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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Cheung Wo International Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**CONNECTED TRANSACTION
ISSUE OF CONVERTIBLE BONDS
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



富強金融資本

FORTUNE FINANCIAL CAPITAL

A notice convening the SGM of Cheung Wo International Holdings Limited to be held at Room 4101, 41st Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Monday, 13 May 2013 at 3:00 p.m. is set out on pages 34 to 36 of this Circular.

A letter from the Board is set out on pages 4 to 11 of this circular. A letter of recommendation from the Independent Board Committee is set out on pages 12 to 13 of this circular. A letter from Fortune Financial Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 14 to 29 of this circular.

Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

19 April 2013

* For identification purpose only

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DEFINITIONS

In this circular, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:

| | |
|-------------------------------|--|
| “acting in concert” | has the meaning ascribed to this term under the Takeovers Code |
| “associates” | has the meaning ascribed to this term under the Listing Rules |
| “Board” | the board of Directors |
| “Bondholders” | holders of the Convertible Bonds from time to time |
| “Business Day” | a day (excluding a Saturday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “Company” | Cheung Wo International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange |
| “Completion” | completion of the Subscription Agreement |
| “Convertible Bonds” | the convertible bonds with the aggregate principal amount of not more than HK\$314,640,110 to be issued by the Company pursuant to the Subscription Agreement |
| “Conversion Price” | HK\$0.43, being the initial price per Share at which the Convertible Bonds may be converted into Shares |
| “Conversion Share(s)” | the Share(s) to be issued by the Company upon exercise by the Bondholders of the conversion rights attaching to the Convertible Bonds |
| “Directors” | the directors of the Company from time to time |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | comprising Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chu To, Jonathan, all being the independent non-executive Directors |

DEFINITIONS

| | |
|---|--|
| “Independent Financial Adviser” or “Fortune Financial Capital” | Fortune Financial Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder |
| “Independent Shareholders” | Shareholders other than Mr. Cheng and his associates |
| “Latest Practicable Date” | 16 April 2013, being the latest practicable date prior to printing of this circular for ascertaining certain information in this circular |
| “Listing Committee” | the Listing Committee of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | being a date falling on the expiry of three months from the date on which the SGM is held |
| “Maturity Date” | five years after the first issue of the Convertible Bonds |
| “Mr. Cheng” | Mr. Cheng Keung Fai, the beneficial owner of the entire issued share capital of the Subscriber and a substantial shareholder of the Company |
| “Settlement Deed” | a deed to be entered into by the Company, the Subscriber and Mr. Cheng on Completion, pursuant to which, the parties thereto will agree that the Shareholder’s Loan will be applied to set-off against part of the subscription money payable by the Subscriber under the Subscription Agreement |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | the special general meeting of the Company to be convened and held to consider and approve the Subscription Agreement and the transactions contemplated thereunder |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholders” | holders of the Share(s) |

DEFINITIONS

| | |
|--------------------------|---|
| “Shareholder’s Loan” | the loan in the aggregate amount of HK\$14,640,110 due and owing by the Company to Mr. Cheng as at the date of the Subscription Agreement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber” | Full Dragon Group Limited, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is held by Mr. Cheng |
| “Subscription Agreement” | the agreement dated 8 April 2013 entered into between the Company and the Subscriber in relation to the subscription by the Subscriber of the Convertible Bonds in the principal amount of not more than HK\$314,640,110 (as amended by the Supplemental Agreement) |
| “Supplemental Agreement” | a supplement agreement entered into between the Company and the Subscriber dated 16 April 2013, pursuant to which the Long Stop Date has been changed from 30 September 2013 to a date falling on the expiry of three months from the date on which the SGM is held |
| “Takeovers Code” | the Hong Kong Codes on Takeovers and Mergers |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent |

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Jin Lei (Chairman)

Ms. Law Kee, Alice (Chief Executive Officer)

Mr. Hui Wai Lee, Willy

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Tsui Pui Hung

Mr. Tang Ping Sum

Mr. Chu To, Jonathan

*Head office and principal place of
business in Hong Kong:*

Room 4101

41st Floor

The Lee Gardens

33 Hysan Avenue

Causeway Bay

Hong Kong

19 April 2013

Dear Shareholder(s),

CONNECTED TRANSACTION ISSUE OF CONVERTIBLE BONDS

INTRODUCTION

Reference is made to the announcements of the Company dated 8 April 2013 and 16 April 2013 in relation to the Subscription Agreement in respect of the subscription of the Convertible Bonds.

The purpose of this circular is to provide you with among other things (i) further details of the Subscription Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) the advice from the Independent Financial Adviser; and (iv) a notice convening the SGM.

