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**CHEUNG WO INTERNATIONAL HOLDINGS LIMITED**  
**長和國際實業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00009)**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**Grand Vinco Capital Limited**

On 28 January 2013, after trading hours, the Company entered into the Placing Agreement with the Placing Agent. Pursuant to which, the Placing Agent has conditionally agreed to place, on best effort basis, to not less than six independent Placees for up to 68,640,000 new Shares at a price of HK\$0.415 per Placing Share, for and on behalf of the Company.

The Placing Price of HK\$0.415 represents (i) a discount of approximately 15.31% to the closing price of the Shares of HK\$0.49 quoted on the Stock Exchange on 28 January 2013, being the date of the Placing Agreement and (ii) a discount of approximately 18.31% to the average closing price of the Shares of HK\$0.508 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The maximum number of 68,640,000 Placing Shares represents approximately 10.00% of the entire issued share capital of the Company of 686,636,798 Shares as at the date of this announcement and approximately 9.09% of the then issued share capital of 755,276,798 Shares as enlarged by the Placing.

The maximum gross proceeds from the Placing will be approximately HK\$28.49 million. The maximum net proceeds, after deducting commission and related expenses, are estimated to be approximately HK\$28 million. The Company intends to apply the net proceeds from the Placing for the Group's general working capital.

\* For identification purpose only

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The Placing Shares are to be issued and allotted under the general mandate.

**Pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, at the discretion of the Placing Agent, to terminate the Placing Agreement prior to the completion date. Completion of the Placing is subject to the satisfaction of the condition precedent under the Placing Agreement. As the Placing may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## INTRODUCTION

On 28 January 2013, after trading hours, the Company entered into the Placing Agreement with the Placing Agent. Pursuant to which, the Placing Agent has conditionally agreed to place, on best effort basis, to not less than six independent Placees for up to 68,640,000 new Shares at a price of HK\$0.415 per Placing Share, for and on behalf of the Company.

## THE PLACING AGREEMENT

Date of Placing Agreement: 28 January 2013

Issuer: Company

Placing Agent: Grand Vinco Capital Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Placees: The Placing Shares will be placed to not less than six placees (which will be independent individual, corporate and/or institutional investors). The placees and their ultimate beneficial owners will be Independent Third Parties. It is expected that no placee will become a substantial Shareholder immediately following Completion of the Placing.

Number of Placing Shares:	The 68,640,000 Placing Shares, to be placed by the Placing Agent on best efforts basis, are all ordinary shares of HK\$0.01 each in the share capital of the Company (i.e. with an aggregate nominal value of HK\$686,400). Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 10.00% of the entire issued share capital of the Company of 686,636,798 Shares as at the date of this announcement and approximately 9.09% of the then issued share capital of 755,276,798 Shares as enlarged by the Placing.
Placing Price:	HK\$0.415 per Placing Share. The Placing Price was agreed after trading hours on the day of the Placing Agreement, being 28 January 2013, after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on Stock Exchange. The Board considers that the Placing Price and the terms of the Placing Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.
The Placing Price represents:	<p>(a) a discount of approximately 15.31% to the closing price of HK\$0.49 per Share as quoted on the Stock Exchange on 28 January 2013, being the date of the Placing Agreement; and</p> <p>(b) a discount of approximately 18.31% to the average closing price of approximately HK\$0.508 per Share, for the last 5 consecutive trading days immediately prior to the date of the Placing Agreement.</p>
Rights of the Placing Shares:	Upon issued and fully paid, the Placing Shares will rank pari passu in all respects among themselves and with Shares in issue at the time of the allotment and issue of the Placing Shares.
Mandate to allot and issue new Shares:	The Placing Shares will be placed under general mandate passed at the annual general meeting of the Company held on 30 May 2012. Under the general mandate, the Company is authorised to issue up to 68,663,679 Shares. Up to the date of this announcement, no Shares have been issued under general mandate.

