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CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTIES

Financial adviser to Cheong Ming Investments Limited



SOMERLEY LIMITED

11th December, 2006

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the acquisition of the Properties pursuant to the Agreements by the Group through the Purchaser
“Agreements”	the five sale and purchase agreements, all dated 15th November, 2006, entered into between the Purchaser and Vendor in respect of the Acquisition
“Board”	board of Directors
“Company”	Cheong Ming Investments Limited (stock code: 1196), a company incorporated in Bermuda with limited liability and its shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7th December, 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, which, for the purpose of this circular, excludes the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
“PRC Authority”	深圳市國土資源和房產管理局 (Shenzhen Municipal Bureau of Land Resources and Housing Management)
“Properties”	Rooms 3306, 3307, 3308, 3309 and 3310, 33rd Floor, Excellence Times Square, Shenzhen, the PRC
“Purchaser”	資浚翻譯服務(深圳)有限公司 (for identification purpose only, in English, Zhi Jun Translation Services (Shenzhen) Limited), a wholly-owned subsidiary of the Company incorporated in the PRC

DEFINITIONS

“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	深圳卓越房地產開發有限公司 (for identification purpose only, in English, Shenzhen Excellence Properties Development Limited)
“RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For illustration purpose, amounts expressed in RMB have been converted into HK\$ at the rate of HK\$1.0 = RMB1.01.

LETTER FROM THE BOARD



CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

Directors :

Lui Chi (*Chairman*)

Lui Shing Ming, Brian (*Managing Director*)

Lui Shing Cheong

Lui Shing Chung, Victor

Lung Wai Kee

Lam Chun Kong*

Lo Wing Man*

Ng Lai Man, Carmen*

Principal office:

Unit 2608, Level 26

Tower II, Metroplaza

223 Hing Fong Road

Kwai Fong

New Territories

Hong Kong

* *Independent non-executive directors*

11th December, 2006

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTIES

INTRODUCTION

On 17th November, 2006, the Board announced that on 15th November, 2006, the Purchaser entered into the Agreements with the Vendor to acquire five office units in a commercial building, namely, Excellence Times Square, situated in Shenzhen for its own use, for an aggregate consideration of approximately RMB22.2 million (equivalent to approximately HK\$22.0 million).

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

LETTER FROM THE BOARD

THE AGREEMENTS

Date: 15th November, 2006

Parties involved:

Purchaser: 資浚翻譯服務(深圳)有限公司 (for identification purpose only, in English, Zhi Jun Translation Services (Shenzhen) Limited), a wholly-owned subsidiary of the Company

Vendor: 深圳卓越房地產開發有限公司 (for identification purpose only, in English, Shenzhen Excellence Properties Development Limited)

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons. As far as the Directors are aware, the Vendor is engaged in the business of properties development and is the developer of the Properties.

Assets to be acquired:

The Properties are rooms 3306 to 3310 on the 33rd floor of Excellence Times Square, Shenzhen, the PRC. Excellence Times Square, completed in October 2006, is a commercial building with a total of 52 floors situated in the commercial district of Shenzhen. The aggregate gross floor area of the Properties is about 1,019.26 square meters. The Purchaser has agreed to acquire the Properties from the Vendor free from all liens, charges and encumbrances.

Aggregate consideration and payment terms:

The aggregate consideration for the Properties is approximately RMB22.2 million (equivalent to approximately HK\$22.0 million) and payable as follow:

- (i) 40% of the aggregate consideration, amounted to RMB8,907,937 (equivalent to approximately HK\$8.8 million), was paid by the Purchaser in cash from its internal resources upon the signing of the Agreements; and
- (ii) the balance of the aggregate consideration, amounted to RMB13,300,000 (equivalent to approximately HK\$13.2 million), will be settled by a bank mortgage loan which has been arranged by the Purchaser before 22nd November, 2006.

The aggregate consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor and with reference to the Directors' knowledge in the market value of similar commercial properties in Shenzhen and the location of the Properties in the city center of Shenzhen.

The transactions contemplated under the Agreements were officially registered by the PRC Authority, 深圳市國土資源和房產管理局 (Shenzhen Municipal Bureau of Land Resources and Housing Management). It is expected that completion of the Agreements will take place in January 2007.

LETTER FROM THE BOARD

REASONS FOR THE ACQUISITION

The Group is principally engaged in the business of printing and manufacturing of paper products, hangtags and labels, commercial printing, provision of translation services and property holding. The tenancy of the existing rented offices of the Group in Shenzhen will expire in April 2007. The Company takes the opportunity to acquire the Properties with larger area to cater for expansion in the future. Taking into account the location of the Properties and the anticipated blooming of the PRC economy, the Directors consider that the terms of the Agreements are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon completion of the Agreements, non-current assets of the Group will increase by the aggregate fair value of the Properties while total borrowings of the Group will increase by the mortgage loan. It is expected that the Acquisition would not have material effect on the net asset value and earnings of the Group.

