CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2011

RESULTS

The directors of Cheong Ming Investments Limited (the "Company") are pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2011 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
Revenue	4	**517,409**	458,680
Cost of sales		**(372,614)**	(331,223)
Gross profit		**144,795**	127,457
Other operating income	5	**14,518**	14,121
Selling and distribution costs		**(12,748)**	(13,763)
Administrative expenses		**(96,889)**	(90,698)
Other operating expenses		**(8,934)**	(17,227)
Profit from operations	6	**40,742**	19,890
Finance costs	7	**(816)**	(977)
Profit before income tax		**39,926**	18,913
Income tax expense	8	**(5,019)**	(3,201)
Profit for the year attributable to the equity holders of the Company		**34,907**	15,712
Earnings per share for profit for the year attributable to the equity holders of the Company	10		
– Basic		**HK5.75 cents**	HK2.58 cents

Details of dividends attributable to the equity holders of the Company for the year are set out in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2011

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Profit for the year	**34,907**	15,712
Other comprehensive income:		
Exchange gain/(loss) on translation of financial statements of foreign operations	**777**	(264)
Revaluation surplus on leasehold land and buildings	**13,906**	8,926
Deferred tax charge arising from revaluation surplus on leasehold land and buildings	**(2,944)**	(1,592)
Other comprehensive income for the year, net of tax	**11,739**	7,070
Total comprehensive income attributable to the equity holders of the Company	**46,646**	22,782

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

		31 March		1 April
		2011	2010	2009
	Notes	***HK$'000***	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment		**165,470**	158,491	179,272
Prepaid lease payments		**13,703**	14,049	14,786
Investment property		**8,140**	–	–
Deposits paid for acquisition of property, plant and equipment		**11,226**	–	–
Deposit paid for acquisition of an investment property		**801**	–	–
Deposits paid for investment in an associate	14	**28,000**	–	–
Deferred tax assets		**94**	9	2,385
		227,434	172,549	196,443
Current assets				
Inventories		**51,033**	45,891	42,953
Trade receivables	11	**76,158**	84,553	84,541
Prepayments, deposits and other receivables		**12,193**	8,992	12,530
Financial assets at fair value through profit or loss	12	**77,372**	66,222	32,636
Cash and cash equivalents		**173,109**	194,421	181,934
Tax receivable		**323**	673	639
		390,188	400,752	355,233
Non-current assets held for sale		**–**	6,765	–
		390,188	407,517	355,233

	Notes	31 March 2011 HK$'000	31 March 2010 HK$'000 (Restated)	1 April 2009 HK$'000 (Restated)
Current liabilities				
Trade payables	13	**67,207**	53,565	50,460
Accrued liabilities and other payables		**31,359**	32,229	26,239
Interest-bearing borrowings		**29,556**	25,200	21,750
Tax payable		**10,735**	8,678	7,526
		138,857	119,672	105,975
Net current assets		**251,331**	287,845	249,258
Total assets less current liabilities		**478,765**	460,394	445,701
Non-current liabilities				
Deferred tax liabilities		**9,722**	7,659	7,783
Net assets		**469,043**	452,735	437,918
EQUITY				
Equity attributable to the equity holders of the Company				
Share capital		**60,675**	60,675	60,916
Reserves		**396,233**	385,992	377,002
Proposed dividend	9	**12,135**	6,068	–
Total equity		**469,043**	452,735	437,918

Notes:

1. **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. **ADOPTION OF NEW OR AMENDED HKFRSs**

Adoption of new or amended HKFRSs effective on or after 1 April 2010

In the current year, the Group has applied, for the first time, the following new HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2010.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK Interpretation 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause
Various	Annual improvements to HKFRSs 2009

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

HKFRS 3 (Revised) Business Combinations and HKAS 27 (Revised) Consolidated and Separate Financial Statements

The revised standard introduced major changes to the accounting requirements for business combinations. It retains the major features of the purchase method of accounting, now referred to as the acquisition method. The most significant changes in this standard are as follows:

– Acquisition-related costs of the combination are recorded as an expense in profit or loss. Previously, these costs would have been accounted for as part of the cost of the acquisition.

