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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in **Yu Ming Investments Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.

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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)

## **MAJOR TRANSACTION**

### **DISPOSAL OF 45,000 WARRANTS IN J. BRIDGE CORP. TO WESTCITY INVESTMENTS LIMITED FOR A CONSIDERATION OF US\$9,375,000**

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A notice convening an extraordinary general meeting of Yu Ming Investments Limited to be held at 4:00 p.m. on 23<sup>rd</sup> December, 2008 is set out on page 18 of this circular. Whether or not you intend to present at the meeting, you are recommended to complete the form of proxy in accordance with the instructions printed thereon and return the same at Tricor Secretaries Limited, the share registrars of the Company, at 26<sup>th</sup> Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the extraordinary general meeting or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting in person should you so wish.

3<sup>rd</sup> December, 2008

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## DEFINITIONS

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

“Board”	the board of Directors of the Company
“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 proposed Disposal pursuant to the Sale and Purchase Agreement
“Completion Date”	the third business day after Shareholders’ approval of the Disposal at the EGM
“Consideration”	US\$9,375,000 (equivalent to approximately HK\$73,125,000)
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the Sale Warrants by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“EGM”	an extraordinary general meeting of the Company to be convened at 4:00 p.m. on 23 <sup>rd</sup> December, 2008 to approve the Sale and Purchase Agreement and the transaction contemplated thereunder
“First Announcement”	the announcement of the Company dated 13 <sup>th</sup> November, 2008
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“J. Bridge”	J. Bridge Corp., a company incorporated under the laws of Japan and listed on the Second Section of Tokyo Stock Exchange
“J. Bridge Shares”	ordinary shares in the share capital of J. Bridge
“Latest Practicable Date”	1 <sup>st</sup> December, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratio(s)”	the percentage ratio(s) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“Purchaser”	Westcity Investments Limited, a company incorporated in the British Virgin Islands and a third party independent of the Group and its connected persons
“Rotol”	Rotol Singapore Limited, a company incorporated in Singapore, the shares of which are listed on the Singapore Exchange Limited
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 <sup>th</sup> November, 2008 and amended in the supplemental agreement dated 19 <sup>th</sup> November, 2008 entered into between the Purchaser and the Vendor in relation to the Disposal
“Sale Warrant(s)”	45,000 Warrants
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Long Set Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Warrant(s)”	J. Bridge Corp. No. 8 stock acquisition right(s) issued by J. Bridge, details of which are set out in the section “Major Terms of the Sale Warrants” of this circular
“YM Warrant(s)”	warrants issued by the Company entitling the holders thereof to subscribe at any time during the period from 29 <sup>th</sup> May, 2008 to 28 <sup>th</sup> May, 2009 (both days inclusive) for fully paid Shares at an initial subscription price of HK\$0.33 per Share (subject to adjustment)

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## DEFINITIONS

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“%”	per cent
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States Dollars, the lawful currency in the United States of America
“¥” or “JPY”	Japanese Yen, the lawful currency of Japan

*(The exchange rates used for the purpose of this circular are at US\$1=HK\$7.8, ¥1=HK\$0.0795 and US\$1=¥98.113)*

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Lee Seng Hui (*Chairman*)  
Lee Wa Lun, Warren (*Managing Director*)  
Lo King Yau, Edwin

*Registered Office:*

Room 1901B, 19<sup>th</sup> Floor  
Allied Kajima Building  
138 Gloucester Road  
Hong Kong

*Non-Executive Directors:*

Arthur George Dew  
Lee Yip Wah, Peter  
Wong Tai Chun, Mark (*Alternate Director to Arthur George Dew*)

*Independent Non-Executive Directors:*

So Shu Fai, Ambrose  
Albert Ho  
Lam Tak Yee

3<sup>rd</sup> December, 2008

*To Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION

### DISPOSAL OF WARRANTS IN J. BRIDGE CORP.

#### INTRODUCTION

Reference is made to the First Announcement in respect of the disposal by the Group of the Sale Warrants issued by J. Bridge at the consideration of US\$12,500,000 (equivalent to approximately HK\$97,500,000), subject to approval by Shareholders at the EGM on or before 31<sup>st</sup> January, 2009.

