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## **CHEONG MING INVESTMENTS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1196)

**(I) DISCLOSEABLE TRANSACTIONS IN RELATION TO:**  
**(1) THE ACQUISITION OF 25% OF THE ISSUED SHARE CAPITAL OF**  
**SUNTAP ENTERPRISES LIMITED INVOLVING THE ISSUE OF**  
**NEW SHARES UNDER GENERAL MANDATE**  
**AND**  
**(2) THE REPURCHASE OPTION GRANTED TO FULLPOWER**  
**FOR THE REPURCHASE OF THE SALE SHARES;**  
**AND**  
**(II) RESUMPTION OF TRADING**

The Board is pleased to announce that, on 26 March 2011, the Company, Fullpower, the Target and the Guarantors entered into the Acquisition Agreement pursuant to which (i) the Company has conditionally agreed to (or procure its nominee to) acquire and Fullpower has conditionally agreed to sell the Sale Shares for a total consideration of HK\$65,252,800; and (ii) the Company has agreed to advance the CM Loan in the aggregate amount of RMB20,000,000 (or approximately HK\$24,000,000) to the Target within two Business Days after the date of Completion. The CM Loan is unsecured and interest-free. Unless it has been capitalised as capital reserve of the Target upon completion of the Capital Increase Matters before the agreed deadline, the CM Loan is repayable on 31 December 2011 (or such later date as may be agreed by the Company in writing) or earlier on demand by the Company under specified circumstances as described below. The consideration payable to Fullpower for the Sale Shares of HK\$65,252,800 is to be satisfied as to HK\$41,000,000 in cash and as to HK\$24,252,800 by way of the issue and allotment by the Company of the 28,600,000 Consideration Shares at HK\$0.848 per Consideration Share, which will be issued under the general mandate of the Company granted to the Directors at the annual general meeting of the Company held on 28 July 2010. The Consideration Shares represent approximately 4.71% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.50% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The principal asset of the Target is the indirect holding of 95% equity interest in SX Good Hope which in turn holds the Huangpu PSC and the Xiahuangyan PSC in relation to the CBM Projects. The Sale Shares represent 25% of the issued share capital of the Target at Completion. Under the Acquisition Agreement, Fullpower, the Target and the Guarantors have undertaken to deliver to the Company the Independent Valuation on the CMB Projects on or before 31 March 2012. The Company has been granted by Fullpower and the Target the CM Call Option pursuant to which the Company has the right to require Fullpower to sell to the Company the remaining 75% of the issued share capital of the Target at a price to be determined with reference to the Independent Valuation. Such right is exercisable within 60 days after the receipt by the Company of the Independent Valuation. Also, the Company has been granted by Fullpower the CM Put Option pursuant to which the Company has the right to require Fullpower to acquire the Sale Shares from the Company at a price of HK\$65,000,000 (subject to reduction by the amount of the CM Loan then already repaid) if the Independent Valuation is not available by 31 March 2012 or if any of Fullpower and the Guarantors fails to fulfill certain undertakings as stipulated under the Acquisition Agreement. On the other hand, the Company has granted the Vendor Repurchase Option to Fullpower pursuant to which Fullpower has the right to require the Company to sell back to it the Sale Shares at the same price of HK\$65,000,000 (subject to reduction by the amount of the CM Loan then already repaid). This right is exercisable by Fullpower within 30 days of the earliest occurrence of any of the following events: (i) the Company serving demand notice for the repayment of the CM Loan; (ii) the date of lapse of the CM Put Option; or (iii) if (a) person(s) other than Mr. Lui (or his associates) becoming the controlling shareholder (as defined in the Listing Rules) of the Company.

Completion is subject to fulfillment or waiver of certain conditions precedent as set out in the section headed “Conditions precedent” below.

As the applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. Given that each of the CM Call Option and the CM Put Option is exercisable at the discretion of the Company, in accordance with Rule 14.75 of the Listing Rules, the Company will comply with the relevant provisions under the Listing Rules as and when the CM Call Option or the CM Put Option is exercised. In respect of the Vendor Repurchase Option, given that it is exercisable at the discretion of Fullpower, such option is regarded as having been exercised for the purpose of Rule 14.74 of the Listing Rules. As the relevant applicable percentage ratios in respect of the Vendor Repurchase Option are greater than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the Vendor Repurchase Option constitutes a discloseable transaction for the Company as at the date of the Acquisition Agreement under the Listing Rules.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Monday, 28 March 2011 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Tuesday, 29 March 2011.

Reference is made to the announcements of the Company dated 23 December 2010, 24 February 2011 and 18 March 2011 in relation to the entering into of the Memorandum of Understanding by the Company, the Target, HK Good Hope and Mr. Wong regarding the possible investment in the CBM Projects. On 26 March 2011, the Company, Fullpower, the Target and the Guarantors entered into the Acquisition Agreement, details of which are set out below in this announcement.

## **THE ACQUISITION AGREEMENT**

**Date:** 26 March 2011

### **Parties:**

- (i) Vendor: Fullpower Investment Holdings Corp.
- (ii) Purchaser: the Company
- (iii) Target: Suntap Enterprises Limited
- (iv) Guarantors: Mr. Wong and Mrs. Wong

Fullpower is an investment holding company, which is owned as to 99.998% by Mrs. Wong and as to 0.002% by Mr. Wong. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Fullpower, the Target and the Guarantors being the beneficial owners of the Target and Fullpower is an Independent Third Party.

### **Assets to be acquired**

The Company has conditionally agreed to (or procure its nominee to) acquire and Fullpower has conditionally agreed to sell the Sale Shares, subject to the terms of the Acquisition Agreement. The Sale Shares will represent 25% of issued share capital at Completion.

For further details of the assets to be acquired under the Acquisition Agreement, please refer to the paragraph headed "Information on the Target Group" below.

## Consideration

The consideration payable to Fullpower for the Sale Shares is HK\$65,252,800, which shall be satisfied by the Company in the following manner:

- (i) as to HK\$13,000,000 by the Company in cash by converting (through an assignment) the refundable earnest money previously paid by the Company under the Memorandum of Understanding into a refundable deposit;
- (ii) as to HK\$15,000,000 by the Company in cash within two Business Days after the signing of the Acquisition Agreement as a further refundable deposit;
- (iii) as to HK\$13,000,000 by the Company in cash upon Completion; and
- (iv) as to HK\$24,252,800 by the Company allotting and issuing 28,600,000 Consideration Shares, to be credited as fully paid, at HK\$0.848 per Consideration Share within ten Business Days after the receipt by the Company by no later than 31 August 2011 (or such later date as may be agreed by the Company) the Renewed Huangpu Exploration License (or a certified true copy of it). If Fullpower fails to deliver such license to the Company by the deadline, then the Company's obligation to issue the Consideration Shares will cease and the consideration for the Sale Shares will be reduced accordingly.

