CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 1196)

2006/07 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") of Cheong Ming Investments Limited (the "Company") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 September	
		2006	2005
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	2	**320,007**	348,431
Cost of sales		**(235,918)**	(255,020)
Gross profit		**84,089**	93,411
Other operating income		**3,322**	3,435
Selling and distribution costs		**(13,366)**	(13,628)
Administrative expenses		**(43,352)**	(44,461)
Other operating expenses		**(668)**	(3,599)
Profit from operations	4	**30,025**	35,158
Finance costs		**(799)**	(645)
Profit before income tax		**29,226**	34,513
Income tax expense	5	**(5,223)**	(5,317)
Profit for the period		**24,003**	29,196
Attributable to:			
Equity holders of the Company		**24,145**	29,329
Minority interests		**(142)**	(133)
Profit for the period		**24,003**	29,196
Dividends		**4,867**	4,867
Earnings per share for profit attributable to the equity holders of the Company during the period	6		
Basic		**HK4.96 cents**	HK6.03 cents
Diluted		**HK4.96 cents**	HK6.02 cents

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 September 2006 (Unaudited) HK$'000	31 March 2006 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**183,589**	189,710
Investment properties		**18,220**	18,220
Prepaid lease payments		**14,315**	14,502
		216,124	222,432
Current assets			
Inventories		**55,398**	49,868
Trade and bills receivables	7	**193,333**	110,477
Prepayments, deposits and other receivables		**11,660**	8,697
Financial assets at fair value through profit or loss		**24,476**	35,872
Cash and cash equivalents		**107,392**	98,513
		392,259	303,427
Current liabilities			
Trade payables	8	**124,449**	64,790
Amount due to a related company	8	**1,800**	206
Accrued liabilities and other payables		**21,828**	20,338
Tax payable		**19,259**	15,509
Interest-bearing borrowings		**25,620**	16,863
		192,956	117,706
Net current assets		**199,303**	185,721
Total assets less current liabilities		**415,427**	408,153
Non-current liabilities			
Interest-bearing borrowings		**18,400**	21,100
Deferred tax		**4,646**	4,171
		23,046	25,271
Net assets		**392,381**	382,882
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**48,671**	48,671
Reserves		**337,759**	318,407
Proposed dividend		**4,867**	14,601
		391,297	381,679
Minority interests		**1,084**	1,203
Total equity		**392,381**	382,882

Notes:

1. **Basis of preparation and accounting policies**

   The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the Group's annual financial statements for the year ended 31 March 2006 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include the relevant new HKASs and Interpretations) issued by the HKICPA effective for the accounting period commencing on or after 1 January 2006. The applicable new/revised HKFRSs adopted in this interim financial statements are set out below:

HKAS 19 (Amendment)	Employee benefits – Actuarial gains and losses, group plans and disclosures
HKAS 21 (Amendment)	The effects of changes in foreign exchange rate – Net investment in a foreign operation
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement – Cash flow hedge accounting of forecast intragroup transactions
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement – The fair value option
HKAS 39 & HKFRS 4 (Amendment)	Financial instruments: Recognition and measurement and insurance contracts – Financial guarantee contracts
HKFRS – INT 4	Determining whether an arrangement contains a lease

The adoption of the above new/revised HKFRSs did not have any material effect on how the results of operations and financial position of the Group are prepared and presented.

The Group has not early applied the following new/revised standards, amendments and interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures[1]
HKFRS 7	Financial instruments: Disclosure[1]
HK(IFRIC) – INT 8	Scope of HKFRS 2[4]
HK(IFRIC) – INT 9	Reassessment of embedded derivatives[3]
HK(IFRIC) – INT 10	Interim financial reporting and impairment[2]

1 Effective for accounting periods beginning on or after 1 January 2007.
2 Effective for accounting periods beginning on or after 1 November 2006.
3 Effective for accounting periods beginning on or after 1 June 2006
4 Effective for accounting periods beginning on or after 1 May 2006.

2. 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 during the period after eliminations of all significant intra-group transactions.