On 19<sup>th</sup> November, 2008, the Company further announced that in order to comply with relevant regulatory requirement in Japan after consulting legal advisers, the Purchaser and the Vendor entered into a supplemental agreement, pursuant to which the number of Sale Warrants is reduced from 60,000 to 45,000, and the consideration for the Disposal is reduced proportionately from US\$12,500,000 (equivalent to approximately HK\$97,500,000) to US\$9,375,000 (equivalent to approximately HK\$73,125,000).

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## LETTER FROM THE BOARD

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As the Percentage Ratio applicable to the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction to the Company and is subject to the Shareholders' approval at the EGM pursuant to requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to set out (i) further information in relation to the Sale and Purchase Agreement, (ii) financial information of the Company and (iii) a notice of EGM to be held for approving the Disposal.

### SALE AND PURCHASE AGREEMENT

**Date** 13<sup>th</sup> and 19<sup>th</sup> November, 2008

#### Parties

**Vendor:** Long Set Investments Limited, a wholly-owned subsidiary of the Company, whose principal business is investments holding.

**Purchaser:** Westcity Investments Limited, a company incorporated in the British Virgin Islands. The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and its connected persons.

#### Transaction

Subject to Shareholders' approval at the EGM on or before 31<sup>st</sup> January, 2009 pursuant to Chapter 14 of the Listing Rules, the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Warrants at the consideration of US\$9,375,000 (equivalent to approximately HK\$73,125,000) pursuant to the terms of the Sale and Purchase Agreement.

Completion of the Sale and Purchase Agreement is expected to take place on the 3<sup>rd</sup> business day after the Shareholders' approval at the EGM or such other date as the Purchaser and the Vendor may agree.

The long stop date for completion of the Disposal is 31<sup>st</sup> January, 2009. In the event the Disposal is not approved at the EGM on or before 31<sup>st</sup> January, 2009, the Sale and Purchase Agreement will lapse and none of the Vendor or the Purchaser will have any obligations or liabilities thereunder.

#### Consideration

The US\$9,375,000 (equivalent to approximately HK\$73,125,000) consideration of the Disposal is to be satisfied by cash in the following manner:

- (i) as to US\$4,000,000 (equivalent to approximately HK\$31,200,000) payable upon the Completion Date;

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## LETTER FROM THE BOARD

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- (ii) in aggregate with all previous payments, at least US\$6,000,000 (equivalent to approximately HK\$46,800,000) shall have been paid on the first anniversary day of the Completion Date;
- (iii) in aggregate with all previous payments, at least US\$8,000,000 (equivalent to approximately HK\$62,400,000) shall have been paid on the second anniversary day of the Completion Date; and
- (iv) as to the remaining balance of the Consideration after early payment adjustment as set out below payable on or before the third anniversary day of the Completion Date.

Should the Purchaser pay the Consideration before the above payment schedule, the Consideration will be adjusted for payment received earlier than scheduled at a rate of 8% per annum over the amount so paid.

Transfer of custody of the Sale Warrants will take place upon full payment of the Consideration by the Purchaser to the Vendor.

Pursuant to the conversion ratio of one Warrant to 1,000 J. Bridge Shares, premium of the Sale Warrant to subscribe for one J. Bridge Share is valued at approximately JPY20.4 (equivalent to approximately HK\$1.6). The carrying value of the Sale Warrants to the Vendor as at 30<sup>th</sup> June, 2008 is HK\$35.8 million or approximately HK\$0.8 per right to convert to one J. Bridge Share.

The Consideration has been agreed by the contractual parties after arm's length negotiations, having taken into account:

- (i) the exercise price of the Warrants per J. Bridge Share pursuant to the terms of the Sale Warrants is adjustable in the range between JPY45 (equivalent to approximately HK\$3.6) and JPY85 (equivalent to approximately HK\$6.8) depending on the prevailing market prices;
- (ii) the most recent exercise price at JPY45 of the Warrants (equivalent to approximately HK\$3.6) per J. Bridge Share prior to the entering into the Sale and Purchase Agreement;
- (iii) recent price volatility of J. Bridge Shares;
- (iv) the closing price of JPY21 (equivalent to approximately HK\$1.7) per J. Bridge Share as at the last trading date prior to the date of the Sale and Purchase Agreement, being 12<sup>th</sup> November, 2008; and
- (v) the audited net asset value of J. Bridge as at 31<sup>st</sup> March, 2008 was approximately JPY5,894.7 million (equivalent to approximately HK\$468.6 million), representing approximately JPY62.1 (equivalent to approximately HK\$4.9) per J. Bridge Share.



