

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **CHEONG MING INVESTMENTS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1196)

### **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF THE PROPERTY**

On 8 August 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor in relation to the Acquisition at a cash consideration of HK\$10,693,000. The Formal Agreement was signed by the parties on 11 August 2012.

The Acquisition constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

However, due to an inadvertent oversight, the Company had not complied with the disclosure requirements by way of announcement in respect of the Acquisition at the material time of the Provisional Agreement. The Board apologises for this non-compliance and will strengthen the relevant internal control procedures to avoid occurrence of similar incidents in the future.

### **INTRODUCTION**

The Board announces that on 8 August 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor in relation to the Acquisition at a cash consideration of HK\$10,693,000. Pursuant to the terms of the Provisional Agreement, the Purchaser and the Vendor entered into the Formal Agreement on 11 August 2012.

### **THE PROVISIONAL AGREEMENT AND THE FORMAL AGREEMENT**

#### **Dates:**

- (i) The Provisional Agreement: 8 August 2012
- (ii) The Formal Agreement: 11 August 2012

**Parties:**

Purchaser: Easy Bloom Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

Vendor: MTR Corporation Limited, a company incorporated in Hong Kong with limited liability

The Vendor is a public company with its shares are listed on the Main Board of the Stock Exchange. The Vendor is principally engaged in operation of a modern railway system, investment in the operating company of the Octopus smart card system, property development, leasing of commercial facilities and provision of other services on the railway system. The Vendor and its controlling shareholder, being The Financial Secretary Incorporated (in trust on behalf of The Government of Hong Kong), are not connected persons (as defined in the Listing Rules) of the Company.

**Information of the Property:**

The Property is situated at Flat B, 27th Floor, Tower 3, The Riverpark, No. 8, Che Kung Miu Road, Shatin, New Territories, Hong Kong with aggregate saleable area of approximately 87.118 square metres. The Vendor had the right under a government grant to develop the development project known as “The Riverpark” in which the Property is located. The Property was acquired on a pre-sold basis from the Vendor. Vacant possession of the Property was delivered by the Vendor to the Purchaser in May 2013 following completion of the development project.

**Consideration:**

The consideration for the Acquisition of HK\$10,693,000 was paid by the Purchaser to the Vendor in accordance with the terms of the Provisional Agreement as follows:

- (i) an initial deposit of HK\$1,069,300 in cash, representing 10% of the consideration for the Acquisition, upon signing of the Provisional Agreement; and
- (ii) the remaining balance of HK\$9,623,700 in cash, representing 90% of the consideration for the Acquisition, on 2 November 2012.

The consideration for the Acquisition was arrived at after arm’s length negotiations between the Purchaser and the Vendor, having taken into consideration the prevailing market value of comparable properties in the vicinity. Payment for the Acquisition was made out of the internal resources of the Group.

## **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.

In addition to the manufacturing business as referred to above, the Group also owns a portfolio of investment properties held for the purposes of generating rental income and/or potential capital appreciation. In view of the relatively low bank deposit rate, the Directors are of the view that the Acquisition will generate stable rental income and improve the return on capital of the Group.

The Directors consider that the terms of the Provisional Agreement and the Formal Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

As one of the applicable percentage ratios in respect of the Acquisition under the Listing Rules was more than 5% but less than 25% at the time of the execution of the Provisional Agreement, the Acquisition constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The consideration of the Acquisition of HK\$10,693,000 represented approximately 1.6% only of the audited consolidated total assets of the Company of approximately HK\$662 million as at 31 March 2012. Because of the immaterial investment amount in the Property, prior to the decision to make the investment in the Property, it did not come to the attention of the Board that the Acquisition would have been a discloseable transaction of the Company, as there was an inadvertent oversight of the consideration of the Acquisition when compared to the then market capitalisation of the Company, which stood at approximately 5.4% of the then market capitalisation of the Company of approximately HK\$198 million. And by reason of this percentage ratio, the Acquisition constituted a discloseable transaction of the Company and required disclosure by the Company by way of announcement upon the signing of the Provisional Agreement. The Board wishes to apologise for the late disclosure which resulted in the non-compliance with the relevant requirements under the Listing Rules. The Company will strengthen the relevant internal control procedures to avoid occurrence of similar incidents in the future.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the term of the Provisional Agreement and the Formal Agreement
---------------	---

“Board”	the Board of Directors
“Company”	Cheong Ming Investments Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1196)
“Director(s)”	Director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement dated 11 August 2012 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Flat B, 27th Floor, Tower 3, The Riverpark, No. 8, Che Kung Miu Road, Shatin, New Territories, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement dated 8 August 2012 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Purchaser”	Easy Bloom Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	MTR Corporation Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 66)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

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

Hong Kong, 5 July 2013

*As at the date of this announcement, the executive Directors 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.*