* For identification purpose only

LETTER FROM THE BOARD

SUBSCRIPTION AGREEMENT

Date: 8 April 2013 (after trading hours)

Issuer: The Company

Subscriber: The Subscriber

Subject to the fulfillment of the conditions set out below, the Subscriber has agreed to subscribe for the Convertible Bonds with the principal amount of not more than HK\$314,640,110 which will be satisfied in the following manners:–

- (a) a sum of not more than HK\$300,000,000 to be paid in cash in immediate available funds by the Subscriber; and
- (b) a sum of HK\$14,640,110 to be satisfied by the setting-off of the Shareholder's Loan by execution of the Settlement Deed.

The Conversion Shares under the Subscription Agreement will be issued under the specific mandate to be sought at the SGM.

As at the Latest Practicable Date, Mr. Cheng, the beneficial owner of the entire issued share capital of the Subscriber, is interested in 431,132,580 Shares, representing approximately 55.51% of the issued share capital of the Company. Mr. Cheng is a substantial Shareholder (as defined under the Listing Rules) and a connected person (as defined under the Listing Rules) of the Company, and as such, the Subscriber is also a connected person of the Company.

Conditions Precedent

Completion of the Subscription Agreement is conditional upon:

- (a) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;
- (b) the Company having obtained (where applicable) the approval of the Independent Shareholders of the Subscription Agreement and the transactions contemplated thereunder at the SGM;
- (c) the Company having complied with and to the satisfaction of the Stock Exchange all requirements under the Listing Rules in relation to the issue of the Convertible Bonds;
- (d) the Listing Committee granting listing of and permission to deal in the Conversion Shares; and
- (e) none of the warranties given by the Company under the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

LETTER FROM THE BOARD

In the event that the conditions have not been fulfilled on or before the Long Stop Date, the Subscription Agreement will cease and terminate and the parties will be released from all obligations thereunder, save for liabilities for any antecedent breaches.

Conversion price

The initial Conversion Price of HK\$0.43 per Share represents (i) a discount of approximately 18.9% to the closing price of HK\$0.53 per Share on 8 April 2013, the date of the Subscription Agreement; (ii) a discount of approximately 25.3% to the average closing price of HK\$0.576 per Share as quoted on the Stock Exchange for the five trading days immediate prior to the date of the Subscription Agreement; and (iii) a discount of approximately 23.2% to the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on the Latest Practicable Date. The Conversion Price will be subject to adjustment for subdivision or consolidation of Shares, issue any Shares credited as fully paid by way of capitalization of profits or reserves (other than Shares issued in lieu of the whole or any part of a cash dividend), capital distribution to holders of Shares provided that the Conversion Price shall not be less than the par value of a Share, rights issues and issues of securities at a price less than 90% of the then market price per Share. The initial Conversion Price was determined after arm's length negotiation between the parties.

Assuming the aggregate principal amount of the Convertible Bonds is HK\$314,640,110, and upon full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be convertible into a maximum of 731,721,186 Shares, representing approximately 94.2% of the existing issued share capital of the Company and approximately 48.5% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Bonds.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds were determined after arm's length negotiations between the parties and are summarized below:

| | |
|--------------------------|--|
| Principal amount: | The aggregate principal amount of the Convertible Bonds is not more than HK\$314,640,110. |
| Interest: | The Convertible Bonds bear no interest. |
| Maturity Date: | Five years after the first issue of the Convertible Bonds. |
| Status: | The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and will rank pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law. No application will be made for a listing of the Convertible Bonds in any jurisdiction. |