– The assets acquired and liabilities assumed are generally measured at their acquisition-date fair value unless the revised standard provides an exception and provides specific measurement rules.

– Any contingent consideration is measured at fair value at the acquisition date. If the contingent consideration arrangement gives rise to a financial liability, any subsequent changes are generally recognised in profit and loss. Previously, contingent consideration was recognised at the acquisition date only if its payment was probable.

The revised standard has been applied prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The Group did not have business acquisition on or after 1 April 2010. Therefore, the adoption of this standard results in a change of the Group's accounting policies on business combinations but did not have any impact in the Group's financial position and results.

The adoption of HKFRS 3 (Revised) required that the HKAS 27 (Revised) is adopted at the same time. Similar to HKFRS 3 (Revised), the adoption of the revised standard is applied prospectively. The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of the standard had no impact in the current year's financial statements.

HK Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The interpretation is a clarification of an existing standard, HKAS 1 Presentation of Financial Statements. It sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

In order to comply with the requirements of HK Interpretation 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1 April 2009, with consequential reclassification adjustments to comparatives for the year ended 31 March 2010. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any period presented.

Effect of adoption of HK Interpretation 5 on the consolidated statement of financial position

	As at 31 March		As at
	2011	**2010**	1 April 2009
	HK$'000	*HK$'000*	*HK$'000*
Increase/(Decrease) in:			
Current liabilities			
Interest-bearing borrowings	4,300	13,500	13,750
Non-current liabilities			
Interest-bearing borrowings	(4,300)	(13,500)	(13,750)

Annual Improvements to HKFRSs 2009 – Amendment to HKAS 17 Leases

The improvements to HKFRSs 2009 made several minor amendments to HKFRSs. The only amendment relevant to the Group relates to HKAS 17 Leases. The amendment deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Prepaid lease payments", and amortised over the lease term.

The amendment has been applied retrospectively for annual period beginning 1 April 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land as at 1 April 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold lands from operating lease to finance lease.

Accordingly, certain pieces of leasehold land which are held for own use are accounted for as property, plant and equipment and are depreciated over the lease term.

The effect of the adoption of this amendment is as follows:

	For the year ended 31 March	
	2011	2010
	HK$'000	*HK$'000*
Increase/(Decrease) in profit or loss		
Amortisation of prepaid lease payments	**23**	23
Depreciation of property, plant and equipment	**(55)**	(23)
Profit for the year	**(32)**	–

	As at 31 March		As at 1 April
	2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*
Increase/(Decrease) in			
Non-current assets			
Property, plant and equipment	**4,120**	3,230	2,010
Prepaid lease payments	**(838)**	(861)	(884)
Non-current liabilities			
Deferred tax liabilities	**547**	391	186
Equity			
Asset revaluation reserve	**2,767**	1,978	940
Retained profits	**(32)**	–	–

As a result of the above retrospective reclassification and restatement, an additional consolidated statement of financial position is presented in accordance with HKAS 1 Presentation of Financial Statements.

New or amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1&2]
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement[2]
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[1]
HKAS 24 (Revised)	Related Party Disclosures[2]
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[3]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[4]
HKFRS 9	Financial Instruments[5]

[1] Effective for annual periods beginning on or after 1 July 2010
[2] Effective for annual periods beginning on or after 1 January 2011
[3] Effective for annual periods beginning on or after 1 July 2011
[4] Effective for annual periods beginning on or after 1 January 2012
[5] Effective for annual periods beginning on or after 1 January 2013

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncements. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. The directors are currently assessing the impact of other new and amended HKFRSs upon initial application but are not yet in a position to state whether they would have material financial impact on the Group's results and financial position.

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets

The amendments are effective for annual periods beginning on or after 1 January 2012 and introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

HKFRS 9 Financial Instruments

The standard is effective for annual periods beginning on or after 1 January 2013. Under the standard, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business lines.

The Group has identified the following reportable segments:

(a) the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books for sale principally to manufacturers and publishers of consumer products;

(b) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags segment produces hangtags, labels, shirt paper boards and plastic bags products for sale principally to manufacturers of consumer products; and

(c) the commercial printing segment provides financial printing, digital printing and other related services.