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## LETTER FROM THE BOARD

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The most recent exercise price of the Warrants per J. Bridge Share as published on J. Bridge's website was JPY45 (equivalent to approximately HK\$3.6), which was calculated based on the terms of the Warrants and trading price of J. Bridge Shares traded on the Tokyo Stock Exchange. Aggregating the exercise price per J. Bridge Share and selling premium per right to subscribe for one J. Bridge Share of approximately JPY20.4 (equivalent to approximately HK\$1.6), the effective conversion price upon exercise per J. Bridge Share is JPY65.4 (equivalent to approximately HK\$5.2), which represents:

- (i) a premium of approximately 227.0% over the closing price of JPY20 (equivalent to approximately HK\$1.6) per J. Bridge Share on the Latest Practicable Date;
- (ii) a premium of approximately 233.7% over the average closing price of JPY19.6 (equivalent to approximately HK\$1.6) per J. Bridge Share for the 10 consecutive trading days up to and including the Latest Practicable Date;
- (iii) a premium of approximately 222.2% over the average closing price of JPY20.3 (equivalent to approximately HK\$1.6) per J. Bridge Share for the 30 consecutive trading days up to and including the Latest Practicable Date; and
- (iv) a premium of approximately 5.3% over the audited net asset value per J. Bridge Share as at 31<sup>st</sup> March, 2008 of JPY62.1 (equivalent to approximately HK\$4.9).

### INFORMATION ON J. BRIDGE

J. Bridge is a company incorporated under the laws of Japan and is listed on the Second Section of Tokyo Stock Exchange. It is a financial investment firm based in Japan, focusing on revitalization of distressed companies. The investments of J. Bridge include healthcare and construction businesses. One of J. Bridge's strategic investments was its 57.3% controlling interests in Rotol, a construction material company listed on the Singapore Exchange Securities Trading Limited. On 19<sup>th</sup> September, 2008, J. Bridge disposed of 38% interests in Rotol.

The audited net asset value of J. Bridge as at 31<sup>st</sup> March, 2008 was approximately JPY5,894.7 million (equivalent to approximately HK\$468.6 million), representing approximately JPY62.1 per share (equivalent to approximately HK\$4.9) based on 94,863,629 total issued J. Bridge Shares. The audited net losses of J. Bridge before and after taxation are as follows:

<b>Year ended 31<sup>st</sup> March</b>	<i>(JPY 'million)</i>	
	<b>2008</b>	<b>2007</b>
Net (loss) before taxation	(1,393)	(19,797)
Net (loss) after taxation	(1,431)	(19,927)
Net (loss) after taxation and minority interests	(1,556)	(18,279)

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## LETTER FROM THE BOARD

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The audited net losses of J. Bridge before and after taxation, after translated to Hong Kong dollars, are as follows:

*(HK\$ 'million)*

<b>Year ended 31<sup>st</sup> March</b>	<b>2008</b>	<b>2007</b>
Net (loss) before taxation	(110.7)	(1,573.9)
Net (loss) after taxation	(113.7)	(1,584.2)
Net (loss) after taxation and minority interests	(123.7)	(1,453.2)

The net loss of J. Bridge for the year ended 31<sup>st</sup> March, 2008 was mainly caused by the fall in the value of its investments.

### MAJOR TERMS OF THE SALE WARRANTS

Number	:	45,000
Consideration	:	US\$9,375,000 (equivalent to approximately HK\$73,125,000)
Status	:	Unlisted
Exercise Price	:	the amount equivalent to 90% (rounding up any figures after the decimal point) of the average of the daily closing price of J. Bridge Shares for a 5 consecutive trading days ending on and including the first Friday and third Friday of every calendar month, subject to customary price adjustment mechanism applicable to stock warrants
Conversion ratio	:	one Warrant to 1,000 J. Bridge Shares
Exercise period	:	exercisable until 2 <sup>nd</sup> July, 2012

The exercise of the Sale Warrants is at the discretion of the Warrant holders.