LETTER FROM THE BOARD

- Transferability:** The Convertible Bonds may be assigned or transferred to any party or parties other than a connected person (as defined in the Listing Rules) of the Company unless necessary approvals of the Stock Exchange (if required) have been obtained.
- Conversion Rights:** The Bondholders have the right to convert the Convertible Bonds in the whole or in part of the principal amount of the Convertible Bonds at any time from its date of issue before maturity and from time to time in amounts of not less than HK\$1,000,000 on each conversion, save that if at any time, the principal outstanding amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of the principal outstanding amount of the Convertible Bonds may be converted.
- No Conversion Shares will be issued if, upon Conversion, (i) the public float of at least 25% of the issued share capital of the Company as enlarged by the issue of Conversion Shares cannot be maintained; and (ii) the aggregate shareholding of such Bondholder, its associates and parties acting in concert with it immediately after such exercise shall be or exceed 29.9% of the then issued share capital of the Company; and such Bondholder and parties acting in concert with it immediately after such exercise shall be required to make a general offer under Rule 26 of the Takeovers Code.
- Ranking:** The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue.
- Redemption:** The Company has no obligation to redeem the Convertible Bonds prior to the Maturity Date unless an event of default as provided in the conditions of the Convertible Bonds has occurred prior to the Maturity Date. An event of default include: (i) the Company fails to pay the principal amount when due or the Company fails to pay interest (if any), premium (if any) on the Convertible Bonds when due; (ii) the Company defaults in performance or observance or compliance with any of its other obligations set out in the conditions of the Convertible Bonds; (iii) an order is made or an effective resolution is passed for winding-up or dissolution of the Company or the Company disposes of all or substantially all of its assets otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reorganisation; (iv) an encumbrancer takes possession or a receiver is appointed of the whole or any part of the undertaking or assets of the Company; (v) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Company; (vi) the Company becomes insolvent or is unable to pay its

LETTER FROM THE BOARD

debts as they mature; and (vii) proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganization or insolvency law.

The Company may redeem the Convertible Bonds if prior written consent is obtained from the holders of not less than 75% of the Convertible Bonds then outstanding.

COMPLETION OF ISSUE AND SUBSCRIPTION OF THE CONVERTIBLE BONDS

Given the fact that the principal amount of the Convertible Bonds as agreed to be subscribed by the Subscriber is subject to a maximum amount of HK\$314,640,110, the Company intends to agree the actual principal amount of the Convertible Bonds with the Subscriber within three days before Completion. The Company has been proactively identifying high potential property development projects, of which the amounts of the capital needs vary and are yet to determine. In order to have additional time for the identification as aforesaid, the Directors consider that it is in the interest of the Company to fix the actual principal amount of the Convertible Bonds to be issued with the Subscriber at the latest possible time. In order to allow time for the Subscriber to arrange for the funds, the Directors consider that fixing the actual principal amount within three days before Completion is appropriate.

Completion is to take place within three Business Days after the conditions precedent stated in above section headed "Conditions Precedent" have been fulfilled or such later time and date as the Company and the Subscriber may agree in writing.

INFORMATION ON THE GROUP

The Group is principally engaged in the film production and related business, film processing, rental of property, and property and hotel development.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. Cheng. It is an investment vehicle of Mr. Cheng and save for the proposed investment in the Convertible Bonds, the Subscriber does not have any other business activities.

REASONS FOR THE ISSUE OF THE CONVERTIBLE BONDS

The Directors consider that the issue of the Convertible Bonds represents an opportunity for the Company to raise additional fund under the current global financial conditions at relatively low cost with strong support from its largest Shareholder. As stated in the annual results announcement of the Company for the year ended 31 December 2012 dated 27 March 2013, the Group will identify high potential property development projects to accumulate land bank. As the property development projects would require an extensive amount of capital, the issue of the Convertible Bonds would provide the Company with immediate funding and an opportunity for the Group, if the conversion rights attaching to the Convertible Bonds are exercised, to enlarge and strengthen its capital base. Having considered the Convertible Bonds bear no interest, the Directors (including the independent non-executive Directors) consider that issue of the Convertible Bonds is an appropriate means of fund raising of the Company.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of opinion that the terms of the Subscription Agreement, which were arrived at after arm's length negotiation between the Company and the Subscriber are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Assuming the aggregate principal amount of the Convertible Bonds is HK\$314,640,110, the net proceeds (after deducting estimated expenses and excluding the amount to be satisfied by the Shareholder's Loan) from the issue of the Convertible Bonds is expected to be not more than HK\$298.7 million and the net price per Conversion Share is approximately HK\$0.428. It is intended that the net proceeds will be applied for additional funding to accumulate land bank and as general working capital of the Company. The Directors confirm that once the potential property development project has been identified, the net proceeds arising from the issue of the Convertible Bonds would mainly be applied for the additional funding to accumulate land bank and the remaining balance as general working capital of the Company. As at the Latest Practicable Date, no concrete plan for the property development project has been finalized and the Company will make an appropriate disclosure to the Shareholders as and when required under and in accordance with the Listing Rules.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activities in the past twelve months immediately preceding the Latest Practicable Date:

| Date of announcement or prospectus | Event | Net proceeds | Intended use of proceeds | Actual use of proceeds up to the Latest Practicable Date |
|------------------------------------|---|---|--|--|
| 28 February 2013 | Placing of new Shares under general mandate | Approximately HK\$28 million (after deducting related placing commissions and other related expenses) | General working capital | HK\$1,405,000 as general working capital and the remaining balance is held at financial institution |
| 4 June 2012 | Open offer | Approximately HK\$180 million (after deducting expenses) | (a) HK\$75,600,000 as repayment of a short term loan due in September 2012; (b) approximately HK\$95,000,000 for construction and development costs of the project in Hunan Province, the PRC; and (c) approximately HK\$9,400,000 as general working capital of the Group | (a) HK\$75,600,000 as repayment of a short term loan due in September 2012; (b) approximately HK\$86,186,000 for construction and development costs of the project in Hunan Province, the PRC; (c) approximately HK\$9,400,000 as general working capital of the Group; and (d) the remaining balance is held at financial institution |

