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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

Lam Chun Kong*

Lo Wing Man*

Ng Lai Man, Carmen*

* *Independent non-executive directors*

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Head office and principal place of
business:*

Unit 2608, Level 26

Tower II, Metroplaza

223 Hing Fong Road

Kwai Fong

New Territories

Hong Kong

24 July 2008

To the shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the annual general meeting of Cheong Ming Investments Limited (the “Company” which together with its subsidiaries, the “Group”) for the year ended 31st March, 2008, resolutions will be proposed to grant to the directors of the Company general mandates to issue shares and repurchase shares of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and notice of the annual general meeting of the Company for the year ended 31st March, 2008 (the “AGM”). In compliance with the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), this circular also contains the explanatory statement and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares, together with particulars of the directors proposed to be re-elected at the AGM.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and deal with shares of the Company not exceeding 20 per cent. of the issued share capital of the Company to provide flexibility to the Company to raise fund by issue of shares efficiently. On 18 July 2008 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 609,163,826 shares of HK\$0.10 each of the Company (“Shares”). On the assumption that no Share will be issued prior to the AGM, exercise in full of the mandate could result in up to 121,832,765 Shares being issued by the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. The Company’s authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules. Based on 609,163,826 Shares in issue as at the Latest Practicable Date and on the assumption that no Share will be issued prior to the AGM, exercise in full of the mandate could result in up to 60,916,382 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. With reference to the financial position of the Company as at 31st March, 2008 (being the date of its latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its memorandum of association and bye-laws to purchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company. Under Bermuda law, the shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

The directors intend to apply the capital paid up on the relevant Shares or the profit that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

Directors, their associates and connected persons

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

Undertaking of the directors

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association and bye-laws of the Company.

Effect of Takeovers Code

A repurchase of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Harmony Link Corporation (“Harmony Link”), which held 318,501,286 Shares, representing approximately 52.28 per cent. of the issued share capital of the Company, was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Harmony Link in the Company would be increased to approximately 58.09 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation on it to make a mandatory offer under Rule 26 of the Code.

Stock Exchange Rules for repurchases of shares

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders’ approval

The Listing Rules provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

(b) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose.

General

During each of the six months preceding the date of this circular, no Share had been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:–

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
July	0.660	0.510
August	0.550	0.420
September	0.475	0.415
October	0.500	0.420
November	0.500	0.435
December	0.500	0.415
2008		
January	0.520	0.400
February	0.460	0.395
March	0.460	0.385
April	0.460	0.430
May	0.495	0.435
June	0.520	0.430
July up to the Latest Practicable Date	0.445	0.420

ANNUAL GENERAL MEETING

You will find on pages 8 to 10 of this circular a notice of the AGM to be held at 9:30 a.m. on Tuesday, 19 August 2008 at Tang Room I, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong.

Resolution no. 5A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 5B will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 5C will be proposed as an ordinary resolution to extend resolution no. 5A to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 5B.

There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

RIGHT OF SHAREHOLDERS TO DEMAND POLL

According to the bye-laws of the Company, before or on the declaration of the result of voting of a resolution on a show of hands at the AGM or on the withdrawal of any other demand for a poll, a poll may be demanded by:

- (a) the chairman of the AGM; or
- (b) at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy entitled to vote at the AGM; or
- (c) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than 10 per cent. of the total voting rights of all the members having the right to vote at the AGM; or
- (d) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the AGM being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right.

RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Mr. Lui Chi, Dr. Ng Lai Man, Carmen and Dr. Lam Chun Kong as directors according to the Company's bye-laws. Their particulars are as follows:

Mr. Lui Chi ("Mr. Lui"), aged 87, an executive director and chairman of the Company, has overall responsibility for corporate policy and strategy of the Group. Mr. Lui has more than 50 years of experience in the paper trading, printing and packaging business. Mr. Lui is entitled to a basic salary of HK\$1,200,000 per annum, the Group's provident fund contributions and a discretionary year end bonus (which amounted to HK\$168,000 for the year ended 31st March, 2008), which are determined with reference to his duties and responsibilities with the Company, his time, effort and expertise that he contributed to the Group's affairs and the prevailing market conditions. Mr. Lui is the father of Messrs. Lui Shing Ming, Brian, Lui Shing Cheong and Lui Shing Chung, Victor, executive directors of the Company. Messrs. Lui Chi, Lui Shing Ming, Brian, Lui Shing Cheong and Lui Shing Chung, Victor are also directors of Harmony Link Corporation, a controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Lui had the following interests in the shares or underlying shares of the Company under Part XV of the Securities and Futures Ordinance:

Nature of interest	No. of shares/underlying shares
Personal interests	—
Family interests (<i>Note 1</i>)	318,501,286 Shares
Other interests (<i>Note 1</i>)	318,501,286 Shares

Note:

- (1) Mr. Lui Chi is interested in 318,501,286 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.