GENERAL

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
By order of the board of directors of
Cheong Ming Investments Limited
Lui Shing Ming, Brian
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") and which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO were as follows:

(a) Long position in the Shares

Name of Directors	Number of Shares held				Total interests as % of the issued share capital
	Personal interests (held as beneficial owner)	Family interests	Other interests	Total interests	
Mr. Lui Chi	–	250,409,029 (Note 1)	250,409,029 (Note 1)	250,409,029	51.45%
Mr. Lui Shing Ming, Brian	4,375,000	–	250,409,029 (Note 2)	254,784,029	52.35%
Mr. Lui Shing Cheong	3,125,000	–	250,409,029 (Note 2)	253,534,029	52.09%
Mr. Lui Shing Chung, Victor	3,125,000	625,000 (Note 3)	250,409,029 (Note 2)	254,159,029	52.22%
Mr. Lung Wai Kee	1,250,000	2,500,000 (Note 4)	–	3,750,000	0.77%

Notes:

1. Mr. Lui Chi is interested in 250,409,029 Shares by virtue of (i) his being a founder of a discretionary trust, the discretionary objects of which include Messrs. Lui Shing Ming Brian, Lui Shing Chung Victor, Lui Shing Cheong and other family members of Mr. Lui Chi; and (ii) his spouse is also a founder of the discretionary trust.
2. The 250,409,029 Shares are owned by Harmony Link Corporation, a company incorporated in the British Virgin Islands. Approximately 48.4% of the issued share capital of Harmony Link Corporation 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 (formerly known as "Trident Corporate Services (B.V.I.) Limited") as trustee of a discretionary trust, the discretionary objects of which have been disclosed in Note (1) above. Mr. Lui Chi and his spouse, Madam Ng Sze Mui are the founders of the discretionary trust. Each of Messrs. Lui Shing Ming Brian, Lui Shing Chung Victor and Lui Shing Cheong further owns approximately as to 24.13%, 14.59% and 12.88% of the issued share capital of Harmony Link Corporation respectively.
3. The 625,000 Shares are owned by the spouse of Mr. Lui Shing Chung, Victor.
4. The 2,500,000 Shares are owned by the spouse of Mr. Lung Wai Kee.

(b) Long position in the underlying shares of the Company through share options or equity derivatives

Name of Director	Nature of interest	Number of share options held	Date of grant of share options	Exercise price of share options HK\$	Exercisable period	Approximately % of the issued share capital of the Company
Mr. Lui Shing Chung, Victor	Family (Note)	625,000	31st December, 1999	0.2240	31st December, 1999 to 26th December, 2006	0.13%

Note: 625,000 share options are owned by the spouse of Mr. Lui Shing Chung, Victor.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered into the register required to be kept under section 352 of the SFO.

(ii) Interests and short positions of Shareholders discloseable under the SFO

As at the Latest Practicable Date, the following persons (other than a director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Long/Short position	Capacity	Number of Shares/ underlying Shares held	Percentage of issued capital
Madam Ng Sze Mui	Long	Founder of a discretionary trust	250,409,029 (Note 1)	51.45%
Madam Ng Shuk Fong, Aman	Long	Beneficial owner and interest of spouse	254,784,029 (Note 2)	52.35%
Harmony Link Corporation	Long	Beneficial owner	250,409,029	51.45%
The Lui Family Company Limited	Long	Trustee	250,409,029 (Note 3)	51.45%
Trident Trust Company (B.V.I.) Limited (formerly known as "Trident Corporate Services (B.V.I.) Limited")	Long	Trustee	250,409,029 (Note 3)	51.45%

Notes:

- (1) Interests in these Shares represent interests held by Madam Ng Sze Mui by virtue of her being a founder of a discretionary trust which has interests in 250,409,029 Shares, details of the trust have also been disclosed in Note (1) under the section "Directors' interests in Shares – Long position in the Shares" above.
- (2) Interests in these shares include interests in 625,000 Shares and options to subscribe for 625,000 Shares both held by Madam Ng Shuk Fong, Aman personally and interests in 253,534,029 Shares through interest of her spouse, Mr. Lui Shing Chung, Victor as disclosed in Note (2) under the section "Directors' interest in Shares – Long position in the Shares" above.
- (3) The two references to 250,409,029 Shares relate to the same block of Shares. Each of The Lui Family Company Limited as trustee of The Lui Unit Trust and Trident Trust Company (B.V.I.) Limited (formerly known as "Trident Corporate Services (B.V.I.) Limited") as trustee of a discretionary trust is taken to have a duty of disclosure in relation to the interests of Harmony Link Corporation in the Shares as described in Note (2) under the section "Directors' interests in Shares – Long position in the Shares" above.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware that there is any party (not being a Director) who, as at the Latest Practicable Date, had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such Shares.

3. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

4. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has a service agreement with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors nor their respective associates have engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

6. MISCELLANEOUS

- (i) The company secretary and qualified accountant of the Company is Mr. Lung Wai Kee, who is an associate member of the Institute of Chartered Accountants in England and Wales, an associate member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Society of Management Accountants of Ontario.
- (ii) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business of the Company in Hong Kong is situated at Unit 2608, Level 26, Tower II, Metroplaza, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iv) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.