

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

**(1) DISCLOSEABLE TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE FULLPOWER LOAN;
AND
(2) DELAY IN DESPATCH OF CIRCULAR**

THE LOAN DISPOSAL AGREEMENT

The Board announces that after the Stock Exchange trading hours on 30 April 2014, Peace Broad and Mr. Lo entered into the Loan Disposal Agreement, pursuant to which Peace Broad agreed to sell and assign, and Mr. Lo agreed to purchase and accept the assignment of, all rights, title, benefits and interests of and in the Fullpower Loan (including the Loan Security).

Mr. Lo has paid the Loan Disposal Consideration of HK\$24.5 million in cash upon completion of the Loan Disposal, which took place immediately after signing of the Loan Disposal Agreement.

LISTING RULES IMPLICATION

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan Disposal are above 5% but less than 25%, the Loan Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DELAY IN DESPATCH OF CIRCULAR

As disclosed in the Joint Announcement, a circular containing, among other things, information regarding the Special Distribution, the Share Premium Reduction and the Asset Reorganisation, the recommendation from the Independent Board Committee and the advice of Veda on the Asset Reorganisation, financial information of the Group, the Brilliant Stage Group and the Remaining Group and the notice of the SGM will be despatched by the Company to the Shareholders on or before 30 April 2014. However, as additional time is required to finalise the information contained in the circular, the despatch date of the circular is postponed to a date on or before 14 May 2014.

Reference is made to the joint announcement made by the Company and Manureen Holdings Limited on 3 April 2014 (the “**Joint Announcement**”) in relation to, among other things, the Asset Reorganisation and the Share Sale. Capitalised terms used herein shall have the same meanings as defined in the Joint Announcement unless otherwise specified.

The Board announces that after the Stock Exchange trading hours on 30 April 2014, Peace Broad and Mr. Lo entered into an agreement (the “**Loan Disposal Agreement**”), pursuant to which Peace Broad agreed to sell and assign, and Mr. Lo Ming Chi, Charles (“**Mr. Lo**”) agreed to purchase and accept the assignment of, all rights, title, benefits and interests of and in the Fullpower Loan (the “**Loan Disposal**”). Set out below are the principal terms of the Loan Disposal Agreement.

THE LOAN DISPOSAL AGREEMENT

Date

30 April 2014

Parties

- (i) Peace Broad, as the assignor; and
- (ii) Mr. Lo, as the assignee.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) Mr. Lo is a third party independent of the Company and its connected persons; and (ii) Mr. Lo is not a Shareholder.

Assets disposed of

Pursuant to the Loan Disposal Agreement, Peace Broad agreed to sell and assign, and Mr. Lo agreed to purchase and accept the assignment of, all rights, title, benefits and interests of and in the Fullpower Loan. As at the date of the Loan Disposal Agreement, the carrying amount of the Fullpower Loan (comprising principal of HK\$40 million and accrued interest of approximately HK\$1.7 million) is approximately HK\$41.7 million. Details of the Fullpower Loan are set out in the section headed “Information on the Fullpower Loan” below.

Consideration and completion

The consideration for the Loan Disposal (the “**Loan Disposal Consideration**”) amounts to HK\$24.5 million, which was determined after arm’s length negotiation between Peace Broad and Mr. Lo with reference to the prevailing market condition. Mr. Lo has paid the Loan Disposal Consideration in cash upon completion of the Loan Disposal, which took place immediately after signing of the Loan Disposal Agreement. Upon completion of the Loan Disposal, condition (iii) of the Share Sale Conditions (as defined and disclosed in the Joint Announcement) has been satisfied.