The refundable deposits paid and cash consideration payable as referred to above was and will be paid out of the internal resources of the Group. The refundable deposits will be applied towards the payment of the Consideration at Completion. However, if the Acquisition Agreement is terminated, Fullpower is required to refund the refundable deposits of the Company immediately without interest. Such refund obligations are secured by a charge created on 26 March 2011 by the Target over 25% of the issued share capital of its wholly-owned subsidiary, HK Good Hope, which in turn directly holds 95% equity interest in SX Good Hope. The charge originally created on the signing of the Memorandum of Understanding on 23 December 2010 to secure repayment of the HK\$13,000,000 earnest money thereunder has been released on the signing of the Acquisition Agreement.

The Consideration of the Acquisition was determined after arm's length negotiations between the Company, Fullpower and the Guarantors, which has taken into account, among other things, the amount of exploration expenditures spent by the Target Group up to 28 February 2011, being approximately RMB68.8 million (or approximately HK\$82.6 million), the prospects of the PRC coalbed methane gas industry and the development potential of the CBM Projects. Further details are described in the paragraph headed "Reasons for the Acquisition" below.

## Consideration Shares

The Consideration Shares represent (i) approximately 4.71% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.50% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Consideration Shares will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the annual general meeting held on 28 July 2010 to allot and issue up to 121,350,623 Shares. Up to the date of this announcement, the Company has not used any part of the general mandate. The Consideration Shares shall rank *pari passu* in all respects with the Shares in issue on the date of issuance and allotment including the rights to dividends, distributions and other payments.

The issue price per Consideration Share of HK\$0.848 was arrived at arm's length negotiation between the Company, Fullpower and the Guarantors and is equal to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five days immediately prior to the date of the Acquisition Agreement. The issue price of HK\$0.848 per Consideration Share represents:

- (i) a discount of approximately 1.40% to the closing price of HK\$0.860 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 0.24% over the average closing price of HK\$0.846 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 14.13% over the audited consolidated net asset value per Share of approximately HK\$0.743 as at 31 March 2010 (based on the audited consolidated net asset value of the Company of approximately HK\$450,757,000 as at 31 March 2010 and 606,753,119 issued Shares as at the date of the Acquisition Agreement).

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consideration Shares.

## **Conditions precedent**

Completion is conditional upon the satisfaction or (as the case may be) waiver of the following conditions:

- (i) the Company having received a PRC legal opinion in form and substance satisfactory to the Company on matters in respect of SX Good Hope, the Huangpu PSC and the Xiahuangyan PSC;
- (ii) if applicable, the Company having obtained the approval of Bermuda Monetary Authority of the allotment and issue of the Consideration Shares;
- (iii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares;
- (iv) the Company having been reasonably satisfied with the appointment of SX Good Hope's representatives as the members on the Joint Management Committees under the Huangpu PSC and Xiahuangyan PSC;
- (v) the Company having received evidence to its reasonable satisfaction that the Non-PRC Debt Restructuring (please refer to the paragraph headed "Non-PRC Debt Restructuring" below) has been completed; and
- (vi) the Company having received the audited consolidated financial statements of the Target for the year ended 31 December 2010 prepared in accordance with the Hong Kong Financial Reporting Standards (as defined in the Listing Rules) and such audited financial statements do not differ in any material respects from the unaudited consolidated financial statements of the Target for the same year provided to the Company under the Acquisition Agreement.

## **Completion**

Completion shall take place on the date falling on the fifth Business Days after all the conditions under the Acquisition Agreement having been fulfilled or waived by the Company (except for conditions (ii) and (iii) above which are not waivable) or such other date as the Company, Fullpower, the Target and the Guarantors may agree in writing. Upon Completion, the Target will become an associate of the Company and its results will be equity accounted for in the accounts of the Group. Following Completion, the Company will appoint a representative (or such number of representatives representing no less than one-fourth of the total number of directors of the relevant company) to each of the board of directors of the Target and HK Good Hope.

## **CM Loan**

As part and parcel of the acquisition of the equity interest in the Target under the Acquisition Agreement, the Company has also agreed to provide the CM Loan in the aggregate amount of RMB20,000,000 (or approximately HK\$24,000,000) to the Target within two Business Days after the date of Completion. The CM Loan will be used in paying up part of the increase in the registered capital of SX Good Hope from



RMB10,000,000 to RMB90,000,000 as contemplated under the Capital Increase Matters, which is further described in the following paragraph headed “Capital Increase Matters of the Target Group” below. The CM Loan is unsecured and interest-free. Unless it has been capitalised as capital reserve of the Target upon completion of the Capital Increase Matters before the agreed deadline, the CM Loan is repayable on 31 December 2011 (or such later date as may be agreed by the Company in writing) or earlier on demand by the Company on the occurrence of certain events. These events include (i) the Renewed Huangpu Exploration License is not delivered to the Company on or before 31 August 2011 or such later date as the Company may agree; (ii) the Capital Increase Matters are not completed on or before 31 December 2011; (iii) if the repayment date shall have been extended by the Company from 31 December 2011 to a date after 31 March 2012, the Independent Valuation (together with the related competent persons’ report) has not been provided to the Company on or before 31 March 2012 (or such later date as the Company may agree); (iv) a breach of certain undertakings in relation to the continued operation of the Target group, including a non-competition undertaking from Fullpower and the Guarantors under which they and their associates will not directly or indirectly engage in the operation, exploration and exploitation of coalbed methane fields in Shaanxi Huangpu area and Shanxi Xiahuangyuan area and an undertaking not to solicit business partners or employees of the Target group, in each case, for a period of two years from Completion; (v) there is a breach of the terms of the Shareholders’ Agreement (please refer to the paragraph headed “Shareholders’ Agreement” below) by Fullpower or the Guarantors or there is the occurrence of any event of default as provided in the Shareholders’ Agreement; and (vi) the Company reasonably believes that any of the aforesaid events will occur.

### **Capital Increase Matters of the Target Group**

Fullpower, the Target, and each of the Guarantors have undertaken to procure that the Capital Increase Matters are completed as soon as practicable and in any event before 31 December 2011, as set out below:

- (i) the registered capital of SX Good Hope is to be increased from RMB10,000,000 to RMB90,000,000 and the total investment amount of SX Good Hope shall be increased from RMB13,380,000 to RMB270,000,000;
- (ii) HK Good Hope is responsible for the remittance of the capital required (in Hong Kong dollars), in installments, to pay up the increased registered capital of SX Good Hope. Hong Kong dollar equivalent amount of RMB20,000,000 is to be made within six months after Completion; and
- (iii) the capital contribution funds received by SX Good Hope are to be applied in accordance with the instructions of HK Good Hope, such that funding provided indirectly by the Company through the CM Loan is to be used for the working capital of SX Good Hope for its on-going operation. The funding indirectly provided by Fullpower as described below is to be used for repayment of the indebtedness due to associates and related parties of Mr. Wong by SX Good Hope, which indebtedness must be repaid in full on or before 31 December 2011.

