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YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

MAJOR AND CONNECTED TRANSACTION PROPOSED DISPOSAL OF EQUITY INTERESTS IN IEC INVESTMENTS LIMITED AND ASIAWORLD-EXPO MANAGEMENT LIMITED AND RESUMPTION OF TRADING

Financial adviser to Yu Ming Investments Limited



Yu Ming Investment Management Limited

Conditional Sale and Purchase Agreement

The Board is pleased to announce that, on 21st June, 2007, the Company entered into the Conditional Sale and Purchase Agreement with the Purchaser, pursuant to which, subject to conditions set out in the announcement, (A) the Company agreed to sell and the Purchaser agreed to acquire (i) 60% of the entire issued share capital of JVP and (ii) 40% of the entire issued share capital of OPCO, and (B) the Company agreed to assign its Shareholder's Loan to the Purchaser at the Consideration of HK\$180 million in cash. The Consideration represents a surplus of approximately HK\$32 million over the carrying cost of the Company. Following Completion, the Company will cease to have any interests in JVP and OPCO.

At present, JVP owns 13.5% equity interests in JVCO, the company owning and operating AsiaWorld-Expo, and OPCO is the management company engaged in the daily operations of AsiaWorld-Expo on behalf of JVCO.

As DHK (the Purchaser) is a substantial shareholder of JVP (a non-wholly owned subsidiary of the Company), it is a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules. Therefore, the entering into of the Conditional Sale and Purchase Agreement constitutes a connected transaction of the Company, and is subject to disclosure and approval of the Shareholders. Since the Consideration exceeds 25% but no more than 75% under any of the Percentage Ratios, the Conditional Sale and Purchase Agreement also constitutes a major transaction of the Company.

The circular containing, among others, further details of the Conditional Sale and Purchase Agreement, the advice of the Independent Financial Adviser to the Independent Board Committee and the Shareholders, the recommendation of the Independent Board Committee and a notice convening the EGM to be held to approve the Conditional Sale and Purchase Agreement will be despatched to the Shareholders as soon as possible.

Resumption of trading

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 22nd June, 2007 pending the release of this announcement. The Company has applied for resumption of trading its share on the Stock Exchange with effect from 2:30 p.m. on 26th June, 2007.

CONDITIONAL SALE AND PURCHASE AGREEMENT

Date

21st June, 2007

Parties

Purchaser: Dragages Hong Kong Limited whose principal business is undertaking building projects and civil works in both public and private sectors

Vendor: Yu Ming Investments Limited whose principal business is investment in private equity, properties, structured finance and listed securities.

Transaction

Pursuant to the Conditional Sale and Purchase Agreement, subject to conditions as set out in this announcement, (A) the Company agreed to sell and the Purchaser agreed to purchase the Sales Shares (collectively representing (i) 60% of the entire issued share capital of JVP and (ii) 40% of the entire issued share capital of OPCO), and (B) the Company agreed to assign the Shareholder's Loan to the Purchaser. Immediately following Completion, the Company will have no equity interests in both JVP and OPCO and the financial results of JVP will be deconsolidated from the Group's accounts.

Consideration

The Consideration for the Sales Shares is HK\$180 million in cash, payable in one lump sum upon Completion.

The Consideration has been agreed by the parties after arm's length negotiations, having taken into account (i) the audited net asset value of JVP attributable to the Company of approximately HK\$147 million as at 31st December, 2006; (ii) the audited net asset value of OPCO attributable to the Company of approximately HK\$2 million as at 31st March, 2007; and (iii) the prevailing market conditions.

Conditions precedent

The conditions of the Conditional Sale and Purchase Agreement include, among others, the following:

- (a) the approval of the Shareholders of the Conditional Sale and Purchase Agreement and the transactions contemplated thereunder;
- (b) Holdings, JVCO and Industrial and Commercial Bank of China (Asia) Limited (pursuant to the Loan Facility) each consenting in writing to the Conditional Sale and Purchase Agreement and the transactions contemplated therein;
- (c) Bouygues Construction S.A. (the holding company owning 100% equity interests in the Purchaser) issuing a parent company guarantee in favour of Holdings and JVCO guaranteeing 100% of JVP's obligations under the JVCO Agreement;
- (d) Holdings and JVCO each accepting in writing the delivery by Bouygues Construction S.A. of a parent company guarantee as replacement and release of the previous parent company guarantees issued by each of the Company and Bouygues Construction S.A.;
- (e) the approval of JVP's board of directors of the sale and purchase of the JVP Sales Shares contemplated under the Conditional Sale and Purchase Agreement and the assignment of the Shareholder's Loan from the Company to the Purchaser; and
- (f) the approval of OPCO's board of directors of the sale and purchase of the OPCO Sales Shares contemplated under the Conditional Sale and Purchase Agreement.

If any of the above conditions is not fulfilled by 15th August, 2007 or such later date as the parties may agree, none of the parties of the Conditional Sale and Purchase Agreement shall be obliged to proceed with Completion.

Information on JVP and OPCO

At present, JVP is a joint venture owned by the Company and the Purchaser as to 60% and 40% respectively. Its sole asset is the 13.5% equity interests in JVCO, which in turn wholly owns the right to operate AsiaWorld-Expo during the period from August 2003 to March 2031. Holdings (owned by the Hong Kong Government and Airport Authority Hong Kong as to 90% and 10%) holds the remaining 86.5% interests in JVCO.

OPCO is owned by the Company and the Purchaser as to 40% and 60% respectively. It is principally engaged in the daily operations of AsiaWorld-Expo on behalf of JVCO, including, among others, facilities management and marketing. In return, OPCO receives management fee from JVCO.

The audited net asset value of JVP as at 31st December, 2006 was approximately HK\$245 million, and that of OPCO as at 31st March, 2007 was approximately HK\$6 million. The (i) audited net profit of JVP (no tax payable by JVP) (ii) audited net profit of OPCO before and after taxation; and (iii) audited net profit of JVP and OPCO after taxation attributable to the Group are as follows:

<i>(HK\$'000)</i>	Year ended 31st December	
	2006	2005
JVP's net profit/(loss)	91,860	(2,893)
JVP's net profit/(loss) attributable to the Group	55,116	(1,736)
	Year ended 31st March	
	2007	2006
OPCO's net profit before taxation	15,296	564
OPCO's net profit after taxation	12,630	465
OPCO's net profit after taxation attributable to the Group	5,052	186

Net profit of approximately HK\$92 million of JVP represents the accrued income between the period commencing 15th September, 2003 and ending 31st December, 2006, of which none was paid by JVCO to JVP during the period. The accrued income for the year ended 31st December, 2006 amounted to approximately HK\$48 million.

The Group consolidated JVP and accounted for OPCO using equity method.

Reasons for and Benefit of the Proposed Disposal

The Company is an investment company, from time to time seeking return on its investments. It embarked on capital injection into JVP and OPCO in July 2003.

The net investment made by the Company in JVP was approximately HK\$95 million, in addition to a bank loan facility of approximately HK\$128 million (60% attributable share of Loan Facility of HK\$213 million). Upon completion of the Proposed Disposal, the Company will receive cash proceeds of HK\$180 million, which represents a surplus of approximately HK\$32 million over its carrying cost of HK\$147 million as at 31st December, 2006. The Board (excluding members of the Independent Board Committee, who will reserve their judgement after taking advice from the Independent Financial Adviser) consider that the consideration and the terms and conditions of the Proposed Disposal are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

Intended use of proceeds

The estimated net proceeds of HK\$179 million will be used for other investment opportunities where appropriate. The Company is invariably seeking suitable investment opportunities, but none has arisen up to the date of this announcement.

General

As DHK (the Purchaser) is a substantial shareholder of JVP (a non-wholly owned subsidiary of the Company), it is a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules. Therefore, the entering into of the Conditional Sale and Purchase Agreement constitutes a connected transaction of the Company, and is subject to disclosure and approval of the Shareholders by way of poll in an EGM. As at the date of this announcement, none of DHK or its associates hold any interests in shares of the Company. To the best knowledge of the Directors, no Shareholder is required to abstain from voting in the EGM.

Since the Consideration exceeds 25% but no more than 75% under any of the Percentage Ratios, the Conditional Sale and Purchase Agreement also constitutes a major transaction of the Company.

A circular containing, among others, further details of the Conditional Sale and Purchase Agreement, the advice of the Independent Financial Adviser to the Independent Board Committee and the Shareholders, the recommendation of the Independent Board Committee and a notice convening the EGM to be held to approve the Conditional Sale and Purchase Agreement will be despatched to the Shareholders as soon as possible.

Resumption of trading

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DEFINITIONS

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

“AsiaWorld-Expo”	the 66,000 square-meter exhibition centre located net to the Hong Kong International Airport
“Board”	the board of Directors
“Company” or “Vendor”	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 sale and purchase of the Sales Shares in accordance with the terms of the Conditional Sale and Purchase Agreement
“Conditional Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 21st June, 2007 entered into between the Company and the DHK in relation to the Proposed Disposal
“Consideration”	HK\$180,000,000

“DHK” or “Purchaser”	Dragages Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Directors”	Directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Conditional Sale and Purchase Agreement and the transaction contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holdings”	IEC Holdings Limited, owned by the Hong Kong Government and Airport Authority Hong Kong as to 90% and 10% respectively
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising Messrs. Mr. So Shu Fai, Ambrose, Mr. Chow Yu Chun, Alexander and Mr. Albert Ho, (all being independent non-executive Directors) to advise the Shareholders in respect of the Conditional Sale and Purchase Agreement
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the shareholders of the Company in respect of the Conditional Sale and Purchase Agreement
“JVCO”	Hong Kong IEC Limited
“JVCO Agreement”	the joint venture agreement entered into between JVP, Holdings and JVCO dated 23rd August, 2003
“JVP”	IEC Investments Limited
“JVP Sales Shares”	60% of the entire issued share capital of JVP held by the Company
“Loan Facility”	The Loan facility of up to HK\$213 million provided by Industrial and Commercial Bank of China (Asia) Limited to JVP under a facility agreement dated 24th August 2005
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“OPCO”	AsiaWorld-Expo Management Limited

“OPCO Sales Shares”	40% of the entire issued share capital of OPCO held by the Company
“Percentage Ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“Proposed Disposal”	the proposed disposal of the Sales Shares by the Company to the Purchaser pursuant to the Conditional Sale and Purchase Agreement
“Sales Shares”	collectively (i) 60% of the entire issued share capital of JVP and (ii) 40% of the entire issued share capital of OPCO
“Shareholder(s)”	shareholder(s) of the Company
“Shareholder’s Loan”	The amount of shareholder’s loan due by JVP to the Company, which amounted to approximately HK\$94 million as at 31st May, 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

As at the date of this announcement, the Board comprises nine directors of which Mr. Fung Wing Cheung, Tony is the chairman and executive director, Mr. Warren Lee Wa Lun is the managing director and executive director; Mr. Fung Yiu Fai, Peter, Mr. Lee Seng Hui, Mr. Kin Chan and Mr. Lee Yip Wah, Peter are the non-executive directors; and Mr. So Shu Fai, Ambrose, Mr. Chow Yu Chun, Alexander and Mr. Albert Ho are the independent non-executive directors.

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

Hong Kong, 26th June, 2007