Each of these operating segments is managed separately as each of the business lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The executive directors assess segment reporting as those used in its HKFRS financial statements, except that certain items are not included in arriving at the operating results of the operating segments (expenses relating to finance costs, income tax and corporate income and expenses).

3.1 Business operating segments

The executive directors have identified the Group's three product and service lines as operating segments described above.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. Details of the Group's segment information and reconciliations of the totals of the Group's operating segments to the Group's key financial figures as presented in the financial statements are stated in the following tables.

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Commercial printing		Eliminations		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue:										
Sales to external customers	**428,165**	377,680	**30,938**	24,041	**58,306**	56,959	**–**	–	**517,409**	458,680
Intersegment sales	**7,596**	9,400	**1,339**	417	**320**	413	**(9,255)**	(10,230)	**–**	–
Total	**435,761**	387,080	**32,277**	24,458	**58,626**	57,372	**(9,255)**	(10,230)	**517,409**	458,680
Reportable segment results	**27,828**	7,955	**(496)**	(2,948)	**4,191**	3,115	**–**	–	**31,523**	8,122
Unallocated income:										
Interest income									**3,568**	2,435
Dividend income from financial assets at fair value through profit or loss									**530**	–
Fair value gain on financial assets at fair value through profit or loss									**4,409**	9,333
Gain on disposal of non-current assets held for sale									**3,130**	–
Revaluation surplus on investment property									**305**	–
Unallocated expenses									**(2,723)**	–
Profit from operations									**40,742**	19,890
Finance costs									**(816)**	(977)
Profit before income tax									**39,926**	18,913
Income tax expense									**(5,019)**	(3,201)
Profit for the year									**34,907**	15,712

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Commercial printing		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)						(Restated)
Reportable segment assets	**296,493**	282,159	**6,507**	7,935	**26,783**	28,647	**329,783**	318,741
Unallocated assets:								
Investment property							**8,140**	–
Deposit paid for acquisition of an investment property							**801**	–
Deposits paid for investment in an associate							**28,000**	–
Financial assets at fair value through profit or loss							**77,372**	66,222
Cash and cash equivalents							**173,109**	194,421
Others							**417**	682
Total assets							**617,622**	580,066
Reportable segment liabilities	**83,544**	51,149	**3,497**	3,504	**11,525**	31,141	**98,566**	85,794
Unallocated liabilities							**50,013**	41,537
Total liabilities							**148,579**	127,331
Other segment information:								
Depreciation on property, plant and equipment	**12,071**	12,312	**950**	790	**1,522**	1,620	**14,543**	14,722
Amortisation of prepaid lease payments	**233**	237	**–**	–	**113**	128	**346**	365
(Gain)/Loss on disposal of property, plant and equipment	**(1,210)**	225	**–**	1,493	**–**	–	**(1,210)**	1,718
Revaluation (surplus)/deficit on leasehold land and buildings	**(85)**	3,403	**–**	–	**–**	–	**(85)**	3,403
Write off of property, plant and equipment	**2,571**	9,626	**1,195**	–	**–**	–	**3,766**	9,626
Provision for slow moving inventories	**4,769**	1,427	**–**	–	**–**	–	**4,769**	1,427
Allowance for impairment on trade receivables	**(227)**	857	**–**	–	**326**	–	**99**	857
Allowance for impairment on other receivables	**300**	–	**–**	–	**–**	–	**300**	–
Bad debt expenses	**–**	196	**–**	–	**–**	–	**–**	196
Capital expenditure	**10,723**	5,500	**390**	1,060	**211**	57	**11,324**	6,617

3.2 Geographical information

The Group's revenues from, external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas.

	Hong Kong (domicile)		Elsewhere in the PRC		United Kingdom		Europe and other countries, excluding United Kingdom		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)								(Restated)
Reportable segment revenue:										
Sales to external customers	**446,414**	379,832	**26,961**	15,947	**33,306**	42,898	**10,728**	20,003	**517,409**	458,680
Non-current assets	**81,082**	30,668	**146,258**	141,872	**–**	–	**–**	–	**227,340**	172,540

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset.

During 2011, HK$52,644,000 or 10% (2010: HK$47,620,000 or 10%) of the Group's revenues depended on a single customer in the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment.

4. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered arising from the principal activities of the Group during the year after eliminations of all significant intra-group transactions.

	2011	2010
	HK$'000	*HK$'000*
Sales of goods	**459,103**	401,721
Rendering of services	**58,306**	56,959
	517,409	458,680

5. OTHER OPERATING INCOME

	Group	
	2011	2010
	HK$'000	*HK$'000*
Interest income	**3,568**	2,435
Dividend income from financial assets at fair value through profit or loss	**530**	80
Gain on disposal of financial assets at fair value through profit or loss	**3,278**	6,606
Fair value gain on financial assets at fair value through profit or loss	**1,131**	2,727
Gain on disposal of non-current assets held for sale	**3,130**	–
Gain on disposal of property, plant and equipment	**1,210**	–
Revaluation surplus on leasehold land and buildings	**85**	–
Revaluation surplus on investment property	**305**	–
Net exchange gain	**–**	1,137
Sundry income	**1,281**	1,136
	14,518	14,121

6. PROFIT FROM OPERATIONS

The Group's profit from operations is arrived at after charging/(crediting):

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Amortisation of prepaid lease payments [a]	**346**	365
Auditor's remuneration	**813**	880
Cost of inventories sold	**352,846**	312,939
Cost of services rendered	**19,768**	18,284
Depreciation on property, plant and equipment [b]	**14,543**	14,722
Exchange loss/(gain), net	**831**	(1,137)
(Gain)/Loss on disposal of property, plant and equipment [g]	**(1,210)**	1,718
Gain on disposal of non-current assets held for sale [g]	**(3,130)**	–
Provision for slow moving inventories [g]	**4,769**	1,427
Fair value gain on financial assets at fair value through profit or loss [g]	**(1,131)**	(2,727)
Gain on disposal of financial assets at fair value through profit or loss [g]	**(3,278)**	(6,606)
Operating lease charges on land and buildings [c]	**8,770**	10,174
Bad debt expenses [g]	**–**	196
Allowance for impairment [g]		
– trade receivables	**99**	857
– other receivables	**300**	–
Write off of property, plant and equipment [g]	**3,766**	9,626
Revaluation (surplus)/deficit on leasehold land and buildings [g]	**(85)**	3,403
Revaluation surplus on investment property [g]	**(305)**	–
Staff costs (excluding directors' remuneration)		
Wages and salaries [d]	**94,818**	77,934
Provision for long service payment [f]	**2,106**	649
Net pension scheme contributions [e]	**4,877**	6,054

(a) Amortisation of prepaid lease payments of HK$83,000 (2010: HK$101,000) has been expensed in cost of sales and HK$263,000 (2010: HK$264,000) in administrative expenses.

(b) Depreciation on property, plant and equipment of HK$10,563,000 (2010: HK$10,217,000) has been expensed in cost of sales and HK$3,980,000 (2010: HK$4,505,000) in administrative expenses.

(c) Operating lease charges on land and buildings of HK$539,000 (2010: HK$788,000) has been expensed in cost of sales and HK$8,231,000 (2010: HK$9,386,000) in administrative expenses.

(d) Wages and salaries of HK$39,902,000 (2010: HK$35,177,000) has been expensed in cost of sales and HK$54,916,000 (2010: HK$42,757,000) in administrative expenses.

(e) Net pension scheme contributions of HK$337,000 (2010: HK$398,000) has been expensed in cost of sales and HK$4,540,000 (2010: HK$5,656,000) in administrative expenses.

(f) Provision for long service payment of HK$Nil (2010: HK$Nil) has been expensed in cost of sales and HK$2,106,000 (2010: HK$649,000) in administrative expenses.

(g) Included in other operating (income)/expenses.

7. FINANCE COSTS

	Group	
	2011	2010
	HK$'000	*HK$'000*
Interest charges on overdrafts, bank and other borrowings repayable within five years	**816**	977

8. INCOME TAX EXPENSE

The income tax expense comprises:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Tax expense for the year	**6,246**	2,928
Over provision in respect of prior years	**(370)**	(625)
	5,876	2,303
Current tax – overseas		
Tax expense for the year	**136**	105
(Over)/Under provision in respect of prior years	**(27)**	133
	109	238
Deferred tax		
Tax (credit)/expense for the year	**(966)**	660
Income tax expense	**5,019**	3,201

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits for the year. Taxes on overseas profits have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

PRC Enterprise Income Tax ("EIT") has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2010: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

Deferred tax is accounted for using the balance sheet liability method at the rate of 16.5% (2010: 16.5%) in Hong Kong or the tax rates prevailing in the countries in which the Group operates.