LETTER FROM THE BOARD

Save as disclosed above, there has been no equity fund raising activity in the Company in the twelve months immediately preceding the Latest Practicable Date.

EFFECT ON SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company has 776,720,096 Shares in issue. The shareholding structure of the Company as at (i) the Latest Practicable Date; and (ii) immediately after full conversion of the Convertible Bonds at the initial Conversion Price are as follows:

| Shareholders | As at the Latest Practicable Date | | Immediately after full conversion of the Convertible Bonds (Note 2) | |
|--|-----------------------------------|----------------------|--|----------------------|
| | Number of Shares | Approximate % | Number of Shares | Approximate % |
| Mr. Cheng and the Subscriber (Note 1) | 431,132,580 | 55.51 | 1,162,853,766 | 77.09 |
| Other Shareholders | <u>345,587,516</u> | <u>44.49</u> | <u>345,587,516</u> | <u>22.91</u> |
| Total | <u><u>776,720,096</u></u> | <u><u>100.00</u></u> | <u><u>1,508,441,282</u></u> | <u><u>100.00</u></u> |

Notes:

1. The entire issued share capital of the Subscriber is owned by Mr. Cheng.
2. The shareholding structure sets out in this column is for illustration purposes only based on the subscription amount of the Convertible Bonds of HK\$314,640,110. If the public float of the Company cannot be maintained at 25% or above after conversion of the Convertible Bonds, no Conversion Shares will be issued in accordance with the conditions of the Convertible Bonds.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Cheng, the beneficial owner of the entire issued share capital of the Subscriber, is interested in 431,132,580 Shares, representing approximately 55.51% of the issued share capital of the Company. Mr. Cheng is a substantial Shareholder (as defined under the Listing Rules) and a connected person (as defined under the Listing Rules) of the Company, and as such, the Subscriber is also a connected person of the Company. The Subscription Agreement and the transactions contemplated thereunder therefore constitute connected transaction on the part of the Company under the Listing Rules and are subject to reporting, announcement and independent shareholders' approval requirements.

Accordingly, the Subscription Agreement and the transactions contemplated thereunder are subject to the approval by the Independent Shareholders at the SGM by way of a poll. The Subscriber and its associates are required to abstain from voting for the relevant resolution to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM. To the best of the Directors' information, belief and knowledge, none of the Directors have a material interest in relation to the Subscription Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

SGM

The Company will convene the SGM at Room 4101, 41st Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Monday, 13 May 2013 at 3:00 p.m. at which ordinary resolution will be proposed for the purpose of considering and, if thought fit, to approve, among other matters (if any), the Subscription Agreement and the transactions contemplated thereunder.

A notice convening the SGM is set out on pages 34 to 36 of this circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

The ordinary resolution to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of Fortune Financial Capital, considers that the terms of the Subscription Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the entering into the Subscription Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to approve the Subscription Agreement and the transactions contemplated thereunder. The text of the letter from the Independent Board Committee is set out on pages 12 to 13 of this circular.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,

By Order of the Board

CHEUNG WO INTERNATIONAL HOLDINGS LIMITED

JIN LEI

Chairman



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)

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Room 4101,
41st Floor,
The Lee Gardens,
33 Hysan Avenue,
Causeway Bay,
Hong Kong

19 April 2013

**CONNECTED TRANSACTION
ISSUE OF CONVERTIBLE BONDS**

We refer to the circular (the “**Circular**”) of Cheung Wo International Holdings Limited dated 19 April 2013, of which this letter forms part. The terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As the independent non-executive Directors who are independent of the parties to the Subscription Agreement and the transactions contemplated thereunder, we have been appointed to form this Independent Board Committee to advise you as to whether, in our opinion, the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders as a whole are concerned.