3. Segmental information

The following tables present the Group's revenue and results for the period, analysed by business segments and geographical segments, are as follows:

Business segments

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books For the six months ended 30 September		Commercial printing For the six months ended 30 September		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags For the six months ended 30 September		Eliminations For the six months ended 30 September		Consolidated For the six months ended 30 September	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**250,594**	283,211	**41,283**	37,802	**28,130**	27,418	**–**	–	**320,007**	348,431
Intersegment sales	**–**	–	**249**	42	**27**	50	**(276)**	(92)	**–**	–
Total	**250,594**	283,211	**41,532**	37,844	**28,157**	27,468	**(276)**	(92)	**320,007**	348,431
Segment results	**15,442**	23,380	**7,313**	4,565	**5,620**	5,961	**–**	–	**28,375**	33,906
Interest income									**1,650**	1,252
Unallocated expenses									**–**	–
Profit from operations									**30,025**	35,158
Finance costs									**(799)**	(645)
Profit before income tax									**29,226**	34,513
Income tax expense									**(5,223)**	(5,317)
Profit for the period									**24,003**	29,196

Geographical segments

	Hong Kong For the six months ended 30 September		Elsewhere in the PRC For the six months ended 30 September		Europe and other countries For the six months ended 30 September		Consolidated For the six months ended 30 September	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**249,462**	272,332	**17,250**	12,020	**53,295**	64,079	**320,007**	348,431

4. Profit from operations

	For the six months ended 30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit from operations is arrived at after charging/(crediting):		
Amortisation of prepaid lease payments	**187**	187
Depreciation of property, plant and equipment	**13,259**	13,680
Fair value gain on financial assets at fair value through profit or loss	**(141)**	(282)

5. Income tax expense

	For the six months ended 30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong profits tax	**4,004**	4,300
Overseas profits tax	**744**	1,017
Deferred tax	**475**	–
	5,223	5,317

Hong Kong profits tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profits for the six months ended 30 September 2006. Taxes on profits assessable elsewhere have been calculated at the rates of taxation prevailing in the relevant jurisdictions in which the Group operates.

6. Earnings per share

The calculation of basic earnings per share is based on the Group's unaudited consolidated profit attributable to equity holders of the Company for the period ended 30 September 2006 of approximately HK$24,145,000 (2005: HK$29,329,000) and on 486,706,061 (2005: 486,706,061) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the period ended 30 September 2006 is based on the Group's unaudited consolidated profit attributable to equity holders of the Company of approximately HK$24,145,000 (2005: HK$29,329,000). The number of ordinary shares used in the calculation is 486,706,061 ordinary shares in issue (2005: 486,706,061), as used in the basic earnings per share calculation, plus the weighted average of 343,122 (2005: 297,515) ordinary shares assumed to have been issued at no consideration, on the deemed exercise of all share options during the period.

7. TRADE AND BILLS RECEIVABLES

At 30 September 2006, the aging analysis of the trade and bills receivables, based on invoiced date and net of provisions, is as follows:

	30 September 2006	31 March 2006
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Current to 30 days	**56,849**	43,163
31 to 60 days	**61,159**	17,427
61 to 90 days	**45,923**	22,344
Over 90 days	**29,402**	27,543
	193,333	110,477

8. TRADE PAYABLES AND AMOUNT DUE TO A RELATED COMPANY

	30 September 2006	31 March 2006
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade payables	**124,449**	64,790
Amount due to a related company	**1,800**	206
	126,249	64,996

The amount due to a related company is trading in nature. At 30 September 2006, the aging analysis of the trade payables including amount due to a related company, based on invoiced date, is as follows:

	30 September 2006 (Unaudited)	31 March 2006 (Audited)
	HK$'000	*HK$'000*
Current to 30 days	**31,205**	28,068
31 to 60 days	**39,402**	12,989
61 to 90 days	**34,492**	7,860
Over 90 days	**21,150**	16,079
	126,249	64,996

9. RELATED PARTY TRANSACTIONS

The following transactions were carried out with a related party, which is a minority shareholder of a subsidiary:

	For the six months ended 30 September	
	2006 (Unaudited)	2005 (Unaudited)
	HK$'000	*HK$'000*
Commission	**2,808**	1,900
Sales of goods	**1,220**	734
	4,028	2,634

INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend of HK1 cent per share (2005: HK1 cent per share) for the six months ended 30 September 2006 payable on or before Wednesday, 31 January 2007 to shareholders whose names appear on the Register of Members of the Company on Friday, 26 January 2007.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 24 January 2007 to Friday, 26 January 2007 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Tuesday, 23 January 2007.