Dr. Ng Lai Man, Carmen (“Dr. Ng”), aged 43, is an independent non-executive Director. Dr. Ng is a practising accountant in Hong Kong and she has nearly 20 years of experience in professional accounting and corporate finance in Hong Kong, China, United States, and Europe. She is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Certified Chartered Accountants in the United Kingdom, and an associate member of the Institute of Chartered Accountants in England and Wales. She received her Doctor of Business Administration degree from The Hong Kong Polytechnic University, Master in Laws (Corporate and Finance Laws) degree from The University of Hong Kong, Master in Business Administration degree from The Chinese University of Hong Kong, and Master in Professional Accounting degree from The Hong Kong Polytechnic University. Dr. Ng is currently an independent non-executive director of Matsunichi Communication Holdings Limited (Stock Code: 283), a company whose shares are listed on the Stock Exchange. Dr. Ng is entitled to director’s fee of HK\$170,000 per annum which is subject to review by the board of the Company from time to time with reference to her duties and responsibilities with the Company. Dr. Ng does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Ng did not have any interest in the shares or underlying shares of the Company under Part XV of the Securities and Futures Ordinance.

Dr. Lam Chun Kong (“Dr. Lam”), aged 55, is an independent non-executive director of the Company. He is the managing director of Nature & Technologies (HK) Limited which is engaged in the provision of environmental and energy management solution services. Dr. Lam has more than 30 years of experience in environmental and thermal power engineering work. He holds a Doctorate Degree of Philosophy from The University of Queensland, Australia and a Master Degree of Science from The University of Manchester, the United Kingdom. Dr. Lam is a fellow member of The Hong Kong Institution of Engineers and the Hong Kong Institute of Acoustics and a member of each of The Institution of Mechanical Engineers, the United Kingdom and The Institute of Acoustics Ltd., the United Kingdom. Dr. Lam was an independent non-executive director of Linfair Holdings Limited (Stock Code: 462), a company whose shares are listed on the Stock Exchange until 8 April 2008. Dr. Lam is entitled to director’s fee of HK\$120,000 per annum which is subject to review by the board of the Company from time to time with reference to his duties and responsibilities with the Company. Dr. Lam does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Lam did not have any interest in the shares or underlying shares of the Company under Part XV of the Securities and Futures Ordinance.

Save as disclosed above, the abovenamed directors did not have any directorship in listed public companies in the last three years.

The abovenamed directors do not have any written service contract with the Company. They are not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company in accordance with the bye-laws of the Company.

The abovenamed directors confirm that save as disclosed above, there is no information which is required to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other matter that need to be brought to the attention of shareholders of the Company.

RECOMMENDATION

The directors consider that the proposed granting of the mandates to issue and repurchase shares of the Company are in the interest of the Company and its shareholders as a whole and so recommend you to vote in favour of all the relevant resolutions at the AGM. The directors will vote all their shareholdings in favour of such resolutions.

Yours faithfully,
By order of the Board
Lui Chi
Chairman

NOTICE OF ANNUAL GENERAL MEETING



CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the “Company”) will be held at Tang Room I, Sheraton Hong Kong Hotel and Towers, 20 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Tuesday, 19 August 2008 at 9:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2008.
2. To declare a final dividend of Hong Kong HK2 cents per share for the year ended 31st March, 2008.
3. To re-elect directors and to authorise the board of directors to fix their remuneration.
4. To appoint auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions, of which resolution nos. 5A, 5B and 5C will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue (as defined below) or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company shall not

NOTICE OF ANNUAL GENERAL MEETING

exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT:

- (a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. “**THAT** conditional upon resolution no. 5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 5A above.”

By Order of the Board
Fung Kwok Keung
Company Secretary

Hong Kong, 24 July 2008

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business:

Unit 2608, Level 26
Tower II, Metroplaza
223 Hing Fong Road
Kwai Fong
New Territories
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
- (2) The board of directors has recommended a final dividend of HK2 cents per Share for the year ended 31 March 2008 and, if such dividend is declared by the members passing resolution no. 2, it is expected to be paid on or about Wednesday, 27 August 2008 to those shareholders whose names appeared on the Company's register of members on Tuesday, 19 August 2008.
- (3) The register of members of the Company will be closed from 15 August 2008 to 19 August 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be approved at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 August 2008.

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