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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
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*

29th July, 2005

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AMENDMENT OF BYE-LAWS
RE-ELECTION OF RETIRING DIRECTORS
AND NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the annual general meeting of Cheong Ming Investments Limited (the “Company”) for the year ended 31st March, 2005, resolutions will be proposed to grant to the directors of the Company general mandates to issue shares and to repurchase shares of the Company, to amend the Company’s Bye-laws and to re-elect directors.

The purpose of this circular is to give you further details of the abovementioned proposals. This circular also contains the explanatory statement in compliance with the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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.

This circular also incorporate a notice of the annual general meeting to be held on 9th September, 2005 (“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 dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company as at the date on which such resolution is passed to provide flexibility to the Company to raise fund by issue of shares efficiently. On 26th July, 2005 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 486,706,061 shares of HK\$0.10 each of the Company (“Shares”). Exercise in full of the mandate, on the basis that no further Share is issued prior to the date of the AGM, could accordingly result in up to 97,341,212 Shares being allotted and 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 on which such resolution is passed. The Company’s authority is restricted to repurchases made on the Stock Exchange in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). On the basis of 486,706,061 Shares in issue as at the Latest Practicable Date and no further Share is issued prior to the date of the AGM, exercise in full of the mandate could accordingly result in up to 48,670,606 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make repurchases 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 Share 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 asset value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31st March, 2005 (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 repurchases were to be carried out in full during the proposed repurchase period. No repurchase 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 account of the Company. Under Bermuda law, 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 and/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 and the mandate is exercised, 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 makes repurchases of Shares under the mandate granted.

Undertaking of the directors

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules of the Stock Exchange 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

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 (*Note*), which as beneficial owner held 237,803,029 Shares, representing approximately 48.86 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 Corporation in the Company would be increased to approximately 54.8 per cent. of the issued share capital of the Company and such increase would give rise to an obligation on it to make a mandatory offer under Rule 26 of the Code. The directors have no present intention to exercise the repurchase mandate to the extent that the aforesaid substantial shareholder will have an obligation to make a mandatory offer under the Code. Based on the shareholding structure of the Company as at the Latest Practicable Date, exercise in full of the repurchase mandate will not lead to the Company’s failure in compliance with the public float requirement under the Listing Rule.

Note: Harmony Link Corporation is owned as to approximately 48.4% by The Lui Family Company Limited as trustee of The Lui Unit Trust. All units of the Lui Unit Trust, except one which is held by Mr. Lui Shing Ming Brian (director of the Company), are held by Trident Corporate Services (B.V.I.) Limited as trustee of a discretionary trust, the discretionary objects of which include Messrs. Lui Shing Ming Brian, Lui Shing Chung Victor, Lui Shing Cheong (directors of the Company) and other family members of Mr. Lui Chi (Chairman of the Company). Messrs. Lui Shing Ming Brian, Lui Shing Chung Victor and Lui Shing Cheong further own as to approximately 24.13%, 14.59% and 12.88% of the issued share capital of Harmony Link Corporation respectively.

Restrictions on repurchases of shares under Stock Exchange Rules

The Listing Rules of the Stock Exchange 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. Please refer to the third paragraph under the section headed "General mandate to repurchase shares" for information.

GENERAL

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

During each of the previous 12 months and July up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
2004		
July	0.610	0.490
August	0.530	0.480
September	0.500	0.460
October	0.470	0.420
November	0.530	0.430
December	0.460	0.415
2005		
January	0.445	0.410
February	0.445	0.410
March	0.440	0.410
April	0.440	0.405
May	0.420	0.400
June	0.435	0.400
July up to the Latest Practicable Date	0.435	0.400

AMENDMENT OF BYE-LAWS

It is proposed to amend Bye-law 87(1) of the Company's Bye-laws in order to comply with the new requirement in paragraph A.4.2 of Appendix 14 of the Listing Rules to the effect that all directors of the Company shall be subject to retirement by rotation at least once every three years. The Company has received advice from its legal advisers confirming that the proposed amendment will not be in violation of Bermuda law or Hong Kong law.

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 9th September, 2005 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.

Resolution no. 5D will be proposed as a special resolution to approve the proposed amendment of the Bye-laws of the Company.

