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CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

EXERCISE OF THE VENDOR REPURCHASE OPTION BY FULLPOWER INVESTMENT HOLDINGS CORP.

This announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

Reference is made to the Announcements in relation to the acquisition by the Company of 25% of the issued share capital of the Target and the advance of a shareholder's loan of RMB20,000,000 (representing approximately HK\$24,000,000) to the Target.

On 30 March 2012, Fullpower, who was the vendor of the Sale Shares, exercised the Vendor Repurchase Option to require the repurchase of the Sale Shares, together with the Loan, from the Company at a total price of HK\$65,000,000.

Completion of the Fullpower Repurchase is expected to take place on 31 May 2012 (or such other earlier date as the parties may agree). Upon completion of the Fullpower Repurchase, the Company will cease to have any direct or indirect interest in the Target Group. The Company intends to apply the disposal proceeds as general working capital of the Group.

This announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

Reference is made to the announcements of the Company dated 28 March 2011, 26 April 2011 and 19 August 2011 (the “**Announcements**”) in relation to the acquisition by the Company of 25% of the issued share capital of the Target and the advance of a shareholder's loan of RMB20,000,000 (representing approximately HK\$24,000,000, being the “**Loan**”) to the Target. Capitalised terms used herein shall have the same meanings as ascribed to them in the Announcements unless otherwise defined.

As disclosed in the Announcements, the Vendor Repurchase Option was granted to Fullpower pursuant to which Fullpower has the right to repurchase the Sale Shares from the Company for a total consideration of HK\$65,000,000 in cash, in certain circumstances, including but not limited to, the Company demanding for the repayment of the Loan by the Target. The Loan has been made to the Target after completion of the Acquisition and is unsecured and interest-free. Subsequent to completion of the Acquisition, the CBM Projects undertaken by SX Good Hope, in particular, the exploration and drilling work of the Xiahuangyan CBM Project, has made due progress. However, the Company has been informed that for the purpose of accelerating the scale of exploration of the CBM Projects, additional shareholders' fundings are required to be provided to SX Good Hope. Having regard to the tightened liquidity in the capital market and the relatively weak market sentiment, and with a view to preserving the cash resources of the Group in face of the difficult market conditions ahead, the Company considers it appropriate to take a more prudent investment approach in the CBM Projects and to demand for repayment of the Loan. After the issue of the demand notice for repayment of the Loan on 29 March 2012, the Company on 30 March 2012 received a notice from Fullpower exercising the Vendor Repurchase Option to require the repurchase of the Sale Shares, together with the Loan, from the Company at a total price of HK\$65,000,000 in accordance with the terms of the Acquisition Agreement (the **"Fullpower Repurchase"**).

In addition to the advance of the CM Loan to the Target, the consideration paid by the Company for the Sale Shares was HK\$65,252,800, which has been satisfied as to HK\$41,000,000 in cash and as to HK\$24,252,800 by the Company allotting and issuing 28,600,000 new shares, credited as fully paid, at HK\$0.848 per share to Fullpower. The investment in the Target has a carrying value in the accounts of the Group in the amount of approximately HK\$81.0 million, which has been arrived at with reference to the then market price of the Company's shares on The Stock Exchange of Hong Kong Limited on the date of completion of the Acquisition and taking into account of the share of results of the Target after the Acquisition and changes on foreign exchange. Based on the information presently available to the Company and taking account of the relevant accounting standards, it is estimated that the Company will record a loss on disposal of the Sale Shares upon completion of the Fullpower Repurchase of approximately HK\$16.0 million. Save for this, the Directors consider that the disposal of the Sale Shares would not have any material adverse effects on the operation and financial position of the Group.

Completion of the Fullpower Repurchase is expected to take place on 31 May 2012 (or such other earlier date as the parties may agree). Upon completion of the Fullpower Repurchase, the Company will cease to have any direct or indirect interest in the Target Group. The Company intends to apply the disposal proceeds as general working capital of the Group.

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

Hong Kong, 30 March 2012

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.