INFORMATION ON THE FULLPOWER LOAN

On 26 April 2011, the Company completed the acquisition from Fullpower of a 25% interest in Suntap for a total consideration of approximately HK\$65 million, which was satisfied as to HK\$41 million in cash and as to the remaining balance of HK\$24 million by way of issue of 28.6 million new Shares. The Company also advanced a shareholder’s loan of approximately HK\$24 million to Suntap after completion of the acquisition. In conjunction with the acquisition, the Company granted an option in favour of Fullpower to repurchase the 25% interest in Suntap at a total consideration of HK\$65 million (subject to reduction by the amount of the shareholder’s loan then already repaid). On 30 March 2012, Fullpower exercised the repurchase option granted by the Company to Fullpower for the Fullpower Repurchase at a total consideration of HK\$65 million. The consideration of the Fullpower Repurchase was settled as to (i) HK\$25 million in cash by Fullpower; and (ii) the remaining balance of HK\$40 million by way of a loan to Fullpower. In conjunction with the completion of the Fullpower Repurchase, on 26 April 2013, Fullpower, Peace Broad and Mr. Wong Sin Hua, Felix entered into the Fullpower Loan Agreement, pursuant to which Peace Broad agreed to grant the Fullpower Loan of HK\$40 million to Fullpower to facilitate the completion of the Fullpower Repurchase. The Fullpower Loan is interest bearing at the rate of 10% per annum and repayable on 31 December 2013 pursuant to the Fullpower Loan Agreement. Details of the Fullpower Loan Agreement were disclosed in the announcement of the Company dated 28 April 2013.

The Fullpower Loan is secured by (i) a share charge in favour of Peace Broad over 16,667 shares in Fullpower, representing approximately one third of the entire issued share capital in Fullpower; and (ii) a share charge in favour of Peace Broad over 28,600,000 Shares (collectively, the “**Loan Security**”). In addition, there is a personal guarantee given by Mr. Wong Sin Hua, Felix in favour of Peace Broad to secure the obligations of Fullpower under the Fullpower Loan Agreement.

For the year ended 31 March 2014, the Fullpower Loan (with principal amount of HK\$40 million) generated interest income of approximately HK\$2.7 million (based on the interest rate of 10% per annum for the period from 26 April 2013 to 31 December 2013), of which approximately HK\$1.0 million was paid by Fullpower in July 2013. Based on the Loan Disposal Consideration of HK\$24.5 million and the carrying amount of the Fullpower Loan of approximately HK\$41.7 million, the Loan Disposal is expected to result in a loss of approximately HK\$17.2 million.

REASONS FOR THE LOAN DISPOSAL

The Group is principally engaged in (i) the manufacture and sale of paper cartons, packaging boxes and children's novelty books; (ii) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags; (iii) commercial printing; and (iv) food and beverage business.

Fullpower has failed to repay the Fullpower Loan with accrued interest to Peace Broad on the due date. The Company has issued a final demand notice for payment of the amounts due through its legal advisers in January 2014 following repeated demands for repayment made to Fullpower. However, Fullpower has not yet repaid the Fullpower Loan or any accrued or unpaid interest to Peace Broad as at the date of the Loan Disposal Agreement. In view of the uncertainties in recovering the Fullpower Loan and the agreement of the Offeror to make the Offer, the Company has come to a view that disposing of the Fullpower Loan at a discount to the face value thereof for the purpose of recovering part of the Fullpower Loan and minimising the possible loss from the write off of the entire carrying amount of the Fullpower Loan would be fair and reasonable and in the interest of the Company and the Shareholders as a whole. The proceeds (net of expenses directly attributable thereto) from the Loan Disposal amount to approximately HK\$24.5 million and are intended to be used as working capital of the Group.

LISTING RULES IMPLICATION

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan Disposal are above 5% but less than 25%, the Loan Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DELAY IN DESPATCH OF CIRCULAR

As disclosed in the Joint Announcement, a circular containing, among other things, information regarding the Special Distribution, the Share Premium Reduction and the Asset Reorganisation, the recommendation from the Independent Board Committee and the advice of Veda on the Asset Reorganisation, financial information of the Group, the Brilliant Stage Group and the Remaining Group and the notice of the SGM will be despatched by the Company to the Shareholders on or before 30 April 2014. However, as additional time is required to finalise the information contained in the circular, the despatch date of the circular is postponed to a date on or before 14 May 2014.

By order of the Board
Cheong Ming Investments Limited
Lui Shing Ming, Brian
Chairman

Hong Kong, 30 April 2014

As at the date of this announcement, the executive Directors are Mr. Lui Shing Ming, Brian (Chairman), Mr. Lui Shing Cheong (Managing Director) and Mr. Lui Shing Chung, Victor; and the independent non-executive Directors are Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man, Carmen.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.