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, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, 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.

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

- (a) 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 meeting; or
- (b) 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 meeting; 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 holding shares in the Company conferring a right to vote at the meeting 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 AT THE AGM

A resolution will be proposed to re-elect Dr. Lam Chun Kong and Dr. Ng Lai Man, Carmen as directors at the AGM according to the Company's Bye-laws.

Dr. Lam Chun Kong, aged 53, is an independent non-executive director of the Company first appointed in November 1996. 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 25 years of experience in environmental and thermal power engineering work. He holds a Doctorate Degree from the University of Queensland, Australia and a Master Degree from the University of Manchester Institute of Science & Technology, the United Kingdom in Mechanical Engineering. Dr. Lam is a fellow member of the Hong Kong Institute of Engineers and the Hong Kong Institute of Acoustics, a Corporate Member of the Institute of Mechanical Engineers, the United Kingdom, the Institute of Acoustics, the United Kingdom and Registered Environmental Auditor of the Institute of Environmental Management & Assessment, the United Kingdom. Dr. Lam is currently an independent non-executive director of Linfair Holdings Limited, a company whose shares are listed on the Stock Exchange.

According to Bye-law 87(1) of the Company's Bye-laws, Dr. Lam Chun Kong will retire by rotation and, being eligible, has offered himself for re-election at the AGM. He 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 Chun Kong did not have any interest in the shares or underlying shares of the Company under Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between the Company and Dr. Lam. He is not appointed for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Dr. Lam is entitled to a director's fee of HK\$100,000 per annum which is subject to review by the board of the Company from time to time by reference to his duties and responsibilities with the Company.

Save as disclosed above, Dr. Lam has no other directorship in listed public companies in the last three years and there is no other matter relating to the re-election of Dr. Lam that needs to be brought to the attention of the shareholders of the Company.

Dr. Ng Lai Man, Carmen, aged 40, is an independent non-executive director of the Company appointed in September 2004 by the directors. She is a practising accountant in Hong Kong, and is currently a director of Cachet Certified Public Accountants Limited. Dr. Ng holds a Doctorate Degree of Business Administration and a Master Degree of Professional Accounting, both from The Hong Kong Polytechnic University. Dr. Ng is a fellow member of both the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Dr. Ng is currently an independent non-executive director of Matsunichi Communication Holdings Limited, a company whose shares are listed on the Stock Exchange.

In accordance with Bye-law 86(2) of the Company's Bye-laws, Dr. Ng will retire, and being eligible, has offered herself for re-election at the AGM. She 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.

There is no service contract entered into between the Company and Dr. Ng. She is not appointed for a specific term except that she is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Dr. Ng is entitled to a director's fee of HK\$120,000 per annum which is subject to review by the board of the Company from time to time by reference to her duties and responsibilities with the Company.

Save as disclosed above, Dr. Ng has no other directorship in listed public companies in the last three years and there is no other matter relating to the re-election of Dr. Ng that needs to be brought to the attention of the shareholders of the Company.

RECOMMENDATION

The directors consider that the proposed granting of the mandates to issue and repurchase shares of the Company and amendment of the Bye-laws are in the interest of the Company and so recommend you to vote in favour of 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 9th September, 2005 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, 2005.
2. To declare a final dividend of 3 Hong Kong cents per share for the year ended 31st March, 2005.
3. To 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 and resolution no. 5D will be proposed as a special resolution:

A. “THAT:

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period 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 or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under

NOTICE OF ANNUAL GENERAL MEETING

the share option scheme of the Company shall not 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 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.”
- 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.”

SPECIAL RESOLUTION

- D. **“THAT** the existing bye-law 87(1) of the Bye-laws of the Company be and is hereby deleted in its entirety and replaced with the following:
- “87 (1) Notwithstanding any other provisions in these Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to one-third but not less than one-third) shall retire from office by rotation so that each Director shall be subject to retirement at least once every three years.””

By Order of the Board
Lung Wai Kee
Company Secretary

Hong Kong, 29th July, 2005

Principal Office:
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 in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.*
- (2) *The register of members of the Company will be closed from 7th September, 2005 to 9th September, 2005, 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 registrar in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 6th September, 2005.*