To match the advance by the Company of the CM Loan to the Target, Fullpower has agreed to provide RMB60,000,000 to HK Good Hope by way of capital contribution as capital reserve of the Target after Completion to enable HK Good Hope to increase its capital contribution to SX Good Hope by the amount of the RMB80,000,000 (including the use of the CM Loan to fund part of the capital increase in SX Good Hope). On this basis, the Company has agreed that the CM Loan will be converted in full into capital reserve of the Target when the Capital Increase Matters are fully completed.

### **Non-PRC Debt Restructuring**

According to the unaudited consolidated management accounts of the Target as provided by Fullpower for the two months ended 28 February 2011, there were certain indebtedness owing by the Target and HK Good Hope to Fullpower and Mr. Wong and vice versa. In order to rationalise and remove such indebtedness prior to Completion, those parties are required as a condition precedent to Completion to complete the Non-PRC Debt Restructuring. The Non-PRC Debt Restructuring involves the assignment and novation of the debts which culminate to a net amount owing from the Target and HK Good Hope to Fullpower, Mr. Wong and his associates of approximately RMB10.3 million (or approximately HK\$12.4 million), which will be capitalised by the issue of 1,000 new shares in the Target to Fullpower. Immediately after completion of the Non-PRC Debt Restructuring, there shall be no further amounts due from the Target or any of its subsidiaries (other than SX Good Hope) to Fullpower, Mr. Wong and their associates. However, it is acknowledged that as at 28 February 2011, there was a total sum of approximately RMB40.0 million (or approximately HK\$48.0 million) due to the associates and related parties of Mr. Wong by SX Good Hope, which will be repaid by SX Good Hope on or before 31 December 2011 by the new capital of SX Good Hope through the proposed increase in its registered capital by RMB80 million, to be contributed by HK Good Hope as described in the paragraph headed “Capital Increase Matters of the Target Group” above. Please refer to the paragraph headed “Financial information of the Target Group” for further information on the indebtedness of SX Good Hope.

### **CM Put Option**

Fullpower and the Guarantors have granted the CM Put Option to the Company for no additional consideration. Under the CM Put Option, the Company has the right to require Fullpower to acquire the Sale Shares and any shareholder’s loan then due and owing by the Target to the Company at the price of HK\$65,000,000 (subject to reduction by the amount of the CM Loan then already repaid, but not in respect of any conversion of such loan into capital reserve as described in the section “Capital Increase Matters of the Target Group”). The consideration payable to the Company by Fullpower upon the exercise of the CM Put Option was determined after arm’s length negotiations with Fullpower and is based on the cash payment made by the Company for the consideration of the Sale Shares and the amount of the CM Loan. The right to exercise the CM Put Option will be triggered upon the occurrence of certain events. These events include (i) the Renewed Huangpu Exploration License is not delivered to the Company on or before 31 August 2011 or such later date as the Company may agree; (ii) the Capital Increase Matters are not completed on or before 31 December 2011; and (iii) the Independent Valuation (together with the related competent persons’ report) has not been delivered



to the Company on or before 31 March 2012 (or such later date as the Company may agree); (iv) a breach of certain undertakings in relation to the continued operation of the Target group, including a non-competition undertaking from Fullpower and the Guarantors under which they and their associates will not directly or indirectly engage in the operation, exploration and exploitation of coal bed methane fields in Shaanxi Huangpu area and Shanxi Xiahuangyan area and an undertaking not to solicit business partners or employees of the Target group, in each case, for a period of two years from Completion; (v) there is a breach of the terms of the Shareholders' Agreement (please refer to the paragraph headed "Shareholders' Agreement" below) by Fullpower or the Guarantors or there is the occurrence of any event of default as provided in the Shareholders' Agreement; and (vi) the Company reasonably believes that any of the aforesaid events will occur. If the Company has not exercised the CM Put Option, the CM Put Option will expire after 30 days from the date of lapse of the CM Call Option as more particularly described below. The payment obligations of Fullpower to purchase the Sale Shares under the CM Put Option are to be secured by a charge by Fullpower over 25% of the issued share capital in the Target held by Fullpower, such charge to be delivered to the Company at Completion.

### **CM Call Option**

Fullpower and the Target have granted the CM Call Option to the Company for no additional consideration. Under the CM Call Option, the Company has the right to require Fullpower to sell to the Company the remaining 75% of the issued share capital of the Target. The Further Acquisition shall subject to, among other things, the following:

- (i) the consideration of the Further Acquisition shall be determined with reference to 90% of the Independent Valuation (which valuation shall not be less than RMB2.2 billion in any event);
- (ii) if the Company elects to satisfy all or part of the consideration of the Further Acquisition by the issue and allotment of new Shares, such new Shares shall be issued at a price of HK\$1.50 per Share; and
- (iii) other terms and conditions as reasonably agreed by the Company.

Fullpower, the Target and the Guarantors have undertaken to provide the Company the Independent Valuation (and the related competent person's report) on or before 31 March 2012 (or such later date as may be agreed by the Company). The CM Call Option can be exercised by the Company within 60 days after the date of the Independent Valuation. However, the Company shall only be obliged to complete the Further Acquisition after having obtained the necessary approval from the Shareholders or any other applicable approvals. The CM Call Option will lapse if it is not exercised during the 60 day period mentioned above. If the CM Call Option has been exercised but the formal sale and purchase agreement in relation to the Further Acquisition has not been entered into within 60 days after the exercise of the CM Call Option, the obligations of Fullpower in respect of the CM Call Option will also cease.

### **Vendor Repurchase Option**

The Company has granted the Vendor Repurchase Option to Fullpower for no additional consideration. Under the Vendor Repurchase Option, Fullpower has the right to repurchase the Sale Shares from the Company at the same consideration as applied under the CM Put Option within 30 days on the earlier of (i) the Company demands the repayment of the CM Loan; (ii) the date of lapse of the CM Put Option; or (iii) if (a) person(s) other than Mr. Lui (or his associates) become the controlling shareholder (as defined in the Listing Rules) of the Company.

The Vendor Repurchase Option was granted at the request of Fullpower, taking into account the request by the Company that Fullpower grants the CM Put Option. Taking into account the fact that the Vendor Repurchase Option can only be exercised by Fullpower upon occurrence of the aforesaid events, the Directors (including the independent non-executive Directors) consider the granting of the Vendor Repurchase Option to Fullpower to be fair and reasonable. The Company will issue a separate announcement in due course if the Vendor Repurchase Option is exercised by Fullpower, including information on the gain or loss on disposal, if any, and the use of the disposal proceed receivable from Fullpower. It is currently contemplated that such proceed will be used as general working capital of the Group.