Fortune Financial Capital Limited has been appointed as the Independent Financial Adviser to advise this Independent Board Committee on the fairness and reasonableness of the terms of the Subscription Agreement and the transactions contemplated thereunder.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 11 of the Circular, and the letter of advice from Fortune Financial Capital, as set out on pages 14 to 29 of the Circular, both of which provide details of the Subscription Agreement and the transactions contemplated thereunder. Having considered the advice rendered by Fortune Financial Capital and the principal factors and reasons taken into consideration by it in arriving its advice, we are of the opinion that the terms of the Subscription

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Agreement and transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the SGM to approve the terms of the Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the

Independent Board Committee of

Cheung Wo International Holdings Limited

Tsui Pui Hung,

Tang Ping Sum,

Chu To, Jonathan

Independent non-executive Directors

LETTER FROM FORTUNE FINANCIAL CAPITAL

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser which has been prepared for inclusion in this circular.



富強金融資本

FORTUNE FINANCIAL CAPITAL

35th Floor
Office Tower Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

To: *The Independent Board Committee and the
Independent Shareholders of Cheung Wo International Holdings Limited*

19 April 2013

Dear Sirs,

CONNECTED TRANSACTION ISSUE OF CONVERTIBLE BONDS

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, particulars of which are set out in the section headed “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 19 April 2013 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

As set out in the Letter from the Board, on 8 April 2013 (after the trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, the Subscriber has agreed to subscribe for the Convertible Bonds in an aggregate principal amount of not more than HK\$314,640,110 subject to fulfilment of the conditions precedent set out in the Subscription Agreement.

Mr. Cheng, the beneficial owner of the entire issued share capital of the Subscriber, is interested in 431,132,580 Shares, representing approximately 55.51% of the total issued share capital of the Company as at the Latest Practicable Date. As Mr. Cheng is a substantial shareholder (as defined under the Listing Rules), he is a connected person (as defined under the Listing Rules) of the Company. The Subscriber, being an associate (as defined under the Listing Rules) of Mr. Cheng, is also a connected person of the Company. Accordingly, the Subscription Agreement and the transactions contemplated thereunder constitute non-exempt connected transactions on the part of the Company under the Listing Rules and are subject to reporting, announcement and independent shareholders’ approval requirements under the Listing Rules. Pursuant to the Listing Rules, the Subscriber and its associates are required to abstain from voting at the SGM to approve the

LETTER FROM FORTUNE FINANCIAL CAPITAL

Subscription Agreement and the transactions contemplated thereunder. Other than the Subscriber and its associates, no Shareholder has a material interest in the Subscription Agreement and the transactions contemplated thereunder and is required to abstain from voting at the SGM.

The Independent Board Committee, comprising Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chu To, Jonathan (being all the independent non-executive Directors) has been established by the Company to advise the Independent Shareholders as to (i) whether the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company. We have assumed that all information and representations provided by the Directors and the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the date of despatch of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquires and careful considerations by the Directors and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

The Directors have collectively and individually accepted full responsibility, includes particulars given in compliance with the Listing Rules, for the purpose of giving information with regard to the Company. The Directors have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Subscription Agreement and the transactions contemplated thereunder, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

LETTER FROM FORTUNE FINANCIAL CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Historical Financial Performance of the Group

The Group is principally engaged in property and hotel development and investment in the PRC as well as film production and related businesses. The table below sets out the financial information of the Group for the three financial years ended 31 December 2012:

| In HK\$ million | Year ended 31 December | | |
|-------------------------|------------------------|------|--------|
| | 2010 | 2011 | 2012 |
| Revenue | 126.6 | 54.5 | 34.8 |
| Profit/(loss) after tax | 56.8 | 57.8 | (17.3) |

For the year ended 31 December 2012, the Group recorded a turnover of approximately HK\$34.8 million, representing a decrease of approximately 36.1% from that for the year ended 31 December 2011 of approximately HK\$54.5 million. According to the annual result of the Group for the year ended 31 December 2012 as announced by the Company on 27 March 2013 (the “**AR 2012**”), such decrease in turnover was mainly attributed to the insufficient contribution from both film production and processing to meet the cost outlay. The Group reported a loss of approximately HK\$17.3 million, as compared to a profit of approximately HK\$57.8 million for the year ended 31 December 2011. According to the AR 2012, such loss was due to (i) decrease in turnover; (ii) absence of the gain on property disposal which was approximately HK\$41.3 million for the year ended 31 December 2011; and (iii) absence of the valuation gain on the commercial property recorded for the year ended 31 December 2011.

