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CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE AND RESUMPTION OF TRADING

THE INVESTMENT AGREEMENT

On 18 August 2014, Easy Yield, a direct wholly-owned subsidiary of the Company, and the Company entered into the Investment Agreement with International Treasure and Mr. Zhan pursuant to which the JV Company and the PRC Subsidiary will be established in Hong Kong and China respectively to carry on the business of distribution and sale of motor vehicle parts in Hong Kong and China.

Pursuant to the Investment Agreement, upon incorporation of the JV Company, (i) Easy Yield and International Treasure will subscribe for shares representing 60% and 40% of the issued share capital of the JV Company respectively; and (ii) Easy Yield and International Treasure will provide interest-free unsecured shareholder's loans of HK\$60,000,000 and HK\$40,000,000 respectively (i.e. in proportion to their respective shareholdings in the JV Company) to the JV Company in a number of instalments within one year from the date of the Investment Agreement.

LISTING RULES IMPLICATIONS

Since the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the formation of the JV Company exceed 5% but less than 25%, the formation of the JV Company constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

Trading of the shares of the Company on the Stock Exchange was halted at the request of the Company with effect from 11:12 a.m. on Monday, 18 August 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of the shares of the Company with effect from 9:00 a.m. on Tuesday, 19 August 2014.

THE INVESTMENT AGREEMENT

Date:

18 August 2014

Parties:

- (1) Easy Yield;
- (2) the Company, as guarantor to Easy Yield;
- (3) International Treasure; and
- (4) Mr. Zhan, as guarantor to International Treasure.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, International Treasure and Mr. Zhan (being International Treasure's ultimate beneficial owner) are third parties independent of the Company and its connected persons.

Business of the JV Company

The JV Company is to be established to engage in the distribution and sale of motor vehicle parts in Hong Kong.

Within three months of the execution of the Investment Agreement, the JV Company shall establish the PRC Subsidiary, which shall be a wholly-owned subsidiary of the JV Company to engage in the distribution and sale of motor vehicle parts in China.

The JV Company has not been established and has not commenced operation as at the date of this announcement.

Investment commitments

Pursuant to the Investment Agreement, within three Business Days from the date of incorporation of the JV Company, Easy Yield and International Treasure shall respectively subscribe for 6,000 and 4,000 shares in the JV Company at HK\$1 per share in cash. After such subscription, Easy Yield and International Treasure will hold 60% and 40% of the issued share capital of the JV Company respectively.

In addition, Easy Yield and International Treasure will provide interest-free unsecured shareholder's loans of HK\$60,000,000 and HK\$40,000,000 respectively (i.e. in proportion to their respective shareholdings in the JV Company) to the JV Company in a number of instalments within one year from the date of the Investment Agreement. The first instalment, being HK\$18,000,000 for Easy Yield and HK\$12,000,000 for International Treasure, shall be paid within 30 days from the date of the Investment Agreement. The remainder of the shareholders' loans shall be contributed by Easy Yield and International Treasure pro-rata to their shareholdings in the JV Company within one year from the date of the Investment Agreement in stages and at such time and in such amount as Easy Yield may determine in its sole discretion after taking account of the business and operational needs of the JV Company. International Treasure shall contribute the relevant amount of the shareholders' loans within 30 days from the date of notice given by Easy Yield in respect of the amount of the shareholders' loans to be provided by each party.

The amounts of such shareholders' loans are determined after arm's length negotiation between the parties to the Investment Agreement based on the estimated cash flow requirements and business needs of the JV Company.

The Company intends to finance such investment commitment from its internal resources and/or bank borrowings.

Board composition

Under the Investment Agreement, the board of directors of the JV Company shall comprise three directors, of which Easy Yield is entitled to appoint two directors, and International Treasure is entitled to appoint one director as long as it holds not less than 30% shareholding in the JV Company. The chairman of the board of the JV Company shall be appointed by Easy Yield. The quorum of the board meetings of the JV Company shall be two, and at least one of which shall be the director appointed by Easy Yield.

The initial board composition of the PRC Subsidiary shall mirror that of the JV Company.

