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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**  
**PROPOSED DISPOSAL OF WARRANTS IN J. BRIDGE CORP.**

After the trading hours on 13<sup>th</sup> November, 2008, the Purchaser and the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell 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.

The Purchaser is a third party independent of the Company and its connected persons. Based in Japan, J. Bridge is a financial investment firm listed on the Second Section of Tokyo Stock Exchange. It focuses on revitalization of distressed companies. The investments of J. Bridge include healthcare and construction businesses.

As applicable Percentage Ratio is more than 25% but less than 75%, the disposal of the Sale Warrants 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.

A circular containing further detail of the Disposal, financial information of the Company and notice of the EGM will be despatched to the Shareholders as soon as possible.

After the trading hours on 13<sup>th</sup> November, 2008, the Purchaser and the Vendor entered into the Sale and Purchase Agreement to dispose the Sale Warrants to the Purchaser, the terms of which is set out in this announcement as follows.

## **SALE AND PURCHASE AGREEMENT**

**Date** 13<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\$12,500,000 (equivalent to approximately HK\$97,500,000) 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 in 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\$12,500,000 (equivalent to approximately HK\$97,500,000) 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;
- (ii) in aggregate with all previous payments, at least US\$7,500,000 (equivalent to approximately HK\$58,500,000) shall have been paid on the first anniversary day of the Completion Date;
- (iii) in aggregate with all previous payments, at least US\$11,000,000 (equivalent to approximately HK\$85,800,000) 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, the premium of the Sale Warrant to subscribe for one J. Bridge Share is valued at approximately JPY20.0 (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\$47.7 million or approximately HK\$0.8 per right to convert to one J. Bridge Share.

The Consideration has been agreed by the 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;
- (iii) recent price volatility of J. Bridge Shares;
- (iv) the closing price of JPY21 (equivalent to approximately HK\$1.6) 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.

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 price of J. Bridge Shares traded on the Tokyo Stock Exchange. Aggregating the exercise price of the Warrants per J. Bridge Share and selling premium per right to subscribe for one J. Bridge Share of approximately JPY20.0 (equivalent to approximately HK\$1.6), the effective conversion price upon exercise per J. Bridge Share is JPY65 (equivalent to approximately HK\$5.2), which represents:

- (i) a premium of approximately 209.5% over the closing price of JPY21 (equivalent to approximately HK\$1.7) per J. Bridge Share on 12<sup>th</sup> November, 2008 (being the last trading day prior to the date of the Sale and Purchase Agreement);
- (ii) a premium of approximately 212.5% to the average closing price of JPY20.8 (equivalent to approximately HK\$1.7) per J. Bridge Share for the 10 consecutive trading days up to and including 12<sup>th</sup> November, 2008;
- (iii) a premium of approximately 212.5% to the average closing price of JPY20.8 (equivalent to approximately HK\$1.7) per J. Bridge Share for the 30 consecutive trading days up to and including 12<sup>th</sup> November, 2008; and
- (iv) a premium of approximately 4.7% to 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 profits of J. Bridge before and after taxation are as follows:

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

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

	<b>Year ended 31<sup>st</sup> March</b>	
	<b>2008</b>	2007
	<i>(HK\$ 'million)</i>	
Net profit/(loss) before taxation	<b>(110.7)</b>	(1,573.9)
Net profit/(loss) after taxation	<b>(123.7)</b>	(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	:	60,000
Consideration	:	US\$12,500,000 (equivalent to approximately HK\$97,500,000)
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, J. Bridge disposed of its 38% interest in Rotol, reducing its beneficial interest 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 interests of the Company and the Shareholders as a whole.

Based on the carrying value of the Sale Warrants at HK\$47.7 million as extracted from the interim report of the Company for the six months ended 30<sup>th</sup> June, 2008 and assuming no early payment would be made by the Purchaser, a surplus of approximately HK\$49.8 million over the carrying value of the Sale Warrants to the Group would arise upon completion of the Disposal. Subject to the confirmation by 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.

## **Use of Proceeds**

The Directors intend to apply the proceeds to be received from the Disposal for investment purpose in investments as permitted by its investment policy. As at the date of this announcement, 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 mandate covering investment in properties, private equity, structured financing and listed securities.

## **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 Directors, an independent third party and not a connected person or an associate of a connected person of the Company. 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 have been no prior transactions between the Group and the Purchaser in the past.

## **General**

As the applicable Percentage Ratio 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 the requirements under Chapter 14 of the Listing Rules. So far as the Directors are aware, no Shareholder has any material interest in the Disposal, therefore no Shareholder shall be required to abstain from voting for the Disposal.

A circular containing further detail of the Disposal, financial information of the Company and notice of the EGM will be despatched to the Shareholders as soon as possible.

### **Definitions**

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

“Board”	the board of Directors
“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 Shareholder’s approval of the Disposal at the EGM
“Consideration”	US\$12,500,000 (equivalent to approximately HK\$97,500,000)
“Directors”	directors 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”	the extraordinary general meeting of the Company to be convened to consider and/or approve, inter alia, the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 Share(s)”	ordinary shares in the share capital of J. Bridge
“JPY”	Japanese Yen, the lawful currency of Japan
“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 Securities Trading Limited
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 <sup>th</sup> November, 2008 entered into between the Purchaser and the Vendor in relation to the Disposal
“Sale Warrants”	60,000 Warrants
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“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 announcement

“%” per cent

*(The exchange rates used in this announcement are at US\$1=HK\$7.8, JPY1=HK\$0.0795 and US\$1=JPY95.835)*

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

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

Hong Kong, 13<sup>th</sup> November, 2008