### REASONS FOR AND BENEFIT OF THE PROPOSED DISPOSAL

As stated in the 2007 annual report of the Company, the Company considered the investment in J. Bridge and indirectly J. Bridge's controlling stake in Rotol strategic. However, as J. Bridge disposed of its 38% interests in Rotol, reducing its beneficial interests in Rotol to a minority level at 19.3%, making J. Bridge less attractive to the Company. The global investment climate has also deteriorated materially to an extent unexpected by the Directors, and many professional investors. The Disposal is an exceptional opportunity for the Company to increase its cash reserve as a defensive and strategic move. As the Consideration is at a good premium over the carrying value of the Sale Warrants, the Directors believe the terms of the Disposal are fair and reasonable and the Disposal is in the best interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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Based on the carrying value of the Sale Warrants of approximately HK\$35.8 million (pro rata by reference to approximately HK\$47.7 million for 60,000 Warrants as extracted from the interim report of the Company for the six months ended 30<sup>th</sup> June, 2008), total consideration receivable and assuming no early payment would be made by the Purchaser, a surplus of approximately HK\$37.3 million over the carrying value of the Sale Warrants to the Group would arise upon completion of the transactions as set out in the Sale and Purchase Agreement. Subject to confirmation with the auditors, it is the estimate of the Directors that such surplus would be recognised as a gain to be accrued to the accounts of the Group. Accordingly, the consolidated assets of the Group are expected to increase by the same amount as compared with that as at 30<sup>th</sup> June, 2008. No change in the consolidated liabilities of the Group would arise from the Disposal.

The remaining 15,000 Warrants held by the Group if fully exercised and converted into the J. Bridge Shares would represent (i) approximately 13.7% of the total issued share capital of J. Bridge assuming none of the Warrants other than those already held by the Group is exercised; and (ii) approximately 9.1% of the total issued share capital of J. Bridge assuming all Warrants other than those already held by the Group are exercised.

The Directors consider that the Disposal contemplated in and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interest of the Company and Shareholders as a whole.

### USE OF PROCEEDS

The Directors intend to apply the proceeds to be received from the Disposal for investment purpose in the ordinary course of business of the Company. As at the date of this circular, the Directors have not identified any specific investment opportunity.

### INFORMATION ON THE COMPANY

The Company is an investment company listed under Chapter 21 of the Listing Rules with a broad investment scope covering investment in equities, fixed income instruments, properties, private equity and structured financing.

### INFORMATION ON THE PURCHASER

So far as the Directors are aware, the Purchaser is an investment holding company beneficially owned by Mr. Lo Ming Sui, who is, to the best knowledge of the Directors, an independent third party and not a connected person or an associate of a connected person of the Company under the Listing Rules. The Company was acquainted with Mr. Lo via normal business contacts. Mr. Lo is an individual investor, who has over 15 years of trading experience in industrial machinery and property development in the PRC. There has been no prior transaction between the Group and the Purchaser in the past.

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## LETTER FROM THE BOARD

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### FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As stated in our 2007 annual report, volatility is the theme of 2008 in the stock market. Value of the Group's portfolio of equity securities and equity related forward contracts and derivatives fell significantly since 30<sup>th</sup> June, 2008, as shown in the net asset value statements published monthly on the website of the Company and the Stock Exchange. As at 31<sup>st</sup> October, 2008, the unaudited consolidated net asset value per Share was approximately HK\$0.28. However, the Company had no outstanding borrowing or indebtedness as at the Latest Practicable Date and as such is in a strong financial position to weather the global financial crisis. The Board is of the opinion that with the liquidity generated from the Disposal, the Group is in a position to negotiate new investments that offer attractive terms in the difficult market at present.

### GENERAL

As the Percentage Ratio applicable to the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction to the Company and is subject to the Shareholders' approval requirements under Chapter 14 of the Listing Rules. So far as the Directors are aware, having made all reasonable enquiries, no Shareholders have any material interest in the Disposal, therefore no Shareholder will be required to abstain from voting for the Disposal.

### EXTRAORDINARY GENERAL MEETING

A notice of the EGM, to be held at 4:00 p.m. on 23<sup>rd</sup> December, 2008 at Plaza I-III, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong for the purposes of considering and, if thought fit, approving the Sale and Purchase Agreement, is set out on page 18 of this circular. Shareholders are encouraged to attend the EGM.

A form of proxy for use at the EGM is enclosed. Whether or not you intend to present at the meeting, you are recommended to complete the form of proxy in accordance with the instructions printed thereon and return the same at Tricor Secretaries Limited, the share registrars of the Company, at 26<sup>th</sup> Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the EGM in person should you so wish.

