CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 1196)
(the "Company")

Acquisition of assets
Connected transaction

The Purchaser entered into an agreement on 29th March, 2007 for the acquisition of 45% equity interest in Shanghai Fastabs from the Vendor for an aggregate consideration of £480,000 (about HK$7,369,000) in cash.

The Vendor is a substantial shareholder of Shanghai Fastabs, an equity joint venture enterprise established in the PRC and a 55% owned subsidiary of the Company.

The agreement constitutes a connected transaction of the Company under the Listing Rules but is not subject to the approval of the independent shareholders of the Company pursuant to Rule 14A.32 of the Listing Rules.

Agreement dated 29th March, 2007

Parties:

Vendor: Fastabs Limited (the "Vendor")

Purchaser: Chun Ming Printing Factory Company Limited (the "Purchaser"), a wholly owned subsidiary of the Company

Assets acquired:

45% equity interest in Shanghai Fastabs Printing Co. Ltd. ("Shanghai Fastabs"). The balance of the equity interest of Shanghai Fastabs is owned by the Purchaser.

Shanghai Fastabs is an equity joint venture enterprise established in The People Republic of China ("PRC") on 6th June, 2005. It commenced operation in December, 2005 and is principally engaged in manufacturing and sale of packaging boxes, hangtags, labels and paper products. Shanghai Fastabs's audited net loss before and after taxation for the period commencing from 6th June, 2005 (its date of incorporation) to 31st December, 2005 was RMB929,684 (about HK$925,000), which was mainly due to the initial set up cost of the business. Its audited net loss before and after taxation for the year ended 31st December, 2006 was RMB233,069 (about HK$231,900) , which consisted of loss of RMB861,122 made during the period from 1st January, 2006 to 31st August, 2006, and profits of RMB628,053 for the period from 1st September, 2006 to 31st December, 2006. There was no extraordinary items in the audited financial statements of Shanghai Fastabs for the aforesaid two periods.

The audited total asset value of Shanghai Fastabs as at 31st December, 2006 attributable to the 45% equity interest to be acquired by the Purchaser and its book value are RMB4,682,250 (about HK$4,659,800) and HK$4,500,000 respectively.

After the acquisition, the Vendor will cease to have any equity interest in Shanghai Fastabs and Shanghai Fastabs will become an indirect wholly owned subsidiary of the Company.

Consideration:

£480,000 (about HK$7,369,000) in cash.

The consideration was arrived at after arm's length negotiations, taking into account the following factors :

a. the anticipated growth potential of Shanghai Fastabs, which turnover has increased from about RMB56,587 (about HK$56,300) in December 2005 to about RMB9,062,417 (about HK$9,017,100) for the year ended 31st December, 2006; and

b. the contribution of the Vendor to the setting up of the business of Shanghai Fastabs, including sourcing of customers and sending technical staff from UK to Shanghai to train its staff on production and art works.

The directors of the Company (including the independent non-executive directors) consider that the terms of acquisition are fair and reasonable and in the interests of the shareholders as a whole.

Payment terms:

The purchase price will be paid in cash in the following manner:

a. deposit in the sum of £240,000 (about HK$3,684,500) has been paid on the date of signing of the Agreement; and

b. balance of £240,000 (about HK$3,684,500) be paid on completion.

Funding:

The purchase price will be funded from internal resources.

Conditions of the agreement:

Completion of the agreement is conditional upon Shanghai Fastabs obtaining the approval and consent from the relevant PRC authorities required for the transfer of its 45% equity interest from the Vendor to the Purchaser.

The Company anticipates that the aforesaid PRC authorities from which approval is required include The Industrial and Commercial Bureau.

If the condition is not fulfilled on or before 28th June, 2007 (or such other date as the parties may mutually agree) the agreement will lapse.

Completion date:

The agreement is expected to be completed on the 10th business day following the agreement becoming unconditional.

Reasons for the transaction:

The Company is optimistic about the Shanghai market in view of its rapid development. It considers that Shanghai Fastabs has good business potential and so enters into the agreement to increase its investment in Shanghai Fastabs. The acquisition will enable it to expand its business in Shanghai. It is expected that the acquisition will also have the advantage of saving the administration expenses and time for liaising with the Vendor in the operation.

Connection between the parties:

The Vendor is a substantial shareholder of Shanghai Fastabs, which is a 55% owned subsidiary of the Company.

Information for shareholders:
The Company and its subsidiaries are principally engaged in manufacturing and sale of paper cartons, packaging boxes, children's novelty book, hangtags, labels, shirt paper boards and plastic bags, and commercial printing.

The Vendor is principally engaged in manufacturing of printed labels, self-adhesive labels, swing tickets, riders, woven labels and POS packaging.

For the Company, the acquisition is a connected transaction under the Listing Rules but is not subject to the approval of the independent shareholders of the Company pursuant to Rule 14A.32 of the Listing Rules.

By Order of the Board
Lui Shing Ming, Brian
Managing Director

Hong Kong, 4th April, 2007

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

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