik as vendor at an issue price of HK\$1.00 per share of the Company at the completion of the Acquisition. As the par value of the shares of the Company, if approved, will be changed from HK\$0.25 per Current Share to HK\$0.05 per Subdivided Share as a result of the Share Subdivision, the number and issue price of the Consideration Shares will be changed to 200,000,000 Subdivided Shares and HK\$0.20 respectively subject to the Share Subdivision becomes effective.

## GENERAL

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares.

A circular containing, among other things, details of the Share Subdivision, the odd lot arrangement, exchange of share certificates in respect of the Subdivided Shares, appointment of the Agent, change in the number and issue price of the Consideration Shares and the amendment of the memorandum of association of the Company together with the relevant notices to convene the Special General Meeting for the purposes of considering and passing the relevant resolutions to approve, among other things, the Share Subdivision and the amendment of the memorandum of association of the Company will be despatched to the Shareholders as soon as practicable.

By Order of the Board  
**Shanghai Ming Yuan Holdings Limited**  
上海銘源控股有限公司\*  
**Chien Hoe Yong**  
*Executive Director*

Hong Kong, 27 February, 2003

\* *For identification purposes only*

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