Reconciliation between tax expense and accounting profit at applicable tax rates is as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Profit before income tax	**39,926**	18,913
Tax on profit before income tax, calculated at the rates applicable to profit in the tax jurisdiction concerned	**6,153**	3,823
Tax effect on non-deductible expenses	**1,762**	1,588
Tax effect on non-taxable revenue	**(1,850)**	(2,517)
Tax effect of utilisation of tax losses not previously recognised	**(928)**	(51)
Tax effect on tax loss not recognised	**279**	850
Over provision in prior years	**(397)**	(492)
Income tax expense	**5,019**	3,201

9. DIVIDENDS

(a) Dividends attributable to the year

	2011	2010
	HK$'000	*HK$'000*
Interim dividend of HK1 cent (2010: HK1 cent) per ordinary share	**6,068**	6,068
Special dividend of HK3 cents (2010: Nil) per ordinary share	**18,202**	–
Proposed final dividend of HK2 cents (2010: HK1 cent) per ordinary share	**12,135**	6,068
	36,405	12,136

The final dividend proposed after the reporting date has not been recognised as a liability at the reporting date but reflected as an appropriation of retained earnings for the year ended 31 March 2011.

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2011	2010
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year	**6,068**	–

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company of HK$34,907,000 (2010: HK$15,712,000) and on the weighted average number of ordinary shares of 606,753,119 (2010: 608,093,868) in issue during the year.

No diluted earnings per share has been presented as there had been no dilutive potential shares in both years of 2011 and 2010.

11. TRADE RECEIVABLES

	Group	
	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**78,739**	87,213
Less: Allowance for impairment of receivables	**(2,581)**	(2,660)
Trade receivables – net	**76,158**	84,553

Trade receivables generally have credit terms of 30 to 90 days.

At 31 March 2011, the aging analysis of the trade receivables, based on invoiced date and net of allowance, is as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Current to 30 days	**40,737**	41,125
31 to 60 days	**15,133**	17,010
61 to 90 days	**15,663**	16,244
Over 90 days	**4,625**	10,174
	76,158	84,553

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entities to which they relate:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Euro	**527**	–
US dollars	**24,266**	19,972

The movement in the allowance for impairment of trade receivables is as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Carrying amount at 1 April	**2,660**	5,463
Allowance for impairment loss of prior year written off against trade receivables	**(178)**	(3,660)
Allowance for impairment loss charged to the profit or loss (included in other operating expenses)	**99**	857
Carrying amount at 31 March	**2,581**	2,660

At each of the reporting date, the Group reviews trade receivables for evidence of impairment on both individual and collective basis. The impaired receivables are recognised based on the credit history of its customers, indication of financial difficulties, default in payments, and current market conditions. Consequently, specific impairment allowance was recognised. The Group does not hold any collateral over these balances.

As at 31 March 2011, the Group's trade receivables of HK$2,581,000 (2010: HK$2,660,000) were fully made for allowance for impairment. The impaired receivables mainly relate to customers that were in financial difficulties and management assessed that the entire amount of the receivable balances is unlikely to be recovered.

The aging analysis of trade receivables by past due date that are neither individually nor collectively considered to be impaired are as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Not past due	**61,677**	61,356
Unimpaired but past due		
Not more than 30 days	**10,221**	13,902
31 – 60 days	**2,785**	2,543
61 – 90 days	**1,155**	3,144
Over 90 days	**320**	3,608
	76,158	84,553