### **Shareholders' Agreement**

At Completion, Peace Broad, the Company's wholly-owned subsidiary nominated to hold the Sale Shares, and the Company (as guarantor of the obligations of Peace Broad) will enter into a shareholders' agreement with Fullpower and the Guarantors (as guarantors of the obligations of Fullpower), to regulate their relationship as shareholders of the Target. Under the shareholders' agreement, the Company will have the right to appoint one director to the board of the Target and HK Good Hope, and if Peace Board should increase its shareholding in the Target, a proportionate number of directors will be appointed by Peace Board. The shareholders' agreement also requires Peace Broad's prior consent to be obtained in respect of certain reserved matters, including (amongst other things) changes to the share capital of the Target Group companies, material acquisitions and disposals, incurrence of commitments and expenses by members of the Target Group. The shareholders of the Target will agree not to dispose of their shares without the consent of the other before the expiry of the Vendor Repurchase Option. Any transfer of shares or interest in shares by a shareholder thereafter will be subject to first right of refusal of the other shareholder. Where Fullpower proposes to transfer its shares, Peace Broad will have tag along rights, to sell at the same time and on the same terms.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following chart sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon Completion and immediately after the allotment and issue of the Consideration Shares:

	As at the date of this announcement		Upon Completion and immediately after the allotment and issue of Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Harmony Link Corporation ("HLC") <i>(Note 1)</i>	319,157,286	52.60%	319,157,286	50.24%
Mr. Lui Shing Ming Brian <i>(Note 2)</i>	5,468,750	0.90%	5,468,750	0.86%
Mr. Lui Shing Cheong <i>(Note 2)</i>	3,906,250	0.64%	3,906,250	0.61%
Mr. Lui Shing Chung, Victor <i>(Note 2)</i>	3,906,250	0.64%	3,906,250	0.61%
Ms. Ng Shuk Fong, Aman <i>(Note 3)</i>	1,562,500	0.26%	1,562,500	0.25%
Fullpower	—	—	28,600,000	4.50%
Other public Shareholders	272,752,083	44.96%	272,752,083	42.93%
<b>Total</b>	<b>606,753,119</b>	<b>100.00%</b>	<b>635,353,119</b>	<b>100.00%</b>

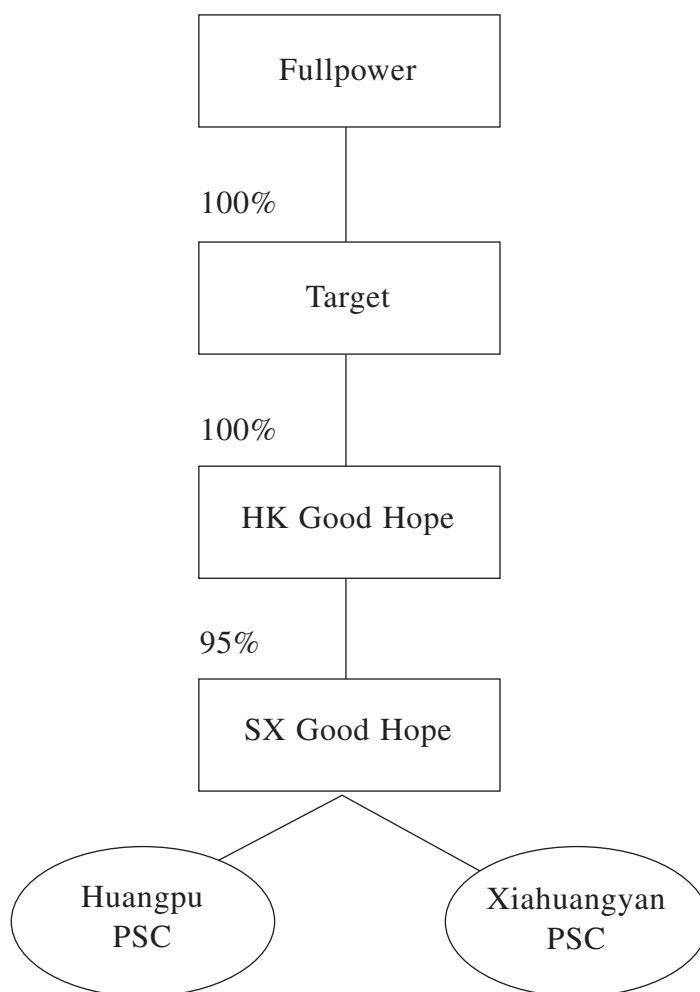
Notes:

1. Approximately 48.4% of the issued share capital of HLC is held by The Lui Family Company Limited as trustee of The Lui Unit Trust. All units (except 1 unit which is owned by Mr. Lui Shing Ming, Brian) of The Lui Unit Trust are held by Trident Trust Company (B.V.I.) Limited as trustee of a discretionary trust. Mr. Lui Chi and Madam Ng Sze Mui are the founders of the discretionary trust. Messrs. Lui Shing Ming, Brian, Lui Shing Chung, Victor and Lui Shing Cheong further owns approximately 24.13%, 14.59% and 12.88% of the issued share capital of HLC respectively.
2. Mr. Lui Shing Ming, Brian, Mr. Lui Shing Cheong and Mr. Lui Shing Chung, Victor are executive Directors.
3. Ms. Ng Shuk Fong, Aman is the spouse of Mr. Lui Shing Chung, Victor.