For the year ended 31 December 2011, the Group recorded a turnover of approximately HK\$54.5 million, representing a decrease of approximately 56.9% from that for the year ended 31 December 2010 of approximately HK\$126.6 million. According to the annual report of the Company for the year ended 31 December 2011 (the “**AR 2011**”), such decrease in turnover was mainly attributed to a decrease in turnover from film production, distribution and licensing of approximately HK\$72.7 million, representing a decrease of approximately 81.7% from that for the year ended 31 December 2010 which was due to no release of film during that period. The Group reported a profit of approximately HK\$57.8 million, representing an increase of less than 2% from that for the year ended 31 December 2010. According to the AR 2011, despite the decrease in turnover, the increase of profit was mainly due to the gain on property disposal of approximately HK\$41.3 million and increase in valuation gain on the commercial property in Chengdu, the PRC of approximately HK\$10 million compared with that for the year ended 31 December 2010.

According to the AR 2012, as at 31 December 2012, the Group had a shareholder’s loan of approximately HK\$14,640,000 (rounded to the nearest thousand dollar) due to Mr. Cheng which was unsecured with interest rate at 1% per annum to be payable on or before 30 April 2013 (the “**Shareholder’s Loan**”). As disclosed in the AR 2012, on 1 March 2013, the Shareholder’s Loan was extended to be repayable on or before 30 April 2014. The Shareholder’s Loan would be repayable on demand.

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2. The Subscription Arrangement

Subscription Agreement

Date: 8 April 2013 (after trading hours)
Issuer: The Company
Subscriber: The Subscriber

Subject to fulfilment of the conditions precedent as set out in the Letter from the Board, the Subscriber agreed to subscribe for the Convertible Bonds with the principal amount of not more than HK\$314,640,110 which will be satisfied in the following manners:–

- (i) a sum of not more than HK\$300,000,000 to be paid in cash in immediate available funds by the Subscriber; and
- (ii) a sum of HK\$14,640,110 to be satisfied by the setting-off of the Shareholder's Loan by execution of the Settlement Deed.

As a result of the Subscription Agreement, immediately after the Completion, part of the subscription monies to be received i.e. HK\$14,640,110 will be used to set off the Shareholder's Loan which is due and owing by the Company with interest payable on a monthly basis and will generate no cash proceeds. The remaining subscription monies will generate net cash proceeds not more than HK\$298,700,000.

Although Mr. Cheng is a substantial shareholder of the Company, he does not have the obligation to extend the maturity and/or maintain such low interest rate (1% per annum) of the Shareholder's Loan to the Company perpetually. Therefore, we believe that it is not unreasonable for Mr. Cheng not accepting for further extension of maturity date of the Shareholder's Loan and that Mr. Cheng may request for repayment of the Shareholder's Loan within the current maturity period.

As the Convertible Bonds bear no interest and have the maturity of 5 years as compared to the Shareholder's Loan which is repayable on demand by Mr. Cheng, we are of the view that the setting-off of the subscription monies against the Shareholder's Loan which serves as a replacement of the Shareholder's Loan by the Convertible Bonds is in more favorable terms in repayment and interest rate. As such, we consider the setting-off of the subscription monies against the Shareholder's Loan is in the interest of the Company and the Independent Shareholders as a whole.

3. Reasons and the Use of Proceeds Arising from the Issue of the Convertible Bonds

On 28 February 2013, the Company raised approximately HK\$28 million net proceeds by means of placing of new Shares (the "**Placing**") for the Group's general working capital. As advised by the Directors, approximately HK\$1.41 million of the proceeds from the Placing has been utilised as at the Latest Practicable Date, whereas the remaining amount of approximately HK\$26.59 million are held at financial institution and will be utilised as intended as general working capital of the Group.

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According to the AR 2012, the Group will identify high potential property development projects to accumulate land bank. As advised by the Directors, the Group will remain focused on its property business in the near future and the Group is actively pursuing any potential property investment opportunity. As set out in the Letter from the Board, the Directors consider that the issue of the Convertible Bonds represents an opportunity for the Company to raise additional fund under the current global financial conditions at relatively low cost with strong support from its largest Shareholder. As the property development projects would require an extensive amount of capital, the issue of the Convertible Bonds would provide the Company with immediate funding and an opportunity for the Group, if the conversion rights attaching to the Convertible Bonds are exercised, to enlarge and strengthen its capital base. Taking into account that the Convertible Bonds bear no interest, the Directors consider that issue of the Convertible Bonds is an appropriate means of fund raising of the Company. Assuming the aggregate principal amount of the Convertible Bonds is HK\$314,640,110, the net proceeds (after deducting estimated expenses and excluding the amount to be satisfied by the Shareholder's Loan) from the issue of the Convertible Bonds is expected to be not more than HK\$298.7 million. As advised by the Directors, the net proceeds arising from the issue of the Convertible Bonds will be applied mainly for additional funding to accumulate land bank and the remaining balance as general working capital of the Company.