As at 31 March 2011, trade receivables of HK$61,677,000 (2010: HK$61,356,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that the Group had continuing business relationships with these customers including sales to and settlements from these customers in general, which in the opinion of the directors have no indication of default. Based on past credit history, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2011	2010
	HK$'000	*HK$'000*
Hong Kong unlisted linked notes	**3,163**	10,145
Hong Kong unlisted debt investments	**36,462**	–
Hong Kong unlisted currency notes	**6,343**	4,800
Hong Kong listed equity investments	**2,650**	9,747
Hong Kong unlisted commodity linked note	**1,579**	–
Overseas listed equity investments	**1,679**	991
Overseas unlisted commodity fund	**–**	1,592
Overseas unlisted fund investments	**11,894**	–
Overseas unlisted debt investments	**8,894**	27,397
Overseas unlisted linked notes	**–**	2,361
Overseas unlisted currency notes	**4,708**	9,189
	77,372	66,222

The above financial assets are classified as held for trading.

13. TRADE PAYABLES

	Group	
	2011	2010
	HK$'000	*HK$'000*
Trade payables	**67,207**	53,565

At 31 March 2011, the aging analysis of the trade payables, based on invoiced date, is as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Current to 30 days	**31,955**	25,296
31 to 60 days	**5,571**	12,740
61 to 90 days	**10,275**	7,576
Over 90 days	**19,406**	7,953
	67,207	53,565

14. EVENT AFTER REPORTING DATE

On 26 March 2011, the Group entered into an acquisition agreement (the "Agreement") with Fullpower Investment Holdings Corporation ("Fullpower") for an acquisition of 25% of the issued share capital of Suntap Enterprises Limited ("Suntap") for a total consideration of HK$65,252,800 subject to certain conditions precedent to completion of the transaction. The consideration payable to Fullpower is to be satisfied by HK$41,000,000 in cash and by way of the issue and allotment by the Company of 28,600,000 shares at HK$0.848 per share totalling HK$24,252,800. As of the reporting date, the Company had paid two refundable deposits in an aggregate of HK$28,000,000 pursuant to a memorandum of understanding and the Agreement signed by the parties. The Company is obliged to pay the remaining consideration of HK$13,000,000 in cash upon the completion date and HK$24,252,800 by way of issue and allotment of new shares no later than 31 August 2011 subject to the receipt of a renewed exploration license for coalbed methane gas projects in the PRC invested by a subsidiary of Suntap. Details of acquisition are laid out in the announcement made by the Company on 28 March 2011.

Subsequent to the reporting date, all the conditions precedent stipulated in the Agreement have been fulfilled and the acquisition of the 25% issued capital of Suntap has been completed on 26 April 2011. Suntap has become an associate of the Group since that date.

BUSINESS REVIEW

The year 2011 remained a year of challenges and volatility. The Group recorded a total revenue of approximately HK$517.4 million, which represented an increase of about 12.8% to that of last year of approximately HK$458.7 million. Gross profit margin of the Group was 28.0% for the year under review, having improved when compared to 27.8% of the previous year. The Group recorded a profit attributable to equity holders of approximately HK$34.9 million for the year as compared with profit attributable to equity holders of HK$15.7 million last year. The improvement was mainly attributable to the increase of export sales of packaging boxes attributable by the recovery of the US and European markets.

For the year under review, the principal activities of the Group continued to be printing and manufacture of packaging boxes, including accompanying brochures, manuals and catalogues, manufacture of children's novelty books, manufacture, trading and sale of hangtags, labels and shirt paper board, financial printing, provision of translation services and assets management businesses.

Printing and manufacture of packaging boxes, which included accompanying brochures, manuals and catalogues, together with the manufacture of children's novelty books continued to be the Group's major business. For the year under review, the Group recorded total revenue of approximately HK$428.2 million from this major business segment, which increased by about 13.4% compared to that of last year of HK$377.7 million. The profit from this segment increased from HK$8.0 million last year to approximately HK$27.8 million this year. The increase in turnover was due to the recovery of the US and European markets. Moreover, the improvement of cost structure enhanced the overall segment result.

The Group's revenue from manufacture and distribution of hangtags, labels, shirt paper boards and plastic bags increased by 28.7% to approximately HK$30.9 million for the year under review as compared to that of last year of HK$24.0 million. The loss from this segment decrease from HK$2.9 million last year to HK$0.5 million this year. It was mainly caused by the increase in turnover and gross profit during the year within this segment.