REVIEW OF OPERATION

BUSINESS REVIEW

For the period under review, the Group recorded a total revenue of approximately HK$320 million and a profit attributable to equity holders of approximately HK$24.1 million, which represented a decline of about 8.2% and 17.7% to that of the last corresponding period respectively. For the last corresponding period ended 30 September 2005, the total revenue of the Group was approximately HK$348.4 million and the profit attributable to equity holders was approximately HK$29.3 million. Gross profit margin of the Group has also slightly declined to 26.3% for the six months ended 30 September 2006 from that of the six months ended 30 September 2005 of 26.8%.

Printing and manufacture of packaging boxes, including accompanying brochures, manuals and catalogues, together with the manufacture of children novelty books continued to be the Group's major business. For the period under review, the total revenue from this major business category has dropped by about 11.5% when compared to that of the corresponding period. This was mainly due to a more cautious approach was seen taken by customers in placing orders for packaging boxes in the first quarter of the period amidst an uncertain global economy at the time than their improved orders for the second quarter as well as a more tighten credit control and appraisal to ensure collections was adopted by the Group in allowing credit to existing and new overseas customers for children novelty books throughout the period. For the six months ended 30 September 2006, the Group recorded a total revenue of approximately HK$250.6 million from this major business category, which accounted for about 78.3% of the Group's total revenue. The decrease in revenue has impacted the contribution of this major business category towards the overall performance of the Group for the period under review. For the six months ended 30 September 2005, the total revenue from this major business category was approximately HK$283.2 million and which was about 81.3% of the Group's total revenue.

The Group's business in the manufacture of hangtags, labels, shirt paper boards and plastic bags continued to grow within the highly competitive operating environment. The Group's production base in Shanghai to manufacture labels and hangtags has also been progressing satisfactorily. For the six months ended 30 September 2006, the Group's total revenue for the manufacture of hangtags, labels, shirt paper boards and plastic bags was approximately HK$28.1 million, which represented an increase of about 2.6% over that of the corresponding period last year and accounted for about 8.8% of the Group's total revenue for the period under review. For the six months ended 30 September 2005, the revenue for the manufacture of hangtags, labels, shirt paper boards and plastic bags was approximately HK$27.4 million and which accounted for about 7.9% of the Group's total revenue.

The Group has also benefited from an active and improved investment market for its business in commercial printing for the period under review. For the six months ended 30 September 2006, the Group has recorded an increase of about 9.2% in the total revenue of its commercial printing business when compared to that of last corresponding period. For the period under review, the total revenue of the Group's commercial printing business was approximately HK$41.3 million and which accounted for about 12.9% of the Group's total revenue. For the six months ended 30 September 2005, the total revenue of the Group's commercial printing business was approximately HK$37.8 million and accounted for about 10.8% of the Group's total revenue. Both the commercial printing and the manufacture of hangtags, labels, shirt paper boards and plastic bags have continued to make a satisfactory contribution towards the overall performance of the Group for the period under review.

The Group continued to remain cost conscious through stringent cost control measures. For the period under review, the selling and distribution costs have decreased by about 1.9% to approximately HK$13.4 million and the administrative expenses have decreased by about 2.5% to approximately HK$43.4 million respectively when compared to that of last corresponding year. For the six months ended 30 September 2005, the selling and distribution costs were approximately HK$13.6 million and the administrative expenses were approximately HK$44.5 million.

The Group's production base in Shanghai to manufacture labels and hangtags has been progressing satisfactorily for the period under review. It is yet to make a profit but it is anticipated that the Shanghai production base will be making encouraging contributions to the Group by its being capable of supplying quality products and services to the eastern and northern China markets, which are areas with growth potentials.

CONTINGENT LIABILITIES AND CHARGE ON ASSETS

At 30 September 2006, the Company provided corporate guarantees to banks for the provision of general banking facilities to its subsidiaries to the extent of HK$104,900,000 (31 March 2006: HK$104,900,000).