As disclosed in the AR 2012, the cash and cash equivalent of the Group amounted to approximately 66.1 million as at 31 December 2012. Although there is no immediately financing need of the Group, we concur with the view of the Directors that the additional funding by means of issuing the Convertible Bonds would provide the Group with financial flexibilities and adequate immediate funding should any investment opportunities on land or property development arise which may require extensive amount of capital in the near future. Given that the prolonged uncertain economic conditions over the globe after the European sovereign-debt crisis which has hampered the Group's ability to raise additional fund at relatively low cost, we consider that issue of the Convertible Bonds is an appropriate means of additional fund raising since it will not have an immediate dilution effect on the shareholding of the existing Shareholders and the fact that the Convertible Bonds bear no interest is more favourable than external borrowings.

4. Principal Terms of the Convertible Bonds

Principal terms of the Convertible Bonds are summarised as follows:

| | |
|-------------------|---|
| Principal amount: | The aggregate principal amount of the Convertible Bonds is not more than HK\$314,640,110. |
| Interest: | The Convertible Bonds bear no interest. |
| Maturity Date: | 5 years after the first issue of the Convertible Bonds. |
| Redemption: | The Company has no obligation to redeem the Convertible Bonds prior to the Maturity Date unless an event of default as provided in the conditions of the Convertible Bonds has occurred prior to the Maturity Date. |

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The Company may redeem the Convertible Bonds if prior written consent is obtained from the Bondholders of not less than 75% of the Convertible Bonds then outstanding. Any outstanding Convertible Bonds shall be redeemed on the Maturity Date.

Conversion Rights: The Bondholders shall have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares at any time and from time to time, from the date of issue of the Convertible Bonds before the Maturity Date at the then prevailing Conversion Price.

No Conversion Shares will be issued if, upon Conversion, (i) the public float of at least 25% of the issued share capital of the Company as enlarged by the issue of Conversion Shares cannot be maintained; and (ii) the aggregate shareholding of such Bondholder, its associates and parties acting in concert with it immediately after such exercise shall be or exceed 29.9% of the then issued share capital of the Company; and such Bondholder and parties acting in concert with it immediately after such exercise shall be required to make a general offer under Rule 26 of the Takeovers Code.

Conversion Price: The initial Conversion Price is HK\$0.43 per Share, subject to adjustment for, among other matters, subdivision or consolidation of Shares, issue any Shares credited as fully paid by way of capitalization of profits or reserves (other than in lieu of a cash dividend), capital distribution to Shareholders provided that the Conversion Price shall not less than the par value of a Share, rights issue and issues of securities at a price less than 90% of the then market price.

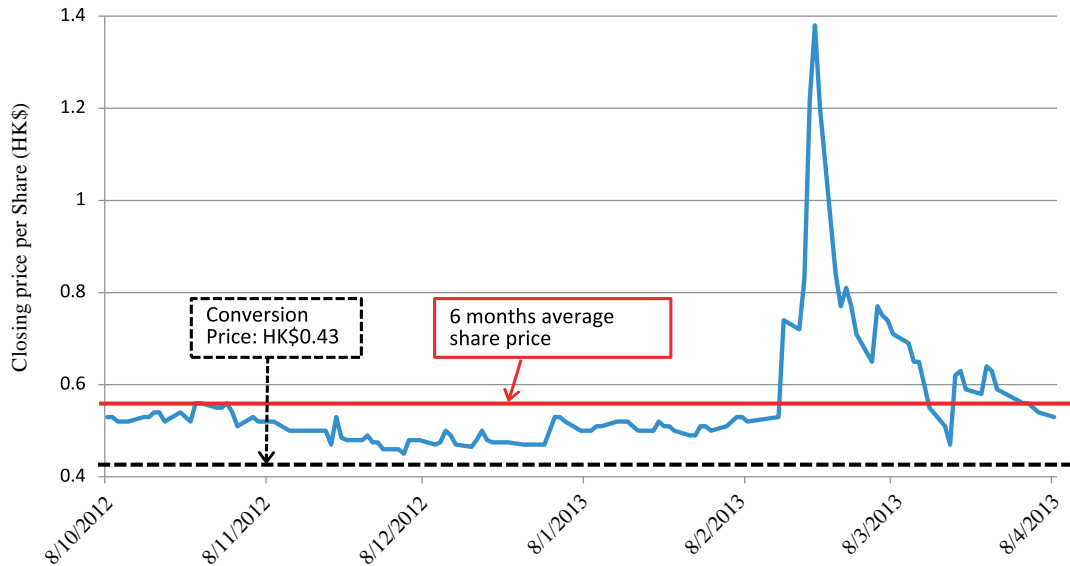
Completion shall take place within three business days following the date on which the conditions precedent is fulfilled (or such other date as the parties to the Subscription Agreement may agree). Please refer to the paragraph headed "Subscription Agreement" as set out in the Letter from the Board for details of the conditions precedent.