The Group's commercial printing business was slightly improved by the increase in turnover resulting from increase in customer base. The revenue and profit from this segment for the year ended 31 March 2011 were approximately HK$58.3 million and HK$4.2 million, respectively as compared to approximately HK$57.0 million and HK$3.1 million, respectively of last year.

The Group's financial assets recorded a gain of approximately HK$4.4 million during the year compared to a gain of approximately HK$9.3 million last year. The Group also recorded a gain on disposal of property and prepaid lease payments of HK$3.1 million during the year.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cashflow and banking facilities. The Group is financially sound with healthy cash position. Its cash and bank balances and short term bank deposits as at 31 March 2011 amounted to approximately HK$173.1 million. Its gearing ratio as at 31 March 2011 was 6.3% (2010: 5.6%), based on the short term interest bearing bank borrowings of approximately HK$29.6 million (2010: HK$25.2 million) and total equity of the Group of HK$469.0 million (2010: HK$452.7 million). The directors consider that the Group's cash holding, liquid assets, future revenue and available facilities will be sufficient to fulfill the present working capital requirements of the Group.

Exchange Rate Exposure

Most of the transactions of the Group were denominated in Hong Kong dollars, Renminbi and US dollars. For the year ended 31 March 2011, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars and US dollars was relatively stable under the current peg system, and the Group managed the exchange rate exposures of Renminbi and Hong Kong dollars through financial instruments.

Financial Guarantees and Charges on Assets

As at 31 March 2011, corporate guarantees amounting to approximately HK$157.7 million (2010: HK$187.7 million) were given to banks by the Company for the provision of general banking facilities granted to its subsidiaries, which were secured by legal charges on certain properties owned by the Group with a total net book value of approximately HK$18.5 million (2010: HK$14.9 million).

PROSPECTS

Looking forward, it is expected that the operating environment in the printing industry will continue to be tough and difficult. Because of the uncertain economic recovery in the United States and potential crisis in European Union, the overseas demand for our products remains volatile. In order to tackle the anticipated challenges and stay competitive, the Group will continue to implement stringent cost controls and management strategies. These include reducing fixed costs for the manufacturing operations, effective management in purchases and inventories level and credit tightening on customers. However, it is foreseen that the consistent increase in costs of PRC labours and raw materials as well as additional investment for fulfillment of environmental protection requirements will limit the effect of cost control measures.

For the purpose of sustaining long term growth, the directors will also keep on exploring all potential opportunities to develop its business. The Group recently completed an acquisition of an associate engaging in coalbed methane projects in Shaanxi and Shanxi. The directors consider that the acquisition would enable the Group to enter into the coalbed methane supply market, being a clean energy section that is supported by the PRC government, and produce a new source of income of the Group.

DIVIDENDS

The Directors recommended the payment of final dividend of HK2 cents (2010: HK1 cent) per share for the year ended 31 March 2011 to all shareholders whose name appear on the register of members of the Company on 15 August 2011, which is expected to be paid on or before 30 September 2011. This, together with interim dividend of HK1 cent per share and special dividend of HK3 cents per share already paid in December 2010, will bring the total dividend for the year to HK6 cents (2010: HK2 cents) per share.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 11 August 2011 to Monday, 15 August 2011 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on Wednesday, 10 August 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2011.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee has reviewed with the management about the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the audited consolidated financial statements of the Company for the year ended 31 March 2011. This preliminary announcement of the Group's results for the year ended 31 March 2011 has been agreed with the Company's external auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance practices. It met all the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2011 except for the deviation from Code provision A.4.1 in that the non-executive directors of the Company were not appointed for a specific term. However, as the Bye-laws of the Company stipulate that one-third of the directors shall retire from office by rotation so that each director shall be subject to retirement at least once every three years, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company are no less exacting than those in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors of the Company, they have confirmed compliance with the required standard set out in the Model Code during the year ended 31 March 2011.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website (http://www.cheongming.com) and the Stock Exchange's website (http://www.hkexnews.hk). The annual report containing all the information required by the Listing Rules will be dispatched to the shareholders and available on the same websites in due course.

By Order of the Board
Lui Shing Ming Brian
Chairman

Hong Kong, 27 June 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 of the Company are Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man, Carmen.