- Condition: The Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Placing Shares. If the condition is not fulfilled by 15 March 2013 (or such later date as may be agreed by the Placing Agent and the Company), all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other party in respect of the Placing save for any antecedent breaches.
- Placing fee: The Placing Agent will receive a commission of 1.5% of the aggregate Placing Price of the Placing Shares under this Placing Agreement
- The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the market rate and the price performance of the Shares. The Directors consider that the terms of the Placing Agreement, including the placing commission, are fair and reasonable based on the current market conditions and prevailing market price of the Shares, and the Placing is in the interests of the Company and the Shareholders as a whole.
- Completion of the Placing: Completion of the Placing shall take place on or before the date which is the third Business Day after the date on which all the conditions of the Placing are satisfied (or such other date as the Company and the Placing Agent may agree). The Company shall make an application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares in due course.
- Termination: The Placing Agent may terminate the Placing Agreement prior to Completion of the Placing Agreement if
- (i) any breach (which is material in the opinion of the Placing Agent) of any of the representations, warranties and undertakings set out in the Placing Agreement comes to the knowledge of the Placing Agent or there has been a breach (which is material in the opinion of the Placing Agent) of any other provision of the Placing Agreement; or

- (ii) there develops, occurs or comes into force:
  - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the opinion of the Placing Agent and in its opinion may adversely affect the business or financial condition or prospects of the Group as a whole; or
  - (b) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the opinion of the Placing Agent is or may be adverse in the context of the Placing; or
  - (c) any significant change (whether or not permanent) in local, national or international market conditions which in the opinion of the Placing Agent is or may be adverse in the context of the Placing or makes it inadvisable or inexpedient to proceed therewith; or
- (iii) there is any adverse change in the business or in the financial or trading position of the Company, or the Group which in the opinion of the Placing Agent is material in the context of the Placing.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Save as disclosed below, the Company confirmed that it has not conducted any other fund raising activity in the 12-month period immediately preceding the date of this announcement.

<b>Date of Announcement</b>	<b>Fund Raising Activities</b>	<b>Net proceeds raised</b> <i>(approximately)</i>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
22 February 2012	Open offer	HK\$180 million	(i) Approximately HK\$75.6 million for repayment of a short term loan, (ii) approximately HK\$95 million for the construction and development costs of the Project and (iii) approximately HK\$9.4 million for general working capital of the Group	Utilised as intended

## REASONS FOR AND BENEFITS OF THE PLACING AND USE OF THE PROCEEDS

The Company was incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange. The Group is principally engaged in property development and rental in the PRC as well as film production and related business.

The estimated net proceeds of the Placing will be approximately HK\$28 million, which will be used as the Group's general working capital. The Directors consider that the Placing represents a good opportunity to broaden the shareholders base and capital base of the Company and to strengthen its capital structure. The Directors also consider the terms of the Placing Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

## EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE

The shareholdings in the Company (i) as at the date of this announcement; and (ii) immediately after the Completion of the Placing are and will be as follows:

	As at the date of this announcement		Immediate after the Completion of the Placing	
	<i>Number of Shares (approximately)</i>	<i>%</i>	<i>Number of Shares (approximately)</i>	<i>%</i>
<b>Substantial Shareholder</b>				
Mr. Cheng Keung Fai and parties acting in concert with him	431,132,580	62.79%	431,132,580	57.08%
<b>Public Shareholders</b>				
Placees	–	–	68,640,000	9.09%
Other Shareholders	255,504,218	37.21%	255,504,218	33.83%
<b>Total</b>	<u>686,636,798</u>	<u>100.00%</u>	<u>755,276,798</u>	<u>100.00%</u>

## WARNING OF THE RISKS OF DEALING THE SHARES

Shareholders and potential investors should note that the Placing Agent has the right in certain circumstances, at the discretion of the Placing Agent, to terminate the Placing Agreement prior to the completion date. Completion of the Placing is subject to the satisfaction of the condition precedent under the Placing Agreement. As the Placing may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

## **DEFINITIONS:**

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong are generally open for business
“Company”	Cheung Wo International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual, corporation and/or institutional investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement

“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Grand Vinco Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 28 January 2013 in relation to the Placing
“Placing Price”	HK\$0.415 per Placing Share
“Placing Share(s)”	68,640,000 new Shares to be placed pursuant to the Placing Agreement, representing an aggregate nominal value of HK\$686,400
“PRC”	the People’s Republic of China
“Project”	the property/hotel development project on the land located in the Jinhua Economic Development Zone, Xiangtan, Hunan, the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the Board  
**Cheung Wo International Holdings Limited**  
**JIN LEI**  
*Chairman*

Hong Kong, 28 January 2013

*As at the date of this announcement, the Board comprises six Directors. The executive Directors are Mr. Jin Lei (Chairman), Ms. Law Kee, Alice (Chief Executive Officer) and Mr. Hui Wai Lee, Willy; and the independent non-executive Directors are Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chu To, Jonathan.*