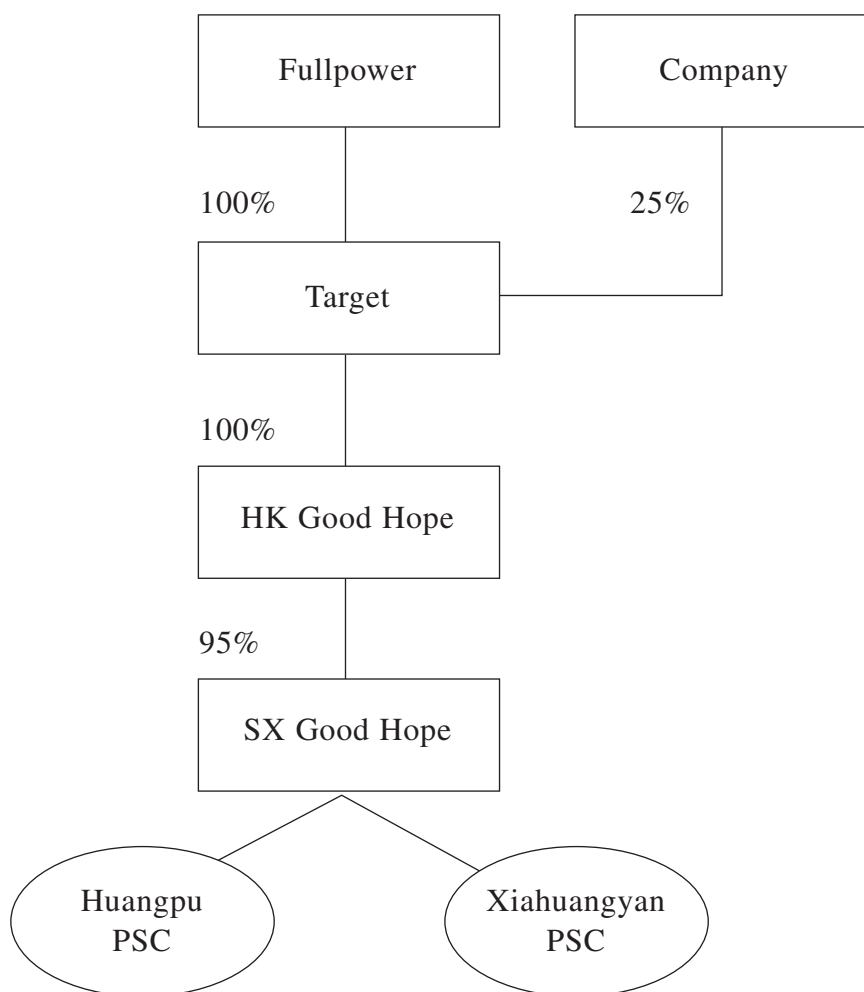
## INFORMATION ON THE TARGET GROUP

Set out below is the shareholding structure of the Target Group, information on the Target Group, the CBM Projects and the production sharing contracts, prepared based on the information provided by Fullpower:

## Shareholding structure of the Target Group immediately before the Completion



## Shareholding structure of the Target Group immediately after the Completion



### Background information on the Target Group

The Target, incorporated in the BVI with limited liability on 8 May 2008, is an investment holding company with authorized share capital of US\$50,000 and issued share capital of US\$2,000 as at the date of this announcement. On 28 January 2010, the Target acquired the entire issued share capital of HK Good Hope. As advised by Fullpower, the Target has not carried out any business since its incorporation save for the acquisition of HK Good Hope and transactions incidental to and arising from such acquisition.

HK Good Hope, incorporated in Hong Kong with limited liability on 13 June 2008, is an investment holding company with authorized share capital of HK\$10,000 and issued share capital of HK\$100 as at the date of this announcement. On 26 January 2010, HK Good Hope entered into a share transfer agreement to acquire a 95% equity interest in SX Good Hope and such transfer was completed on 28 December 2010. As advised by Fullpower, HK Good Hope has not carried out any business since its incorporation save for the aforesaid acquisition of the equity interest in SX Good Hope and transactions incidental to and arising from such acquisition. As at the date of this announcement, the principal asset of HK Good Hope is its investment in 95% equity interest in SX Good Hope, which in turn holds the Huangpu PSC and the Xiahuangyan PSC.

SX Good Hope was incorporated in the PRC by Madam Zhou on 6 May 2008 with a registered and paid-up capital of RMB10,000,000, the business scope of which includes the research and development of applied technology, information consultancy, provision of technical improvement and development services in the development and production of coalbed methane gas, as well as production and sale of compressed gas. On 26 January 2010, HK Good Hope entered into an agreement with Madam Zhou pursuant to which HK Good Hope agreed to acquire and Madam Zhou agreed to sell a 95% equity interest in SX Good Hope and completion of such transfer of equity interest took place on 28 December 2010. As a result, SX Good GH became a sino-foreign joint venture entity with a permitted term of operation expiring on 16 August 2040. On 6 November 2010, SX Good Hope entered into the Supplemental Huangpu PSC with SH Huazheng and CUCBM and the Supplemental Xiahuangyan PSC with Guohao Investment and BJ Dadi respectively, pursuant to which all rights and obligations of the Huangpu PSC Operator and Xiahuangyan PSC Operator under the Huangpu PSC and Xiahuangyan PSC were transferred to SX Good Hope. Following that, SX Good Hope became the Huangpu PSC Operator and the Xiahuangyan PSC Operator. For details of the Huangpu PSC and the Xiahuangyan PSC, please refer to the paragraph headed “Information on the production sharing contracts” below.

### **Financial information of the Target Group**

The Target and HK Good Hope were incorporated on 8 May 2008 and 13 June 2008 respectively. As advised by Fullpower, from the date of incorporation to the date of the Acquisition Agreement, the Target and HK Good Hope has not commenced any business activity save for the investment holding activity for forming the structure of the Target Group (including the acquisition of a 95% equity interest in SX Good Hope which was completed on 28 December 2010). Set out below is the unaudited consolidated financial information of the Target for the year ended 31 December 2010 based on the information provided by Fullpower:

**For the year ended**  
**31 December 2010**  
*(approximately RMB'000)*

Turnover	—
Loss before taxation	1,882
Loss after taxation	1,882

As at 31 December 2010, the unaudited consolidated net liabilities of the Target amounted to approximately RMB1.4 million (or approximately HK\$1.7 million).



For SX Good Hope, as set out in the paragraph headed “Background information on the Target Group”, it became the Huangpu PSC Operator and Xiahuangyan PSC Operator in late 2010 after the entering into of the Supplemental Huangpu PSC and the Supplemental Xiahuangyan PSC. As advised by Fullpower save for the entering into of such supplemental agreements and ancillary transactions, SX Good Hope has not carried out any business since its establishment. The financial information of SX Good Hope as extracted from its unaudited financial statements for the two years ended 31 December 2009 and 31 December 2010 (which were prepared in accordance with the Hong Kong Financial Reporting Standards) based on the information provided by Fullpower are set out below:

	<b>For the year ended 31 December 2010</b> <i>(approximately RMB'000)</i>	<b>For the year ended 31 December 2009</b> <i>(approximately RMB'000)</i>
Turnover	—	—
Loss before taxation	211	184
Loss after taxation	211	184

As at 31 December 2010, the unaudited net assets of SX Good Hope amounted to approximately RMB9.4 million (or approximately HK\$11.3 million). Included in the net assets of SX Good Hope as at 31 December 2010 were non-current assets of capitalised exploration and evaluation expenditures of RMB59.8 million (or approximately HK\$71.8 million) and liabilities involving amounts due to associates and related parties of Mr. Wong of approximately RMB40.0 million (or approximately HK\$48.0 million) and account payables of approximately RMB18.5 million (or approximately HK\$22.2 million). As described in the paragraph headed “Capital Increase Matters of the Target Group” above, Fullpower has agreed to provide RMB60 million towards the increase in the registered capital of SX Good Hope, and such funds will be used to repay the aforesaid amounts and payables owed by SX Good Hope to the associates and related parties of Mr. Wong and other creditors.

