CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2009

RESULTS

The directors of Cheong Ming Investments Limited (the "Company") hereby announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2009 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	**2009** *HK$'000*	2008 *HK$'000*
Revenue	4	**519,638**	648,730
Cost of sales		**(390,209)**	(489,287)
Gross profit		**129,429**	159,443
Other operating income	5	**8,116**	37,187
Selling and distribution costs		**(22,174)**	(29,175)
Administrative expenses		**(99,799)**	(100,603)
Other operating expenses		**(21,528)**	(15,020)
(Loss)/Profit from operations	6	**(5,956)**	51,832
Finance costs	7	**(1,970)**	(3,047)
(Loss)/Profit before income tax		**(7,926)**	48,785
Income tax credit/(expense)	8	**1,323**	(6,687)
(Loss)/Profit for the year attributable to equity holders of the Company		**(6,603)**	42,098
Dividends	9	**6,092**	18,275
(Loss)/Earnings per share for (loss)/profit attributable to the equity holders of the Company during the year	10		
– Basic		**HK(1.08) cents**	HK7.20 cents

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**177,262**	187,132
Investment properties		**–**	460
Prepaid lease payments		**15,670**	16,071
Deferred tax assets		**2,385**	–
		195,317	203,663
Current assets			
Properties held for sale		**–**	24,632
Inventories		**42,953**	65,415
Trade receivables	11	**84,541**	109,233
Prepayments, deposits and other receivables		**12,530**	15,188
Financial assets at fair value through profit or loss	12	**32,636**	93,975
Cash and cash equivalents		**181,934**	116,166
Tax receivable		**639**	–
		355,233	424,609
Current liabilities			
Trade payables	13	**50,460**	78,307
Accrued liabilities and other payables		**26,239**	28,944
Interest-bearing borrowings		**8,000**	23,687
Tax payable		**7,526**	9,828
		92,225	140,766
Net current assets		**263,008**	283,843
Total assets less current liabilities		**458,325**	487,506
Non-current liabilities			
Interest-bearing borrowings		**13,750**	17,837
Deferred tax liabilities		**7,597**	7,961
		21,347	25,798
Net assets		**436,978**	461,708
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**60,916**	60,916
Reserves		**376,062**	388,609
Proposed dividend		**–**	12,183
Total equity		**436,978**	461,708

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

2. ADOPTION OF NEW OR AMENDED HKFRSs

Adoption of new or amended HKFRSs effective on or after 1 April 2008

In the current year, the Group has applied, for the first time, the following new HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2008.

HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

New or amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these financial statements, the following new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKAS 39 (Amendment)	Eligible Hedged Items[2]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[2]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate[1]
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments[1]
HKFRS 8	Operating Segments[1]

HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Reassessment of Embedded Derivatives and Financial Instruments: Recognition and Measurement – Embedded Derivatives[5]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[3]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[4]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[2]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[8]
HKFRS (Amendments)	Annual Improvements to HKFRSs 2008[6]
HKFRS (Amendments)	Improvements to HKFRS 2009[7]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008
5 Effective for annual periods ending on or after 30 June 2009
6 Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRS
7 Generally effective for annual periods beginning in or after 1 January 2010 unless otherwise stated in the specific HKFRS
8 Effective for transfer received on or after 1 July 2009

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements.

Among these new or amended HKFRSs, HKFRS 1 (Revised) Presentation of Financial Statements, is expected to materially change the presentation of the Group's financial statements. This revised standard affects the presentation of owner changes in equity and introduces a statement of comprehensive income. The Group will have the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures.

The revised HKFRS 3 introduced a number of changes in the accounting for business combinations for which the acquisition date is on or after 1 April 2010 that will impact the amount of goodwill recognised. The revised HKAS 27 requires that a change in the ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore, it changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The revised HKFRS 3 and HKAS 27 shall be applied prospectively and will affect future acquisition and transactions with minority interests.

In addition, HKFRS 8 Operating Segments may result in new or amended disclosures. The directors are in the process of identifying reportable operating segments as defined in HKFRS 8.