### PROCEDURE FOR DEMANDING A POLL AT THE EGM

In accordance with the articles of association of the Company, a poll may be demanded at the EGM by:

- A. the chairman of the EGM; or
- B. at least three members present in person or by proxy for the time being entitled to vote at the EGM; or
- C. any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the EGM; or

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## LETTER FROM THE BOARD

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- D. any member or members present in person or by proxy and holding Shares conferring a right to vote at the EGM being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

### RECOMMENDATION

The Board, including independent non-executive Directors, considers that the Consideration and the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Sale and Purchase Agreement.

Yours faithfully  
For and on behalf of the Board  
**YU MING INVESTMENTS LIMITED**  
**LEE Wa Lun, Warren**  
*Managing Director*

**1. RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

**2. FINANCIAL INFORMATION OF THE GROUP****i. Indebtedness Statement**

As at the close of business on 30<sup>th</sup> September, 2008, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular:

- a. the Group had no outstanding borrowings or indebtedness;
- b. certain equity securities held for trading with a carrying value of HK\$21,109,000 were pledged to a financial institution as security for settlement of certain listed options and deposits of HK\$71,236,000 were paid to a financial institution to secure settlement of the equity forward contracts and certain listed options; and
- c. the Company has given guarantee to a financial institution to secure borrowing facilities available to a wholly-owned subsidiary in the amount not exceeding US\$20 million (equivalent to approximately HK\$156 million) and no facilities were utilized.

Save as disclosed above and apart from intra-group liabilities, the Group did not have, outstanding as at the close of business on 30<sup>th</sup> September, 2008 any loan capital issued or agreed to be issued, bank overdrafts, debt securities or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

**ii. Working capital**

The Directors are of the opinion that after taking into account of the Group's internal resources, the Group has sufficient working capital for its present requirements for the next twelve months from the date of this circular.

### 3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and the short positions (within the meaning of Part XV of the SFO) of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Name of Director	Number of Shares held		Number of YM Warrants held	Total interests	% of total relevant issued Shares
	Personal interests	Corporate interests			
Lee Seng Hui	–	504,371,800	100,874,360	605,246,160 <i>(Note i)</i>	32.38%
Lee Yip Wah, Peter	1,550,000	–	310,000	1,860,000 <i>(Note ii)</i>	0.10%
Albert Ho	1,000,000	–	200,000	1,200,000 <i>(Note iii)</i>	0.06%

*Notes:*

- i. Mr. Lee Seng Hui is one of the trustees of Lee and Lee Trust (“LLT”) holding 44.51% interest in Allied Group Limited (“AGL”), which holds 504,371,800 Shares and 100,874,360 units of YM Warrant through its wholly-owned subsidiaries. Accordingly, Mr. Lee Seng Hui and LLT are deemed to have an interest in the Shares and YM Warrants in which AGL is interested.

The total interest includes the holding of (i) 504,371,800 Shares and (ii) 100,874,360 units of YM Warrant giving rise to an interest of 100,874,360 underlying Shares.

- ii. The total interest includes the holding of (i) 1,550,000 Shares and (ii) 310,000 units of YM Warrant giving rise to an interest of 310,000 underlying Shares.

- iii. The total interest includes the holding of (i) 1,000,000 Shares and (ii) 200,000 units of YM Warrant giving rise to an interest of 200,000 underlying Shares.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

## 4. SUBSTANTIAL SHAREHOLDERS

So far as was known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons, other than a Director or chief executive of the Company, has an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in ten per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholder	Notes	Capacity	Number of Shares	Number of YM Warrants	Total interests	% of total relevant issued Shares
Allied Group Limited	i	Interest of controlled corporation	504,371,800	100,874,360	605,246,160	32.38%
Lee and Lee Trust	ii	Interest of controlled corporation	504,371,800	100,874,360	605,246,160	32.38%
Poly (Hong Kong) Investments Limited	iii	Interest of controlled corporation	109,150,000	–	109,150,000	5.84%
Fung Wing Cheung, Tony	iv	Interest of children under 18/ Other interest	168,254,258	–	168,254,258	9.00%
HSBC International Trustee Limited	iv	Trustee	165,712,258	2,420,000	168,132,258	8.99%
Sparkling Summer Limited (“Sparkling Summer”)	v	Beneficial owner	127,030,000	22,916,400	149,946,400	8.02%
Classic Fortune Limited (“Classic Fortune”)	v	Interest of controlled corporation	127,030,000	22,916,400	149,946,400	8.02%
COL Capital Limited	v	Interest of controlled corporation	127,030,000	22,916,400	149,946,400	8.02%
China Spirit Limited (“China Spirit”)	v	Interest of controlled corporation	127,030,000	22,916,400	149,946,400	8.02%
Vigor Online Offshore Limited (“Vigor Online”)	v	Interest of controlled corporation	127,030,000	22,916,400	149,946,400	8.02%
Chong Sok Un	v	Interest of controlled corporation	127,512,000	23,012,800	150,524,800	8.05%