## **INFORMATION ON THE CBM PROJECTS**

### *The Huangpu CBM Project*

The Huangpu CBM Project is situated along the eastern margin of the Ordos Basin and encompasses parts of the Shaanxi Provinces and Inner Mongolia Autonomous Region, the PRC. As advised by Fullpower, a total of two exploration wells have been drilled by the Target Group on the Huangpu Contract Area (which covers a total of 1,009.07 square kilometers) in 2010. According to “Assessment Report on Coal and Coalbed Gas Resources Potential in Huangpu Block in Shaanxi, China” prepared by Xi’an Branch of the China Coal Research Institute in November 2007, the coalbed methane resources are estimated to be approximately  $2,987.61 \times 10^8$  cubic meters.

### *The Xiahuangyan CBM Project*

The Xiahuangyan CBM Project is situated along the eastern margin of the Qinshui Basin located in Shanxi Province, the PRC. As advised by Fullpower, Xiahuangyan CBM Project is currently the primary focus under the CBM Projects and a total of five exploration wells have been drilled by the Target Group on the Xiahuangyan Contract Area (which covers a total of 173.188 square kilometers) in 2010. The Target Group is also planning to drill a further ten exploration wells and fracture and dewater all the drilled wells in 2011. According to “Assessment on the Development Potential of the Coalbed Methane Resources of the Xiahuangyan Block in Wuxiang County, Shanxi Province, China” prepared by Xi’an Branch of the China Coal Research Institute in January 2010, the thickness of the main target seam under the Xiahuangyan PSC is around 5 meters with high coal rank and strong generation and storage capacities and the coalbed methane resources are estimated to be approximately  $402.37 \times 10^8$  cubic meters.

### **Information on the production sharing contracts**

#### *The Huangpu PSC*

Currently, SX Good Hope is the Huangpu PSC Operator. Pursuant to the Huangpu PSC (as supplemented by the Supplemental Huangpu PSC), the Huangpu PSC Operator is required to provide the exploration expenditure for the operations on Huangpu Contract Area in the exploration phase whereas CUCBM shall, among other things, facilitate local approvals and liaise with local and government bodies and sell coalbed methane or coalbed methane products extracted from the Huangpu Contract Area. The profit sharing ratio between the Huangpu PSC Operator and CUCBM is 80:20. The exploration license (with license number 0200000930157) which covers the Huangpu Contract Area was issued to CUCBM on 7 July 2009 with a mining period commencing from 30 June 2009 to 30 June 2011. Under the terms of the Acquisition Agreement, Fullpower and the Target have undertaken to procure the obtaining of the Renewed Huangpu Exploration License on or before 31 August 2011.

According to the Huangpu PSC, the Huangpu PSC Operator shall first bear all the exploration costs and such costs are to be recovered (without interest) in kind out of 75% coalbed methane and liquid hydrocarbons to be produced from any coalbed methane field in the Huangpu Contract Area at free market coalbed methane or liquid hydrocarbons prices (as the case may be) after the deduction of value-added taxes and other relevant taxes in the PRC. The remaining 25% coalbed methane and liquid hydrocarbons production will be applied to repay the development and production cost incurred during the production periods, which shall be borne by the Huangpu PSC Operator and CUCBM in the proportion of 80% and 20% respectively. Upon extraction of the coalbed methane and liquid hydrocarbons, the coalbed methane and liquid hydrocarbons will be sold by CUCBM. The profit on sale of the products, after the payment for the recovery of the exploration costs and development and production costs incurred as described above, shall be distributed between SX Good Hope and CUCBM in the proportion of 80% and 20% respectively.

Pursuant to the Huangpu PSC (as supplemented by the Supplemental Huangpu PSC), the overall contract term shall not go beyond thirty consecutive years and the development of the Huangpu Contract Area can be divided into two phases:

**1. Exploration phase**

During the exploration phase, the Huangpu PSC Operator will conduct core testing and run pilot production to ascertain the potential commercial value of the coalbed methane field in the planned exploration area. The exploration phase under the Huangpu PSC (as supplemented by the Supplemental Huangpu PSC) has an initial term of six years from 2006 and is extendable for three years.

**2. Development and production phase**

During the development and production phase, the Huangpu PSC Operator shall carry out the coalbed methane extraction and production from the date of approval of the Overall Development Program for any coalbed methane field, including planning, design, construction, installation, drilling, developing transportation systems, and the related research work as well as production activities, including but not limited to, the extraction, injection, stimulation, treatment, storage and transportation of each coalbed methane field. Once the Huangpu PSC Operator has ascertained the potential commercial value in the coalbed methane field, the Huangpu PSC Operator shall formulate the Overall Development Program of such coalbed methane field and CUCBM shall submit to the National Development and Reform Commission for approval. Pursuant to the Huangpu PSC (as supplemented by the Supplemental Huangpu PSC), the development and production phase, which shall not exceed 27 consecutive years, will start from the date of approval of the Overall Development Program by the National Development and Reform Commission and end on the date as stated in the Overall Development Program.

**The Xiahuangyan PSC**

Currently, SX Good Hope is the Xiahuangyan PSC Operator. Pursuant to the Xiahuangyan PSC (as supplemented by the Supplemental Xiahuangyan PSC), the Xiahuangyan PSC Operator is required to provide the exploration expenditure for the operations on Xiahuangyan Contract Area in the exploration phase whereas BJ Dadi shall, among other things, facilitate local approvals and liaise with local and government bodies. The profit sharing ratio between the Xiahuangyan PSC Operator and BJ Dadi is initially set at 55:45. The exploration license (with license number 0200001030479) under the Xiahuangyan PSC, which was issued to BJ Dadi on 10 December 2010, is valid from 30 December 2010 to 10 December 2012.

The Xiahuangyan PSC Operator shall first bear all the exploration costs. Such costs are to be recovered (without interest) by the Xiahuangyan PSC Operator out of the profits arising from the production of coalbed methane and liquid hydrocarbons from any coalbed methane field in the Xiahuangyan Contract Area. The Xiahuangyan PSC Operator and BJ Dadi shall bear the cost incurred during the development and production phase in the proportion of their profit sharing ratio, which is initially agreed to be on the basis of 55% to the Xiahuangyan PSC Operator and 45% to BJ Dadi. If BJ Dadi opts (prior to the development and production phase) to reduce its cash contribution obligations, its profit sharing ratio can be reduced accordingly provided that BJ Dadi will have a minimum of 8% interest even if it makes no cash contribution to such project.

Pursuant to the Xiahuangyan PSC (as supplemented by the Supplemental Xiahuangyan PSC), the development of the Xiahuangyan Contract Area can be divided into two phases:

**1. Exploration phase**

During the exploration phase, the Xiahuangyan PSC Operator will conduct core testing and run pilot production to ascertain the potential commercial value of the coalbed methane field in the planned exploration area. The exploration phase under the Xiahuangyan PSC has an initial term of three years from 2007 and is extendable for one year.

**2. Development and production phase**

During the development and production phase, the Xiahuangyan PSC Operator shall carry out the coalbed methane extraction and production from the date of approval of the Overall Development Program for any coalbed methane field, including planning, design, construction, installation, drilling, developing transportation systems, and the related research work as well as production activities, including but not limited to, the extraction, injection, stimulation, treatment, storage and transportation of each coalbed methane field. Once the Xiahuangyan PSC Operator has ascertained the potential commercial value in the coalbed methane field, the Xiahuangyan PSC Operator shall formulate the Overall Development Program of such coalbed methane field and BJ Dadi shall submit to the National Development and Reform Commission for approval. Pursuant to the Xiahuangyan PSC, a project company is to be set up within thirty days after the date of approval of the Overall Development Program by the National Development and Reform Commission. The development and production phase under the Xiahuangyan PSC, which shall not exceed 27 consecutive years, will start from the date of incorporation of the project company and end on the date as stated in the Overall Development Program.

## REASONS FOR THE ACQUISITION

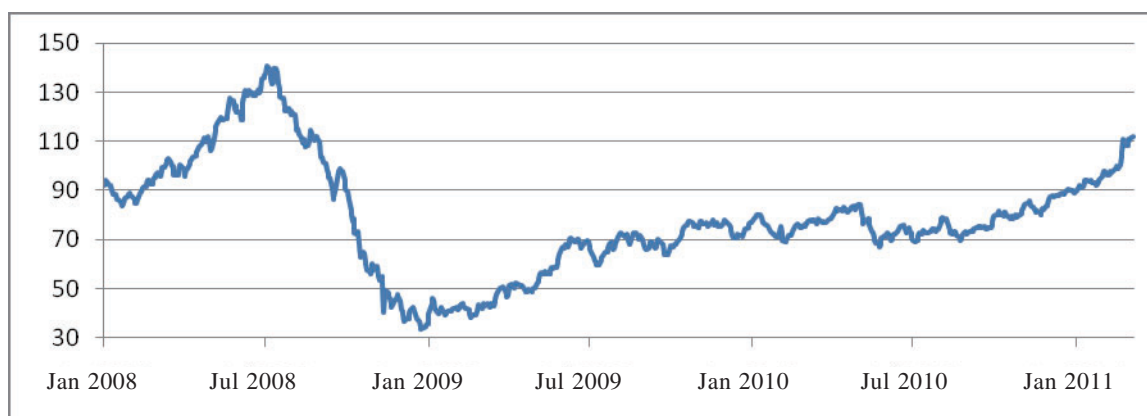
The Company is an investment holding company and its subsidiaries are principally engaged in the business of manufacturing and selling of paper cartons, packaging boxes and children's novelty books, manufacturing and selling of hangtags, labels, shirt paper boards and plastic bags, commercial printing and asset management.

As stated in the interim report of the Company for the six months ended 30 September 2010, despite the improvement in the results of the Group, the Directors still expected that the operating environment in the printing industry will be challenging as the sustainable recovery of the world's economy is still uncertain. With an aim to sustain long term growth and maximising the wealth of the shareholders of the Company, the Directors have been exploring potential opportunities to diversify the Group's business.

Coalbed methane is a form of natural gas extracted from coal beds and known as a form of clean energy. According to an introduction fact sheet published in October 2000 by the US Geological Survey, the sole service agency for the Department of Interior of the United States of America, methane occurs in most coals. During coalification, large quantities of methane-rich gas are generated and stored within the coal on internal surfaces and large amount of such methane-rich gas can be stored as coal has large internal surface area. The exploration costs for coal-bed methane are considered to be low, and the wells are cost effective to drill.

In considering whether to invest in the coalbed methane sector, the Company has considered the price of the crude oil in the past years, which the Company considers to be an indicator of the price of coalbed methane. Set out below is the graph showing the price of crude oil since 2008:

**Price of crude oil quoted in OPEC since 2008**



*Source: Bloomberg*

The price of crude oil has been gradually rising subsequent to the slump in crude oil price during the global financial tsunami in 2008 and reached US\$111.01 per barrel in late February 2011, representing approximately 78.9% of the peak of US\$140.73 per barrel in early July 2008. The Directors are of the view that with the absence of significant development in new source of energy or fuel, the price of crude oil, together with its substitute (including, but not limited to, coalbed methane), will continue its upward trend in the coming future. Moreover, the Directors consider that the Acquisition would enable the Company to enter into the coalbed methane supply market, being a clean energy sector that is supported by the PRC government, and produce a new source of income for the Company.

Having considered the above, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. Given that each of the CM Call Option and the CM Put Option is exercisable at the discretion of the Company, in accordance with Rule 14.75 of the Listing Rules, the Company will comply with the relevant provisions under the Listing Rules as and when the CM Call Option or the CM Put Option is exercised. In respect of the Vendor Repurchase Option, given that it is exercisable at the discretion of Fullpower, such option is regarded as having been exercised for the purpose of Rule 14.74 of the Listing Rules and the relevant applicable percentage ratios in respect of the Vendor Repurchase Option are greater than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the Vendor Repurchase Option constitutes a discloseable transaction for the Company as at the date of the Acquisition Agreement under the Listing Rules.

### **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Monday, 28 March 2011 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Tuesday, 29 March 2011.



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Acquisition”	the acquisition of 25% of the entire issued share capital in the Target by the Company at Completion pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 26 March 2011 entered into between the Company, Fullpower, the Target and the Guarantors in relation to the Acquisition
“associates”	has the meaning ascribed thereto under the Listing Rules
“BJ Dadi”	北京中煤大地技術開發公司(Beijing Zhongmei Dadi Technology Development Co., Limited*), a company incorporated in the PRC with limited liability
“Business Day”	means a day (other than a Saturday or a Sunday) on which banks are open for business in Hong Kong
“BVI”	the British Virgin Islands
“Capital Increase Matters”	the relevant matters that Fullpower, the Target and the Guarantors (including approval and procedures) have undertaken under the Acquisition Agreement to procure to take place, including the proposed increase in the registered capital of SX Good Hope from RMB10,000,000 to RMB90,000,000 and the proposal to increase in its total investment amount from RMB13,380,000 to RMB270,000,000
“CBM Projects”	the Huangpu CBM project and the Xiahuangyan CBM project
“CM Call Option”	the CM Call Option to be granted by Fullpower and the Target to the Company in relation to the Further Acquisition according to the terms of the Acquisition Agreement
“CM Loan”	the unsecured and interest-free shareholder’s loan in the aggregate amount of RMB20,000,000 (or approximately HK\$24,000,000) to be provided by the Company to the Target shortly after Completion

“CM Put Option”	the CM Put Option to be granted by Fullpower and the Guarantors to the Company to require Fullpower to acquire the Sale Shares according to the terms of the Acquisition Agreement
“Company”	Cheong Ming Investments Limited (stock code: 1196), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“Consideration Shares”	the 28,600,000 new Shares to be issued and allotted to Fullpower (or its nominee(s)) upon Completion, credited as fully paid at the Issue Price
“CUCBM”	中聯煤層氣有限責任公司(China United Coalbed Methane Corporation Limited*), a company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Fullpower”	Fullpower Investment Holdings Corp., a company incorporated in the BVI with limited liability, which is wholly-owned by the Guarantors
“Further Acquisition”	the proposed further acquisition the remaining 75% issued share capital of the Target under the CM Call Option
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Wong and Mrs. Wong
“Guohao Investment”	國昊投資管理有限公司(Guohao Investment Management Limited*), a company incorporated in the PRC with limited liability, which is, as advised by Fullpower, an associate of the Guarantors
“HK Good Hope”	Good Hope Energy (H.K.) Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by the Target

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangpu CBM Project”	the coalbed methane gas project interest in Huangpu area in Shaanxi Province, the PRC held by the Target Group (through SX Good Hope as operator of the relevant exploration and exploitation of coalbed methane resources under the Huangpu PSC)
“Huangpu Contract Area”	the area designated for exploration of coalbed methane under the Huangpu PSC of 1,009.07 square kilometers located in Huangpu area in Shaanxi Province, the PRC
“Huangpu PSC”	the production sharing contract dated 18 October 2006 (as supplemented by Supplemental Huangpu PSC dated 6 November 2010) in relation to the exploration, development and production of the coalbed methane in Huangpu area in Shaanxi Province, the PRC
“Huangpu PSC Operator”	the entity responsible for the performance of the coalbed methane operations under the Huangpu PSC
“Independent Third Party(ies)”	independent third party(ies) who is/are independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Independent Valuation”	the independent valuation as contained in the valuation report (which shall be prepared in compliance with Rule 18.34 of the Listing Rules, to be conducted on the aggregate of the proved reserves and probable reserves (2P) of the CMB Projects, based on a competent person’s report to be prepared in compliance of Rules 18.18 to 18.33 of the Listing Rules, by a competent evaluator as required under Rule 18.23 of the Listing Rules
“Issue Price”	the issue price of HK\$0.848 per Consideration Share
“Last Trading Day”	25 March 2011, being the last full trading day for the Shares before the date of this announcement
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Zhou”	Ms. Zhou Ping, who is interested in 5% of the equity capital of SX Good Hope
“Memorandum of Understanding”	the memorandum of understanding dated 23 December 2010 (as supplemented by two supplemental memoranda of understanding dated 24 February 2011 and 18 March 2011) entered into between the Company, the Target, HK Good Hope and Mr. Wong regarding the possible investment in the CBM Projects
“Mr. Lui”	Mr. Lui Shing Ming, Brian, the executive Director
“Mr. Wong”	Mr. Wong Sin Hua, Felix
“Mrs. Wong”	Ms. Yu Kwo, wife of Mr. Wong
“Non-PRC Debt Restructuring”	the assignment, novation and set-off of certain indebtedness and receivables of the Target Group (other than SX Good Hope) as described under the section “Non-PRC Debt Restructuring” which culminate to a net amount owing from the Target to Fullpower, which is then capitalised by the issue of 1,000 new shares in the Target to Fullpower
“Overall Development Program”	a plan to be developed for the development of a coalbed methane field or part of a coalbed methane field (phased development) which shall be approved by the State Council
“Peace Broad”	Peace Broad Holdings Limited, a company incorporated in the BVI with limited liability, which is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Renewed Huangpu Exploration License”	the renewed exploration license to be obtained in respect of the Huangpu Contract Area under the Hangpu PSC, which shall be granted with an extension of term for no less than one year in such a way that the expiration date of the license shall be no earlier than 30 June 2012 and registered with CUCBM as the owner of the license and exploration unit in respect of the Huangpu
“Sale Shares”	being 25% of the issued share capital of the Target at Completion
“SH Huazheng”	上海鐸錚投資有限公司(Shanghai Huazheng Investment Limited*), a company incorporated in the PRC with limited liability, which is, as advised by Fullpower, an associate of the Guarantors
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Huangpu PSC”	the supplemental production sharing contract dated 6 November 2010 in relation to the exploration, development and production of the coalbed methane in Huangpu area in Shaanxi Province, the PRC
“Supplemental Xiahuangyan PSC”	the supplemental production sharing contract dated 6 November 2010 in relation to the exploration, development and production of the coalbed methane in Xiahuangyan area in Shanxi Province, the PRC
“SX Good Hope”	陝西國昊煤層氣開發有限公司, an entity established under the laws of the PRC, which is a wholly-owned subsidiary of the Target
“Target”	Suntap Enterprises Limited, a company incorporated in the BVI with limited liability, which is indirectly wholly-owned by the Guarantors
“Target Group”	the Target and its subsidiaries
“Xiahuangyan CBM Project”	the coalbed methane gas project interest in Xiahuangyan area in Shanxi Province, the PRC held by the Target Group (through SX Good Hope as operator of the relevant exploration and exploitation of coalbed methane resources under the Xiahuangyan PSC)

“Xiahuangyan Contract Area”	the area designated for exploration of coalbed methane under the Xiahuangyan PSC of 173.188 square kilometers located in Xiahuangyan area in Shanxi Province, the PRC
“Xiahuangyan PSC”	the production sharing contract dated 18 October 2007 (as supplemented by Supplemental Xiahuangyan PSC dated 6 November 2010) in relation to the exploration, development and production of the coalbed methane in Xiahuangyan area in Shanxi Province, the PRC
“Xiahuangyan PSC Operator”	the entity responsible for the performance of the coalbed methane operations under the Xiahuangyan PSC
“Vendor Repurchase Option”	the repurchase option granted by the Company to Fullpower to repurchase the Sale Sales by Fullpower from the Company in accordance with the terms of the Acquisition Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*Unless otherwise specified in this announcement, translation of RMB into HK\$ is made in this announcement, for illustration purpose only, at the rate of RMB1 to HK\$1.2. No representation is made that any amount in RMB could have been converted at that rate or any other rates.*

\* For identification purpose only

By order of the Board  
**Cheong Ming Investments Limited**  
**Lui Shing Ming, Brian**  
*Chairman*

Hong Kong, 28 March 2011

*As at the date of this announcement, the executive Directors of the Company are Mr. Lui Shing Ming, Brian, Mr. Lui Shing Cheong and Mr. Lui Shing Chung, Victor and the independent non-executive Directors are Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man, Carmen.*