The amount of banking facilities utilised by the Group amounted to HK$46,221,000 as at 30 September 2006 (31 March 2006: HK$39,285,000).

At 30 September 2006, certain of the Group's properties amounting to HK$33,261,000 (31 March 2006: certain of the Group's properties and financial assets of HK$39,760,000) were pledged to secure general banking facilities granted to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers in Hong Kong. The Group is financially sound. The Group's cash and bank balances and short term bank deposits as at 30 September 2006 amounted to approximately HK$107 million. The Group's gearing ratio as at 30 September 2006 was 11.2% (31 March 2006: 9.9%), basing on the short term and long term interest bearing bank borrowings of HK$44 million (31 March 2006: HK$38 million) and the shareholders' fund of HK$391.4 million (31 March 2006: HK$381.7 million).

PROSPECTS

It is expected that the operating environment within the printing industry will continue to be tough and difficult as intensive pricing competition as well as increasing operating costs within the mainland China continue. To stay competitive for the enlarged market share that the Group has developed in recent years, especially the innovative children books in the overseas markets and lately the eastern and northern China markets for hangtags and labels through its production base in Shanghai, every effort will continue to be made by the Group to enhance its production flexibility and value added services. Endeavour will be focused on streamlined operation procedures, continuing professional training, implementation of effective internal controls, well planned logistics, abreast production technology and sourcing of new raw materials for more variety of quality products mix and product ranges development. Greater marketing efforts will also be made and strengthened for closer relationship with the broadened quality customers.

The Directors believe that, leveraged on its solid foundation and committed focus, the Group is well positioned to maintain its competitiveness and meet the increasing challenges within the marketplace.

EXCHANGE RATE EXPOSURE

Most of the transactions of the Group were made in Hong Kong dollars, Renminbi and US dollars. During the six months ended 30 September 2006, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars, Renminbi and US dollars were relatively stable and no hedging for foreign currency transactions has been carried out.

POST BALANCE SHEET EVENT

On 15 November 2006, the Group entered into five sale and purchase agreements with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 acquire five office units in a commercial building, namely, Excellence Times Square, situated in the city centre of Shenzhen for its own use, for an aggregate consideration of approximately RMB22.2 million (equivalent to approximately HK$22.0 million). 40% of the aggregate consideration, amounted to RMB8,907,937 (equivalent to approximately HK$8.8 million) was paid by the Group in cash from its internal resources upon signing of the sale and purchase agreements, with the balance, amounted to RMB13,300,000 (equivalent to approximately HK$13.2 million), settled by a bank mortgage loan which has already been arranged by the Group before 22 November 2006. The transactions contemplated under the sale and purchase agreements have been officially registered by 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 sale and purchase agreements will take place in January 2007. The sale and purchase agreements constitute a discloseable transaction under Rule 14.06 of the Listing Rules and a circular containing details of the acquisition of these five office units was dispatched to the Group's shareholders on 11 December 2006.

EMPLOYMENT AND REMUNERATION POLICIES

During the period under review, the Group had an average available workforce of approximately 3,591, of which approximately 3,462 were based in the People's Republic of China.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will also be based on performance appraisals and other relevant factors. Staff benefit plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

REVIEW OF INTERIM RESULTS

The unaudited interim results of the Group for the six months ended 30 September 2006 have been reviewed by the Audit Committee of the Company and the Group's auditors, Messrs. Grant Thornton, Certified Public Accountants.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 September 2006.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the six months ended 30 September, 2006, the Company has not redeemed any of its listed securities. Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the six months ended 30 September 2006, except for the deviation from code provision A.4.1.

- Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive directors of the Company are not appointed for specific terms. However, under the Bye-laws of the Company, at each annual general meeting of the Company, one-third of the directors, including executive and independent non-executive directors, shall retire from office by rotation, and every director shall be subject to retirement at least once every three years. As such, the Company considers that sufficient measures have been taken to essence that the corporate governance practices of the Company are no less exacting than those in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The interim report containing all information required by Appendix 16 of the Listing Rules of the Stock Exchange will be published on the website of the Stock Exchange in due course.

By Order of the Board
Lui Chi
Chairman

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

Hong Kong, 21 December 2006

Please also refer to the published version of this announcement in The Standard.