*Notes:*

- i. AGL holds (i) 504,371,800 Shares and (ii) 100,874,360 units of YM Warrant giving rise to an interest of 100,874,360 underlying Shares through its wholly-owned subsidiaries.
- ii. Mr. Lee Seng Hui (Director of the Company), Ms. Lee Su Hwei and Mr. Lee Seng Huang are trustees of LLT, being a discretionary trust. They together own 44.52% interest in AGL and are therefore deemed to have an interest in the said Shares and YM Warrants in which AGL is interested.
- iii. The interest of Poly (Hong Kong) Investments Limited, formerly known as Continental Mariner Investment Company Limited, was attributable on account through a number of wholly-owned subsidiaries.
- iv. Out of these 168,132,258 Shares, 164,926,258 Shares are held by Megaland Development Limited (“Megaland”). Megaland is also wholly-owned by Oyster Services Limited, the trustee of the Oyster Unit Trust, which in turn Oyster Services Limited is deemed to be interested in 164,926,258 Shares. The entire issued share capital of Megaland is the trust property of the Oyster Unit Trust. The trust property of the Oyster Unit Trust comprises the entire issued capital of Megaland. The beneficiary of Oyster Unit Trust is HSBC International Trustee Limited which holds the trust property (including the beneficial interest under the Oyster Unit Trust) on trust for the beneficiaries of The Alyssa Js 1 Trust. The beneficiaries of The Alyssa Js 1 Trust are, inter alia, Fung Wing Cheung, Tony’s children under 18.

As such, Fung Wing Cheung, Tony is deemed to be interested in 164,926,258 Shares in which his children under 18 have ultimate beneficial interest under the above arrangement. In addition, Fung Wing Cheung, Tony has family interest in 3,328,000 Shares in which his children under 18 have interest.

- v. Sparkling Summer is a wholly-owned subsidiary of Classic Fortune. Classic Fortune is wholly owned by COL Capital Limited which in turn is owned 46.31% by Vigor Online. Vigor Online is a wholly-owned subsidiary of China Spirit which in turn is wholly-owned by Chong Sok Un. Accordingly, Chong Sok Un, China Spirit, Vigor Online and Classic Fortune are deemed to have an interest in the Shares and YM Warrants in which Sparkling Summer is interested.

The total interests of 150,524,800 Shares and YM Warrants represent the aggregate of (i) the 149,946,400 Shares and YM Warrants held by Sparkling Summer and (ii) the 578,400 Shares and YM Warrants held by Bilistyle Investments Limited, which is wholly-owned by Chong Sok Un.

## 5. DIRECTORS’ INTERESTS IN CONTRACTS

Under the investment management agreement approved by Shareholders on 27<sup>th</sup> March, 1997 and dated 5<sup>th</sup> March, 1997 between the Company and Yu Ming Investment Management Limited (“YMIM”), of which Mr. Fung Wing Cheung, Tony (who subsequently retired as a director of the Company on 23<sup>rd</sup> May, 2008 and resigned as director of YMIM on 30<sup>th</sup> May, 2008), Mr. Fung Yiu Fai, Peter (who subsequently retired as a director of the Company on 23<sup>rd</sup> May, 2008 and resigned as director of YMIM on 23<sup>rd</sup> August, 2007) and Mr. Lee Wa Lun, Warren were the directors of YMIM and the Company, YMIM agreed to assist the Board with the day-to-day management of the Group for a period of five years commencing on 27<sup>th</sup> March, 1997.