Other terms

Easy Yield and International Treasure shall procure the JV Company, upon its incorporation, to enter into a deed of accession to ensure that the JV Company will be bound by the Investment Agreement.

Non-competition

During the period when the Investment Agreement is effective, Mr. Zhan shall be a full time director (or any other positions agreed by the parties) of the JV Company and shall not undertake any other business.

In addition, during the period when the Investment Agreement is effective and until the end of the 12-month period after Mr. Zhan or International Treasure cease to own directly or indirectly any shares in the JV Company, Mr. Zhan and International Treasure shall not engage in any business which may compete with the business of or solicit the customers, suppliers or employees of the JV Company or any of its subsidiaries.

Pre-emptive rights

If a shareholder of the JV Company wishes to sell its shares in the JV Company to a bona fide purchaser, it should send a notice to all other shareholders, setting out, among other things, the number of shares to be sold, the sale price and the identity of the prospective buyer. The other shareholders of the JV Company shall have the first right to purchase all or part of such sale shares. If the other shareholders do not agree to purchase any of the sale shares within the time prescribed under the Investment Agreement, the selling shareholder can sell the sale shares (insofar as not accepted by the other shareholders) to third parties at a price not less than the price set out in the initial notice to the other shareholders.

Save as aforesaid, a shareholder of the JV Company must not transfer or encumber its shares in the JV Company unless it has obtained the prior written consent of other shareholders of the JV Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT

The Group is principally engaged in (i) commercial printing; and (ii) manufacture and sale of hangtags, labels, shirt paper boards and plastic bags.

International Treasure is an investment holding company.

As stated in the composite offer and response document jointly issued by the Company and Manureen Holdings Limited (the “**Offeror**”) dated 27 June 2014, the Offeror would, following the completion of the mandatory unconditional cash offer, conduct a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror might diversify the business of the Group with the objective of broadening its sources of income.

The Directors are optimistic about the motor vehicle parts markets in Hong Kong and the PRC. According to the provisional retail sales statistics from the Census and Statistics Department of Hong Kong, the retail sales of motor vehicles and parts in Hong Kong for the six months ended 30 June 2014 grew by 6% as compared to the corresponding period last year; the sales of motor vehicles and parts in June 2014 grew by 17.9% as compared to June 2013. In China, the growth of motor vehicle sales in the past decade has created a strong demand for motor vehicle maintenance and parts replacement. Mr. Zhan has been engaging in the sourcing and distribution of vehicle parts in China since 2008. The Directors consider that it is beneficial to the Company to introduce Mr. Zhan as a strategic partner to the JV Company given his extensive experience and substantial knowledge in the industry. The Directors believe that the formation of the JV Company through the entering into of the Investment Agreement will enable the Group to diversify its business scope and broaden its sources of income by tapping into the motor vehicle parts distribution business, which the Directors consider to have a significant growth potential in the future.

The Directors (including the independent non-executive Directors) consider that the terms of the Investment Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and public holidays and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted at any time between 9:00 a.m. to 5:00 p.m.) on which banks in Hong Kong are open for normal banking business
“Company”	Cheong Ming Investments Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1196)
“connected person”	each has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Easy Yield”	Easy Yield Ventures Limited, a company incorporated in the British Virgin Islands with limited liability, being a direct wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“International Treasure”	International Treasure Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Zhan, an independent third party
“Investment Agreement”	the investment and shareholders’ agreement dated 18 August 2014 entered into between Easy Yield, the Company, International Treasure and Mr. Zhan
“JV Company”	a company to be incorporated in Hong Kong with limited liability and the joint venture entity to be established by Easy Yield and International Treasure
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhan”	Mr. Zhan Jinnan, the sole shareholder of International Treasure and an independent third party
“percentage ratios”	has the meaning ascribed thereto in the Listing Rules
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Subsidiary”	a wholly foreign-owned enterprise to be established in the PRC pursuant to the Investment Agreement as the JV Company’s wholly-owned subsidiary
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Cheong Ming Investments Limited
Lin Xiaohui
Chairman

Hong Kong, 18 August 2014

As at the date of this announcement, the executive Directors are Mr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong and the independent non-executive Directors are Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue.