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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a 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 proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
AMENDMENTS TO THE COMPANY'S ARTICLES OF
ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Yu Ming Investments Limited to be held at 1001, 10th Floor, AON China Building, 29 Queen's Road Central, Hong Kong on Friday, 13th May, 2005, at 3:00 p.m. is set out on pages 13 to 20 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the share registrars of the Company, Secretaries Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting. Completion and deposit of the proxy form will not preclude you from attending and voting at the meeting if you so wish.

11th April, 2005

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 1001, 10th Floor, AON China Building, 29 Queen’s Road Central, Hong Kong on Friday, 13th May, 2005 at 3:00 p.m., notice of which is set out on pages 13 to 20 of this circular
“Articles of Association”	the Articles of Association of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 32) of the Laws of Hong Kong
“Company”	Yu Ming Investments Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7th April, 2005 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in item 4 of the notice of Annual General Meeting
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 4(I) of the notice of the Annual General Meeting
“SFO”	The Securities and Future Ordinance (cap. 571 of the laws of Hong Kong)

DEFINITIONS

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Buy Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Special Resolution”	the proposed special resolution as referred to in the notice of Annual General Meeting
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE CHAIRMAN



YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

Executive Directors:

Tony FUNG Wing Cheung (*Chairman*)
Peter FUNG Yiu Fai (*Managing Director*)
Warren LEE Wa Lun
LI Shi Liang

Registered Office:

1001, 10th Floor
AON China Building
29 Queen's Road Central
Hong Kong

Non-Executive Directors:

LEE Seng Hui
Peter LEE Yip Wah

Independent Non-Executive Directors:

Ambrose SO Shu Fai
Alexander CHOW Yu Chun
Albert HO

11th April, 2005

To shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed re-election of directors, renewal of the general mandates to issue and allot Shares and to repurchase Shares and amendments to the Articles of Association and to seek your approval of the Ordinary Resolutions relating to the said general mandates and a Special Resolution to amend the Articles of Association at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, namely Mr. Tony FUNG Wing Cheung, Mr. Peter FUNG Yiu Fai, Mr. Warren LEE Wa Lun, Mr. LI Shi Liang, Mr. LEE Seng Hui, Mr. Peter LEE Yip Wah, Mr. Ambrose SO Shu Fai, Mr. Alexander CHOW Yu Chun and Mr. Albert HO.

LETTER FROM THE CHAIRMAN

In accordance with Articles 92 and 101 of the Articles of Association, Mr. Warren LEE Wa Lun, Mr. Albert HO, Mr. Peter FUNG Yiu Fai, Mr. LEE Seng Hui and Mr. Alexander CHOW Yu Chun retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in the Appendix I of this circular.

GENERAL MANDATE TO REPURCHASE SHARES

At the extraordinary general meeting of the Company held on 21st May, 2004, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Buy Back Rules to provide the requisite information of the Repurchase Proposal is set out in the Appendix II hereto.

GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions as referred to in items 4(II) and 4(III) of the notice of the Annual General Meeting respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,691,171,989 Shares.

Subject to the passing of the Ordinary Resolution as referred to in items 4(II) of the notice of the Annual General Meeting and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed to allot, issue and deal with a maximum of 338,234,397 Shares representing not more than 20% of the issued share capital of the Company at the Latest Practicable Date.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Recently, the Companies Ordinance has been amended with effect from 13th February, 2004 to provide, inter alia, that (i) a director may be removed by ordinary resolution; (ii) a company is allowed to purchase liability insurance for officers and auditors and clarifies the permitted scope of indemnities that may be given to directors; and (iii) the time limit should be clearly stipulated for issuance of share certificate after lodgment of transfer.

The Stock Exchange has amended the Listing Rules relating to corporate governance issues which became effective on 31st March, 2004 subject to certain transitional arrangements. The amended Listing Rules include, inter alia, provisions to (i) alter the extent to which a director is permitted or prohibited to

LETTER FROM THE CHAIRMAN

vote on a board resolution on certain kinds of contracts/arrangements; (ii) stipulate clearly the effect of any shareholder voting in contravention of the Listing Rules; and (iii) stipulate clearly the time period for the lodgement of the notice(s) concerning proposal for the election of Directors by shareholders.