On 22<sup>nd</sup> June, 2007, a new investment management agreement (the “New Investment Management Agreement”) was entered into by the Company and YMIM, which was approved by the Shareholders on 3<sup>rd</sup> August, 2007. On 24<sup>th</sup> August, 2007, YMIM became an indirectly wholly-owned subsidiary of AGL, a substantial Shareholder of the Company. As at 30<sup>th</sup> June, 2008, (i) AGL held 26.98% interests in the Shares; (ii) Mr. Lee Seng Hui, Mr. Lo King Yau, Edwin and Mr. Arthur George Dew were common directors of the Company and AGL; and (iii) Mr. Lee Wa Lun, Warren was common director of the Company and YMIM. Under the New Investment Management Agreement, YMIM agreed to assist the Board with the day-to-day management of the Group from (i) earlier of 1<sup>st</sup> October, 2007; or (ii) the date immediately following the day on which the New Investment Management Agreement was approved by the Shareholders to 31<sup>st</sup> December, 2009. YMIM entitles to a management fee equal to 1.5% per annum of the consolidated net asset value of the Group attributable to the equity holders of the Company, calculated and payable in arrears on a quarterly basis by reference to the arithmetical average of the consolidated net asset value of the Group attributable to the equity holders of the Company on the last day of each calendar month during each quarter; and a performance fee equal to 20% of the amount by which the audited consolidated net asset value of the Group attributable to the equity holders of the Company of each year ending 31<sup>st</sup> December, exceeds (i) if a performance fee has been paid during the management period, the audited consolidated net asset value of the Group attributable to the equity holders of the Company as at the end of the latest financial year in which YMIM was entitled to a performance fee; or (ii) if no performance fee has been paid during the management period, the consolidated net asset value of the Group attributable to the equity holders of the Company on effective date of the New Investment Management Agreement.

Save as disclosed above, the Directors confirm that there is no other contract or arrangement subsisting as at the Latest Practicable Date in which any Director is materially interested which is significant in relation to the business of the Group.

## **6. DIRECTORS’ INTERESTS IN ASSETS**

The Directors confirm that none of the Directors has any interest, direct or indirect, in any assets which had been, since 31<sup>st</sup> December, 2007, being the date the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## **7. DIRECTORS’ SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has any service contracts with the any member of the Group which is not terminable by the employer within one year without payment of compensation (other than statutory compensation).

## **8. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors nor their respective associates has any interests, directly or indirectly, in a business which competes or is likely to compete with the business of the Company or any of its subsidiaries.

**9. MATERIAL CONTRACTS**

As at the Latest Practicable Date, none of the members of the Group has entered into any material contracts not being contracts entered into in the ordinary course of business within the two years immediately preceding the date of this circular.

**10. LITIGATION**

As at the Latest Practicable Date, so far as was known to the Directors, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

**11. MISCELLANEOUS**

- (i) The Company's registered office is at Room 1901B, 19<sup>th</sup> Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.
- (ii) The secretary of the Company is Mr. Lee Yip Wah, Peter, who is a practising solicitor in Hong Kong.
- (iii) The qualified accountant of the Company is Mr. Lee Hon Sang. He is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants.
- (iv) The English text of this circular shall prevail over the Chinese text.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours on any weekday (public holidays excepted) at the head office of the Company at Room 1901B, 19<sup>th</sup> Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong up to and including 23<sup>rd</sup> December, 2008 and at the EGM:

- (i) the Sale and Purchase Agreement;
- (ii) the New Investment Management Agreement referred to in paragraph 5 of this appendix;
- (iii) the memorandum and articles of association of the Company;
- (iv) annual reports of the Company for the two financial years ended 31<sup>st</sup> December 2006 and 2007; and
- (v) all circulars of the Company issued pursuant to the requirements set out in Chapter 14 of the Listing Rules which have been issued since 31<sup>st</sup> December, 2007.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Yu Ming Investments Limited (the “Company”) will be held at 4:00 p.m. on 23<sup>rd</sup> December, 2008 at Plaza I-III, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution:

### **ORDINARY RESOLUTION**

“**THAT** the Sale and Purchase Agreement (as defined in the circular dated 3<sup>rd</sup> December, 2008 despatched to the shareholders of the Company together with this notice of extraordinary general meeting), a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for identification purpose, and the transaction contemplated therein be and are hereby generally and unconditional approved and the directors of the Company be and are hereby authorized to do such things as they may consider necessary to give effect to such transaction.”

By Order of the Board  
**Lee Yip Wah, Peter**  
*Secretary*

Hong Kong, 3<sup>rd</sup> December, 2008

*Notes:*

1. Any member of the Company entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies to attend and on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered to Tricor Secretaries Limited, the share registrars of the Company, at 26<sup>th</sup> Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.