The directors are currently assessing the impact of the other new or amended HKFRSs upon initial application but are not yet in a position to state whether they would have material financial impact on the Group's results and financial position.

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books for sale principally to manufacturers and publishers of consumer products;

(b) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags segment produces hangtags, labels, shirt paper boards and plastic bags products for sale principally to manufacturers of consumer products; and

(c) the commercial printing segment provides financial printing, digital printing and other related services.

3.1 Business segments

The following tables present revenue, profit and asset, liability and expenditure information for the Group's business segments.

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Commercial printing		Eliminations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000* (Restated)
Segment revenue:										
Sales to external customers	**427,569**	486,549	**31,226**	88,579	**60,843**	73,602	**–**	–	**519,638**	648,730
Intersegment sales	**10,908**	16,509	**209**	61	**301**	581	**(11,418)**	(17,151)	**–**	–
Total	**438,477**	503,058	**31,435**	88,640	**61,144**	74,183	**(11,418)**	(17,151)	**519,638**	648,730
Segment results	**444**	19,012	**(2,198)**	20,583	**9,548**	11,912	**–**	–	**7,794**	51,507
Interest income									**3,784**	6,731
Unallocated income:										
Gain on disposal of financial assets at fair value through profit or loss									**–**	3,971
Unallocated expenses:										
Fair value loss on financial assets at fair value through profit or loss									**(17,534)**	(10,377)
(Loss)/Profit from operations									**(5,956)**	51,832
Finance costs									**(1,970)**	(3,047)
(Loss)/Profit before income tax									**(7,926)**	48,785
Income tax credit/(expense)									**1,323**	(6,687)
(Loss)/Profit for the year									**(6,603)**	42,098

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Commercial printing		Eliminations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
										(Restated)
Segment assets	**297,701**	357,798	**8,095**	20,179	**27,160**	40,154	**–**	–	**332,956**	418,131
Unallocated assets:										
Financial assets at fair value through profit or loss									**32,636**	93,975
Others									**184,958**	116,166
Total assets									**550,550**	628,272
Segment liabilities	**62,004**	86,805	**3,587**	7,968	**11,108**	12,478	**–**	–	**76,699**	107,251
Unallocated liabilities									**36,873**	59,313
Total liabilities									**113,572**	166,564
Other segment information:										
Depreciation on property, plant and equipment	**18,040**	22,062	**1,771**	2,037	**1,151**	865	**–**	–	**20,962**	24,964
Amortisation of prepaid lease payments	**307**	137	**–**	–	**94**	264	**–**	–	**401**	401
Impairment loss of goodwill arising from acquisition of additional interests in a subsidiary	**–**	–	**–**	2,958	**–**	–	**–**	–	**–**	2,958
Capital expenditure	**5,987**	15,103	**1,056**	3,382	**3,489**	2,226	**–**	–	**10,532**	20,711
Surplus on revaluation of leasehold land and buildings recognised in the income statement	**–**	(1,214)	**–**	–	**–**	–	**–**	–	**–**	(1,214)
Fair value gain on investment properties recognised in the income statement	**–**	(80)	**–**	–	**–**	–	**–**	–	**–**	(80)
Fair value gain on properties held for sale	**–**	(3,485)	**–**	–	**–**	–	**–**	–	**–**	(3,485)
Other non-cash expenses	**1,941**	8,373	**1,917**	1,378	**396**	1,317	**–**	–	**4,254**	11,068

3.2 Geographical segments

The following table presents revenue, asset and capital expenditure information for the Group's geographical segments.

	Hong Kong		Elsewhere in the PRC		United Kingdom		Europe and other countries, excluding United Kingdom		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**386,972**	486,616	**33,916**	46,100	**72,756**	88,292	**25,994**	27,722	**519,638**	648,730
Other segment information:										
Segment assets	**131,966**	201,765	**200,990**	216,366	**–**	–	**–**	–	**332,956**	418,131
Unallocated assets									**217,594**	210,141
Total assets									**550,550**	628,272
Capital expenditure	**5,513**	4,733	**5,019**	15,978	**–**	–	**–**	–	**10,532**	20,711

4. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered arising from the principal activities of the Group during the year after eliminations of all significant intra-group transactions.

	2009	2008
	HK$'000	*HK$'000*
Sales of goods	**458,795**	575,128
Rendering of services	**60,843**	73,602
	519,638	648,730

5. OTHER OPERATING INCOME

	2009	2008
	HK$'000	*HK$'000*
Gross rental income from investment properties	**1,173**	2,214
Interest income	**3,784**	6,731
Dividend income from financial assets at fair value through profit or loss	**326**	458
Gain on disposal of financial assets at fair value through profit or loss	**–**	3,971
Gain on disposal of property, plant and equipment	**–**	644
Gain on disposal of properties held for sale	**–**	14,959
Fair value gain on investment properties	**–**	80
Fair value gain on properties held for sale	**–**	3,485
Exchange gain, net	**–**	1,123
Surplus on revaluation of leasehold land and buildings	**–**	1,214
Sundry income	**2,833**	2,308
	8,116	37,187

6. (LOSS)/PROFIT FROM OPERATIONS

The Group's (loss)/profit from operations is arrived at after charging/(crediting):

	2009	2008
	HK$'000	*HK$'000*
Amortisation of prepaid lease payments*	**401**	401
Auditors' remuneration	**1,086**	1,086
Cost of inventories sold	**371,689**	458,820
Cost of services rendered	**18,520**	30,467
Depreciation on property, plant and equipment**	**20,962**	24,964
Exchange loss, net	**4,410**	–
Impairment loss of goodwill arising from acquisition of additional interests in a subsidiary##	**–**	2,958
Loss/(Gain) on disposal of property, plant and equipment##	**587**	(644)
Loss/(Gain) on disposal of properties held for sales##	**53**	(14,959)
Loss on disposal of a subsidiary##	**–**	875
Fair value loss on financial assets at fair value through profit or loss##	**12,310**	10,377
Loss/(Gain) on disposal of financial assets at fair value through profit or loss##	**5,224**	(3,971)
Operating lease charges on land and buildings***	**11,857**	9,814
Bad debt expenses##	**118**	–
Allowance for impairment##		
– trade receivables	**581**	87
– other receivables	**2,648**	810
Staff costs (excluding directors' remuneration)		
Wages and salaries****	**100,027**	108,725
Provision for long service payment#	**1,535**	–
Net pension scheme contributions*****	**3,187**	9,002
Rental income from investment properties, net of outgoings	**(605)**	(1,322)

*	Amortisation of prepaid lease payments of HK$121,000 (2008: HK$385,000) has been expensed in cost of sales and HK$280,000 (2008: HK$16,000) in administrative expenses.
**	Depreciation on property, plant and equipment of HK$16,314,000 (2008: HK$20,354,000) has been expensed in cost of sales and HK$4,648,000 (2008: HK$4,610,000) in administrative expenses.
***	Operating lease charges on land and buildings of HK$1,854,000 (2008: HK$2,585,000) has been expensed in cost of sales and HK$10,003,000 (2008: HK$7,229,000) in administrative expenses.
****	Wages and salaries of HK$52,237,000 (2008: HK$59,316,000) has been expensed in cost of sales and HK$47,790,000 (2008: HK$49,409,000) in administrative expenses.
*****	Net pension scheme contributions of HK$906,000 (2008: HK$2,096,000) has been expensed in cost of sales and HK$2,281,000 (2008: HK$6,906,000) in administrative expenses.
#	Provision for long service payment of HK$288,000 (2008: HK$Nil) has been expensed in cost of sales and HK$1,247,000 (2008: HK$Nil) in administrative expenses.
##	Included in other operating expenses.

7. FINANCE COSTS

	Group	
	2009	2008
	HK$'000	*HK$'000*
Interest charges on overdrafts, bank and other borrowings repayable within five years	**1,650**	2,139
Interest on bank loans not wholly repayable within five years	**320**	908
	1,970	3,047

8. INCOME TAX CREDIT/EXPENSE

The tax (credit)/charge comprises:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Tax for the year	**2,652**	5,531
Over provision in respect of prior years	**(544)**	(356)
	2,108	5,175
Current tax – overseas		
Tax (credit)/expense for the year	**(333)**	1,175
Over provision in respect of prior years	**(107)**	–
	(440)	1,175
Deferred tax		
Current year – tax (credit)/charge	**(2,991)**	337
	(1,323)	6,687

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits for the year. Taxes on overseas profits have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

PRC Enterprise Income Tax ("EIT") has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2008: 33%), unless preferential rates are applicable in the cities where the subsidiaries are located.

The Hong Kong Government enacted a reduction in the profits tax rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. Pursuant to the tax law passed by the Tenth National People's Congress on 16 March 2007, the new EIT rates for domestic and foreign enterprises in the PRC are unified at 25% with effective from 1 January 2008.

Deferred tax is accounted for using the balance sheet liability method at the rate of 16.5% (2008: 17.5%) in Hong Kong or the tax rates prevailing in the countries in which the Group operates.

Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
(Loss)/Profit before income tax	**(7,926)**	48,785
Tax on (loss)/profit before income tax, calculated at the rates applicable to (loss)/profit in the tax jurisdiction concerned	**(1,455)**	8,179
Tax effect on non-deductible expenses	**5,712**	3,348
Tax effect on non-taxable revenue	**(5,341)**	(4,150)
Tax effect of utilisation of tax losses not previously recognised	**(127)**	(488)
Tax effect on tax loss not recognised	**883**	68
Tax effect on temporary differences not recognised	**(367)**	86
Over provision in prior years	**(651)**	(356)
Others	**23**	–
Income tax (credit)/expense	**(1,323)**	6,687

9. DIVIDENDS

(a) Dividends attributable to the year

	2009	2008
	HK$'000	*HK$'000*
Interim dividend of HK1 cent (2008: HK1 cent) per share	**6,092**	6,092
Proposed final dividend of HKNil cent (2008: HK2 cents) per share	**–**	12,183
	6,092	18,275

The directors do not recommend the payment of final dividend for the year.

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2009	2008
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year	**12,183**	18,275

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share (2008: basic earnings per share) is based on the Group's consolidated loss attributable to equity holders of the Company for the year ended 31 March 2009 of approximately HK$6,603,000 (2008: consolidated profit of HK$42,098,000) and on the weighted average of 609,163,826 (2008: 584,951,519) shares in issue during the year.

No diluted earnings per share has been presented as there had been no dilutive potential shares in both years of 2009 and 2008.

11. TRADE RECEIVABLES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**90,004**	114,189
Less: Allowance for impairment of receivables	**(5,463)**	(4,956)
Trade receivables – net	**84,541**	109,233

Trade receivables generally have credit terms of 30 to 90 days.

At 31 March 2009, the aging analysis of the trade receivables, based on invoiced date and net of allowance, is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Current to 30 days	**34,943**	74,569
31 to 60 days	**16,065**	8,047
61 to 90 days	**13,488**	6,280
Over 90 days	**20,045**	20,337
	84,541	109,233

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	Group	
	2009	2008
	HK$'000	*HK$'000*
British pounds	**1,430**	–
Euro	**1,258**	–
Australian dollars	**2,302**	–
Renminbi ("RMB")	**–**	2,703
US dollars ("US$")	**27,027**	36,621

The movement in the allowance for impairment of trade receivables is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Carrying amount at 1 April	**4,956**	4,869
Allowance for impairment loss of prior year written off against trade receivables	**(74)**	–
Allowance for impairment loss charged to the income statement (included in other operating expenses)	**581**	87
Carrying amount at 31 March	**5,463**	4,956

At each of the balance sheet date, the Group reviews trade receivables for evidence of impairment on both individual and collective basis. The impaired receivables are recognised based on the credit history of its customers, indication of financial difficulties, default in payments, and current market conditions. Consequently, specific impairment allowance was recognised. The Group does not hold any collateral over these balances.

As at 31 March 2009, the Group's trade receivables of HK$5,463,000 (2008: HK$4,956,000) were fully made for allowance for impairment. The impaired receivables mainly relate to customers that were in financial difficulties and management assessed that the entire amount of the receivable balances is unlikely to be recovered.

The aging analysis of trade receivables by past due date that are neither individually nor collectively considered to be impaired are as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Not past due	**57,071**	66,027
Unimpaired but past due		
Not more than 30 days	**16,061**	17,917
31 – 60 days	**2,740**	8,108
61 – 90 days	**1,945**	4,339
Over 90 days	**6,724**	12,842
	84,541	109,233

As at 31 March 2009, trade receivables of HK$57,071,000 (2008: HK$66,027,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of customers that the Group had continuing business relationships with these customers including sales to and settlements from these customers in general, which in the opinion of the directors have no indication of default. Based on past credit history, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2009	2008
	HK$'000	*HK$'000*
Hong Kong unlisted linked notes	**7,276**	26,926
Hong Kong unlisted debt investments	**4,419**	4,353
Hong Kong listed equity investments	**1,183**	2,841
Overseas listed equity investments	**38**	2,944
Overseas unlisted equity investments	**1,695**	15,500
Overseas unlisted debt investments	**6,076**	3,664
Overseas unlisted linked notes	**1,414**	8,262
Overseas unlisted currency notes	**10,535**	29,485
	32,636	93,975

The above financial assets are classified as held for trading.

The fair values of the listed investments are determined based on the quoted market prices whereas the fair values of the unlisted investments and the unlisted notes are provided by the counterparty financial institutions.

Financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the cash flow statement.

Changes in fair values of financial assets at fair value through profit or loss are recorded in other operating income or other operating expenses in the income statement.

13. TRADE PAYABLES

	Group 2009 HK$'000	Group 2008 HK$'000
Trade payables	**50,460**	78,307

At 31 March 2009, the aging analysis of the trade payables, based on invoiced date, is as follows:

	Group 2009 HK$'000	Group 2008 HK$'000
Current to 30 days	**16,663**	28,806
31 to 60 days	**11,589**	13,605
61 to 90 days	**4,709**	10,798
Over 90 days	**17,499**	25,098
	50,460	78,307

Included in trade payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	Group 2009 HK$'000	Group 2008 HK$'000
RMB	**–**	8,324

14. COMPARATIVES

In last year, the Group grouped the fair value loss on financial assets at fair value through profit or loss and fair value gain on disposal of financial assets at fair value through profit or loss of HK$10,377,000 and HK$3,971,000 in segment results. In the current year, the directors consider that it is more appropriate to classify them as unallocated expenses. Accordingly, comparative figures have been adjusted in order to conform to the current year's presentation.

BUSINESS REVIEW

The economy climate in 2009 was extraordinarily difficult. Overall business environment experienced drastic adverse change and turmoil due to the global financial tsunami. The Group's operation was affected unavoidably. For the year under review, the principal activities of the Group continued to be printing and manufacture of packaging boxes, including accompanying brochures, manuals and catalogues, manufacture of children's novelty books, manufacture, trading and sale of hangtags, labels and shirt paper board, financial printing, provision of translation services and assets management businesses. The Group recorded a total revenue of approximately HK$519.6 million, which represented a decrease of about 19.9% to that of last year of approximately HK$648.7 million. Gross profit margin of the Group was 24.9% for the year under review, as compared to 24.6% of the previous year. The Group recorded loss attributable to equity holders of approximately HK$6.6 million. The loss was mainly resulted from a decrease in the Group's revenue during the year due to the decline in the export market and global customer demand in packaging as well as hangtags and labels, and fair value loss arising principally from the Group's financial assets in equity linked notes and listed equity investments caused by the adverse conditions of the global financial markets.

Printing and manufacture of packaging boxes, which included accompanying brochures, manuals and catalogues, together with the manufacture of children's novelty books continued to be the Group's major business. For the year under review, the Group recorded total revenue of approximately HK$427.6 million from this major business segment, which decreased by about 12.1% compared to that of last year of HK$486.5 million. The profit from this segment decreased from HK$19.0 million last year to approximately HK$0.4 million this year. The decrease in turnover and profit from this segment was due to the slowdown of the US and European markets.

The Group's revenue from manufacture and distribution of hangtags, labels, shirt paper boards and plastic bags decreased about 64.8% to approximately HK$31.2 million for the year under review as compared to that of last year of HK$88.6 million. This segment suffered loss of about HK$2.2 million for the year as against a profit of HK$20.6 million last year. Its performance was adversely affected by the decrease of overseas sales orders and disposal of Shanghai Fastabs Printing Company Limited in November 2007.

The Group's business in commercial printing was adversely affected by the reduction in the market. The revenue and profit from this segment for the year ended 31 March 2009 were approximately HK$60.8 million and HK$9.5 million, respectively as compared to approximately HK$73.6 million and HK$11.9 million, respectively of last year.

The selling and distribution costs, administrative expenses and other operating expenses were approximately HK$22.2 million (2008: HK$29.2 million), HK$99.8 million (2008: HK$100.6 million) and HK$21.5 million (2008: HK$15.0 million), respectively. The increase in other operating expenses was mainly due to the increase in fair value loss of the Group's financial assets. Due to the financial tsunami, the performance of the

Group's financial assets was under pressure and recorded fair value loss of HK$17.5 million during the year. In order to retain adequate financial resources to cope with the uncertain market situations, the portfolio of the financial assets was reduced and more cash was kept at the year end.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cashflow and banking facilities. The Group is financially sound with healthy cash position. Its cash and bank balances and short term bank deposits as at 31 March 2009 amounted to approximately HK$181.9 million. Its gearing ratio as at 31 March 2009 was 5.0% (2008: 9.0%), based on the short term and long term interest bearing bank borrowings of approximately HK$21.8 million (2008: HK$41.5 million) and the equity attributable to equity holders of the Company of HK$437.0 million (2008: HK$461.7 million). The directors consider that the Group's cash holding, liquid assets, future revenue and available facilities will be sufficient to fulfill the present working capital requirements of the Group.

Exchange Rate Exposure

Most of the transactions of the Group were denominated in Hong Kong dollars, Renminbi and US dollars. For the year ended 31 March 2009, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars and US dollars was relatively stable under the current peg system, and the hedging of revenue received, and costs incurred, by the Group in Renminbi.

Financial Guarantees and Charges on Assets

As at 31 March 2009, corporate guarantees amounting to approximately HK$162.7 million (2008: HK$127.2 million) were given to banks by the Company for the provision of general banking facilities granted to its subsidiaries, which were secured by legal charges on certain properties owned by the Group with a total net book value of approximately HK$10.3 million (2008: HK$46.5 million).

PROSPECTS

It is expected that the operating environment in the printing industry will continue to be tough and difficult under the financial tsunami. In order to meet the anticipated challenges and stay competitive, the Group will continue to implement stringent cost controls and effectiveness strategies. These include reducing fixed costs for the manufacturing operations, effective management in purchases and inventories level and credit tightening on customers.

The management believes that the Group's strong financial position will enable the Group to develop its business when suitable opportunities arise.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2009.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee has reviewed with the management about the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the audited consolidated financial statements of the Company for the year ended 31 March 2009. This preliminary announcement of the Group's results for the year ended 31 March 2009 has been agreed with the Company's external auditors, Grant Thornton, to the amounts set out in the Group's audited consolidated financial statements for the year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance practices. It met all the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2009 except for the deviation from Code provision A.4.1 in that the non-executive directors were not appointed for a specific term. However, as the Bye-laws of the Company stipulate that one-third of the directors shall retire from office by rotation so that each director shall be subject to retirement at least once every three years, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company are no less exacting than those in the Code.

PUBLICATION OF FINAL RESULTS AND REPORT

This results announcement is published on the Company's website (http://www.cheongming.com) and the Stock Exchange's website (http://www.hkexnews.hk). The annual report containing all the information required by the Listing Rules will be dispatched to the shareholders and available on the same websites in due course.

By Order of the Board
Lui Shing Ming Brian
Chairman

Hong Kong, 17 July 2009

As at the date of this announcement, the executive directors of the Company are 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.