The Securities and Futures (Clearing House) Ordinance has been repealed with the coming into effect of the Securities and Futures Ordinance from 1st April, 2003. On commencement of the Securities and Futures Ordinance, a recognised clearing house under the repealed Securities and Futures (Clearing House) Ordinance shall be deemed to have been recognised as a clearing house under the Securities and Futures Ordinance.

In order to comply with the requirements provided by the above amendments of the Listing Rules and the Companies Ordinance, and to bring the Articles of Association up to date in line with the current practice in Hong Kong, the Directors propose to seek your approval for the Special Resolution to amend the Articles of Association. Details of the proposed amendments to the Articles of Association are set out in the item 5 of the notice of the Annual General Meeting.

ANNUAL GENERAL MEETING

At the Annual General Meeting, resolutions will be proposed to the shareholders in respect of the ordinary business of the Company to be considered at the Annual General Meeting, being the approval and adoption of the audited financial statements, the directors' report and the auditors' report for the year ended 31st December, 2004, the re-election of Directors, authorisation of the board to fix the remuneration of directors and the re-appointment of auditors and fixing their remuneration and the special business of the Company to be considered at the Annual General Meeting, being the proposed grant of the Repurchase Proposal, the general mandate for Directors to issue new Shares and the amendments to the Articles of Association. The notice of Annual General Meeting is set out on pages 13 to 20 of this circular.

PROCEDURES OF DEMANDING A POLL

Pursuant to Article 73 of the Articles of Association, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the Chairman; or
- (b) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by 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 meeting; or
- (d) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting 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.

LETTER FROM THE CHAIRMAN

ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the share registrars of the Company, Secretaries Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not prevent shareholders of the Company from attending and voting at the Annual General Meeting if they so wish.

RECOMMENDATION

The Directors believe that all resolutions set out in the notice of Annual General Meeting are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of the resolutions set out in the notice of Annual General Meeting as the Directors intend to do so themselves in respect of their own holdings.

By Order of the Board
Tony FUNG Wing Cheung
Chairman

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The followings are the particulars of the five retiring Directors proposed to be re-elected at the Annual General Meeting of the Company:

1. LEE Wa Lun, Warren, aged 41, is an executive director and a member of executive committee of the Company appointed in 2004. He is also a director of Yu Ming Investment Management Limited (“YMIM”) which is the investment manager of the Company. Mr. LEE graduated from University of East Anglia in England in 1986 and obtained a Master of Science degree from The City University Business School in London in 1988. He has extensive experience in the business of new listings and corporate takeovers as well as investment management. He is a director of a number of subsidiaries of the group of the Company; an independent non-executive director of Nam Tai Electronic & Electrical Products Limited, a company listed on The Stock Exchange of Hong Kong Limited (“SEHK”); and in the past three years, he was a director of Sino Technology Investments Company Limited and Haywood Investments Limited, both companies listed on SEHK. Save as aforesaid, Mr. LEE had not acted as director in any other listed company in the past three years and he does not hold any other position with the Company and other members of the group of the Company.

Being a director of YMIM, Mr. LEE has an indirect interest in the investment agreement between YMIM and the Company. YMIM is a company owned by Mr. FUNG Wing Cheung, Tony, chairman and a controlling shareholder of the Company and Mr. FUNG Yiu Fai, Peter, managing director and shareholder of the Company. Apart from that, he does not have any other relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, he has no interest in shares of the Company within the meaning of Part XV of the SFO.

There is no proposed length of service of Mr. LEE with the Company. He is subject to retirement by rotation and re-election provisions in the Articles of Association. His director’s fees is discretionary to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company’s performance and the prevailing market situation and to be approved by shareholders of the Company at any annual general meeting. For the year ended 31st December, 2004, Mr. LEE is proposed to entitle to a director’s fee amounting to HK\$5,245 subject to shareholders’ approval at the Annual General Meeting.

2. Albert HO, aged 47, joined the Group as an alternate director and became an independent non-executive director and a member of audit committee of the Company in 2004. Mr. HO graduated from the Macquarie University, Sydney, Australia with a Bachelor of Economics degree in 1985 and obtained his MBA from the University of Hong Kong in 1991. He is a Certified Public Accountant and fellow member of the Association of Chartered Certified Accountants. He has extensive experience in financial and corporate management.

Mr. HO is also an independent non-executive director of Jiuzhou Development Company Limited, a company listed on SEHK. Save as aforesaid, he had not acted as director in any other listed company in the past three years and he does not hold any other position with the Company and other members of the group of the Company.

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. HO does not have any other relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, he has personal interest for and the beneficial owner of 300,000 shares in the Company within the meaning of Part XV of the SFO.

Mr. HO is appointed for a term of 1 year and subject to retirement by rotation and re-election in accordance with the Articles of Association. His director's fees is discretionary to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market situation and to be approved by shareholders of the Company at any annual general meeting. For the year ended 31st December, 2004, Mr. HO is proposed entitle to a director's fee amounting to HK\$70,000 subject to shareholders' approval at the Annual General Meeting.

3. FUNG Yiu Fai, Peter, aged 58, joined the Group since its inception in 1990. He is the managing director and a member of executive committee of the Company. Mr. FUNG received a BS degree from McGill University in 1969, and a MS and MBA degree from Northwestern University in 1971 and 1973 respectively. He has over 28 years of experience in investment banking and has extensive exposure in strategic investments in Hong Kong and South East Asia. He is a director of a number of subsidiaries of the group of the Company. He had not acted as director in any other listed company in the past three years.

Being a director and a shareholder of YMIM, Mr. FUNG has a direct interest in the investment agreement between YMIM and the Company.

Apart from that, he does not have any other relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, he has personal interest for and the beneficial owner of 6,500,000 shares in the Company within the meaning of Part XV of the SFO.

There is no proposed length of service of Mr. FUNG with the Company. He is subject to retirement and re-election provisions in the Articles of Association. His director's fees is discretionary to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market situation and to be approved by shareholders of the Company at any annual general meeting. For the year ended 31st December, 2004, Mr. FUNG is proposed to entitle to a director's fee amounting to HK\$20,000 subject to shareholders' approval at the Annual General Meeting.

4. LEE Seng Hui, aged 36, joined the Group in 1996. He is a non-executive director and a member of audit committee of the Company. Mr. LEE graduated from the Law School of the University of Sydney with Honours. He is the chief executive and an executive director of Allied Group Limited ("AGL"), a company listed on SEHK. Previously he worked with Baker & McKenzie and N.M. Rothschild & Sons (Hong Kong) Limited. Save as aforesaid, Mr. LEE had not acted as director in any other listed company in the past three years and he does not hold any other position with the Company and other members of the group of the Company.

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. LEE, Ms. LEE Su Hwei and Mr. LEE Seng Huang, are the trustees of Lee and Lee Trust, being a discretionary trust. As at the Latest Practicable Date, they together own 39.09% interests of the issued share capital of AGL which indirectly holds 379,291,800 shares of the Company. Accordingly, they are deemed to have an interest in the said shares in which AGL is interested within the meaning of Part XV of the SFO. Save as aforesaid, Mr. LEE does not have any other relationship with any director, senior management or substantial or controlling shareholder of the Company.

Mr. LEE is appointed for a term of 1 year and subject to retirement by rotation and re-election in accordance with the Articles of Association. His director's fees is discretionary to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market situation and to be approved by shareholders of the Company at any annual general meeting. For the year ended 31st December, 2004, Mr. LEE is proposed to entitle to a director's fee amounting to HK\$70,000 subject to shareholders' approval at the Annual General Meeting.

5. CHOW Yu Chun, Alexander, aged 58, joined the Group in 1999. He is an independent non-executive director and chairman of audit committee of the Company. Mr. CHOW is a fellow of the Association of Chartered Certified Accountants (UK) and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and has over 30 years of experience in property development and investment in Hong Kong.

Mr. CHOW is an executive director of New World Mobile Holdings Limited and New World China Land Limited and an independent non-executive director of Top Form International Limited, companies listed on SEHK. Save as aforesaid, Mr. CHOW had not acted as director in any other listed company in the past three years and he does not hold any other position with the Company and other members of the group of the Company.

Mr. CHOW does not have any other relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, He has no interest in shares of the Company within the meaning of Part XV of the SFO.

Mr. CHOW is appointed for a term of 1 year and subject to retirement by rotation and re-election in accordance with the Articles of Association. His director's fees is discretionary to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market situation and to be approved by shareholders of the Company at any annual general meeting. For the year ended 31st December, 2004, Mr. CHOW is proposed to entitle to a director's fee amounting to HK\$120,000 subject to shareholders' approval at the Annual General Meeting.

In the opinions of the Directors, other than the above said matters, there are no other matters need to be brought to the attention of the shareholders of the Company in relation to the re-election of the above retiring directors.

This appendix serves as an explanatory statement, as required by the Share Buy Back Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution. For the purpose of this appendix, the term “shares” shall be as defined in the Code on Share Repurchases to mean shares of all classes and securities which carry a right to subscribe or purchase shares.

This appendix also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,691,171,989 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 169,117,198 Shares representing not more than 10% of the issued share capital of the Company at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profit of the Company and/or the proceeds of a new issue of Shares, made for the purpose of the repurchase to such an extent allowable under the Companies Ordinance.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2004 in the event that the general mandate pursuant to the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April, 2004	0.325	0.280
May, 2004	0.285	0.260
June, 2004	0.285	0.270
July, 2004	0.310	0.250
August, 2004	0.280	0.255
September, 2004	0.265	0.255
October, 2004	0.300	0.260
November, 2004	0.330	0.280
December, 2004	0.320	0.285
January, 2005	0.320	0.295
February, 2005	0.340	0.300
March, 2005	0.360	0.270

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the shareholders of the Company.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the shareholders of the Company.

6. TAKEOVER CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeover Code. As a result, a shareholder or group of shareholders of the Company acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code. The Directors are not aware of any shareholder or group of shareholders acting in concert, who/which may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Megaland Development Limited, Sun Hung Kai & Co. Limited and Continental Mariner Investment Company Limited, substantial shareholders of the Company, were respectively interested in 724,926,258 Shares, 379,291,800 Shares and 119,380,000 Shares, representing approximately 42.87%, 22.43% and 7.06% of the issued share capital of the Company. Based on such shareholding, and in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Proposal, the interest of Megaland Development Limited, Sun Hung Kai & Co. Limited and Continental Mariner Investment Company Limited in the issued share capital of the Company would be respectively increased to approximately 47.63%, 24.92% and 7.84%. The Directors consider that such an increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Proposal. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would result in such takeover obligation. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Proposal, the number of Shares held by the public would not fall below 25%.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 1001, 10th Floor, AON China Building, 29 Queen's Road Central, Hong Kong on Friday, 13th May, 2005 at 3:00 p.m. for the following purposes:

1. To receive and consider the financial statements and the reports of the directors and auditors for the year ended 31st December, 2004.
2. To re-elect directors and authorise the board to fix the remuneration of directors.
3. To re-appoint auditors and authorise the board to fix their remuneration.
4. As special business, to consider and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(I) "THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

(II) “THAT:

- (a) subject to paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company (“Articles”) from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

- (III) “**THAT** subject to the passing of the Ordinary Resolutions referred to in items 4(I) and 4(II) of the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution referred to in item 4(II) of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the Ordinary Resolution referred to in item 4(I) of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the said Ordinary Resolution referred to in item 4(I).”

5. As special business, to consider and, if thought fit, passing following resolution which will be proposed as a Special Resolution of the Company:

SPECIAL RESOLUTION

“**THAT** the existing Articles of Association be and are hereby amended in the following manner.

- (a) the definition of “associate” and its marginal note in Article 2 be amended by substituting in its entirety with the following:

““associate” shall have the meaning attributed to it in the rules of the Designated Stock Exchange;” associate

- (b) the following definition and its marginal note be added after the definition of “the Board” or “the Directors” in Article 2:

““business day” shall mean any day on which the Designated Stock Exchange is open for the business of dealing in securities;” business day

- (c) the following definition and its marginal note be added after the definition of “the Companies Ordinance” or “the Ordinance” in Article 2:

““Designated Stock Exchange” shall mean a stock exchange on which the shares of the Company are listed or quoted;” Designated Stock Exchange

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- (d) the words “within 10 business days after” be added after the words “within two months after allotment or” in Article 15;
- (e) the words “HK\$2 (or such higher amount as shall for the time being be approved by The Stock Exchange of Hong Kong Limited)” be replaced with the words “HK\$2.5 (or such other amount as shall for the time being be approved by the Designated Stock Exchange)” in Articles 15, 19 and 39(a);
- (f) Article 73 be amended:
 - (i) by adding the words “unless a poll is taken as may from time to time be required under the listing rules of the Designated Stock Exchange or” immediately before the words “unless a poll is” in the first paragraph; and
 - (ii) by adding the words “a poll is taken as may from time to time be required under the listing rules of the Designated Stock Exchange or unless” immediately after the word “Unless” in the second paragraph;
- (g) Article 82(b) be re-numerated as Article 82(c);
- (h) a new Article 82(b) and its marginal note be added after the existing Article 82(a) as follows:
 - “(b) Where the Company has knowledge that any member is, voting in
under any applicable law and the listing rules of the contravention of
Designated Stock Exchange from time to time required the listing rules
to abstain from voting on any particular resolution or of the
restricted to voting only for or only against any particular Designated
resolution, any votes cast by or on behalf of such member Stock Exchange
in contravention of such requirement or restriction shall
not be counted.”;
- (i) Article 89(b) be amended by substituting the words “Securities (Clearing Houses) Ordinance” with “Securities and Futures Ordinance”;
- (j) by deleting the existing paragraphs (h) to (l) of Article 100 in their entirety and substituting therefor the following new paragraphs of Article 100:
 - “(h) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associate(s) to his knowledge is/are materially interested, but this prohibition shall not apply to any of the following matters namely:
 - (i) any contract or arrangement for the giving of any security or indemnity to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

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- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract, arrangement or proposal concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/ are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract, arrangement or proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director and/or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5 per cent. or more of the issued shares or voting rights of any class of shares of such company (or of any third company through which his interest or that of his associate is derived);
- (vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not generally accorded to the class of persons to whom such scheme or fund relates; and
- (vii) any proposal or arrangement concerning the adoption, modification or operation of any share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or any of its subsidiaries under which the Director or his associate(s) may benefit.

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- (i) A company shall be deemed to be a company in which a Director and/or his associate(s) own(s) 5 per cent. or more if and so long as (but only if and so long as) he and/or his associate(s) is/are (either directly or indirectly) the holder(s) of or beneficially interested in 5 per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest or that of any of his associates is derived) or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (j) Where a company in which a Director and/or his associate(s) hold(s) 5 per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (k) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such Chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed to the Board.
- (l) The Company may by ordinary resolution ratify any transaction not duly authorized by reason of a contravention of this Articles provided that no Director who is or whose associate(s) is/are materially interested in such transaction shall vote upon such ordinary resolution in respect of any shares in the Company in which he/they is/are interested.”;
- (k) Article 101 be amended by adding the words “by rotation provided that every Director shall be subject to retirement at least once every three years “immediately after the words “shall retire from office” in the fourth line.

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- (l) the following be added before the full stop in Article 105:
- “provided that the period for giving such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting”;
- (m) the words “special resolution” in the Article 107 and in the marginal note be deleted and be substituted therefor by the words “ordinary resolution”;
- (n) the entire Article 135 be deleted and substituted by the following new Article:
135. The Secretary must be an individual and ordinarily reside in Hong Kong.
- (o) Article 177(a) be amended by substituting the words “in paragraph (c) of the proviso to Section 165 of the Ordinance” with “in Section 165(2) of the Ordinance” and by substituting the words “the said Section” with “Section 165 of the Ordinance”; and
- (p) the following new paragraph (c) be added to the after of the existing Article 177(b):
- (c) The Company may from time to time or at any time purchase and maintain for any Director, manager, secretary and other officer of the Company, or any person employed by the Company as auditor:
- (i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
- (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article, related company means any company which is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.”

By Order of the Board
Peter LEE Yip Wah
Company Secretary

Hong Kong, 11th April, 2005

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Notes:

1. Any member of the Company entitled to attend and vote at the 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. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the share registrars of the Company, Secretaries Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from Monday, 9th May, 2005 to Friday, 13th May, 2005, both days inclusive. In order to qualify for the attendance of the annual general meeting of the Company to be held on 13th May, 2005, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Secretaries Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m on Friday, 6th May, 2005.