a) Historical closing price and trading volume of the Shares

Set out below are charts showing the closing price and daily trading volume of the Shares on the Stock Exchange for the 6 months period ended 8 April 2013 (the "**Review Period**"), being the last trading day immediately before the entering into of the Subscription Agreement (the "**Last Trading Day**").

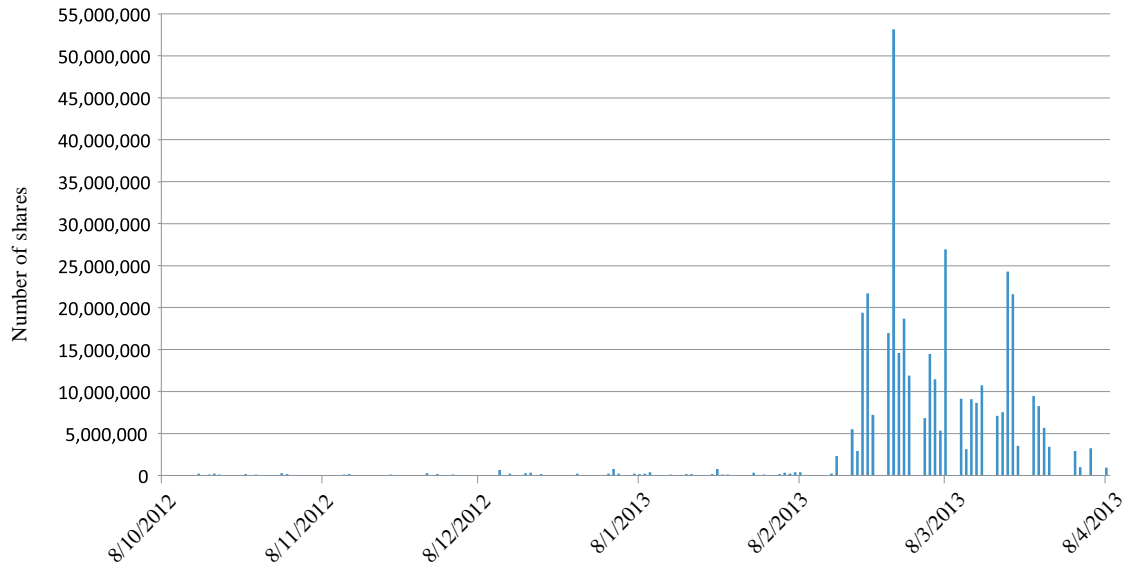
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Closing price per Share on the Stock Exchange



Source: <http://www.hkex.com.hk>

Trading Volume of Shares traded on the Stock Exchange



Source: <http://www.hkex.com.hk>

The initial Conversion Price of HK\$0.43 per Conversion Share was arrived at after arm's length negotiation between the Company and the Subscriber and represents:

- (i) a discount of approximately 23.8% to the average closing price of HK\$0.564 per Share for the Review Period;

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- (ii) a discount of approximately 25.3% to the average of the closing prices per Share of HK\$0.576 for the last 5 trading days immediately prior to the date of the Subscription Agreement;
- (iii) a discount of approximately 18.9% to the closing price of HK\$0.530 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iv) a discount of approximately 23.2% to the closing price of HK\$0.560 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

As illustrated in the charts above, the closing prices of the Shares on the Stock Exchange ranged from HK\$0.450 per Share on 4 December 2012 to HK\$1.380 per Share on 21 February 2013 during the Review Period. Average closing price of the Shares during the Review Period is approximately HK\$0.564 per Share. Trading volume of the Shares was relatively thin during the Review Period, with average daily trading volume being approximately 3,222,986 Shares, representing approximately 0.4% of the Company's issued share capital as at the Latest Practicable Date. The relatively low liquidity of the Shares may imply that potential investors may seek a discount rather than premium on the issue price when the Company issues new Shares. As such, the Conversion Price of HK\$0.43 under the Subscription Agreement lies below the range of the closing prices during the Review Period.

b) Comparable Analysis

To assess the fairness and reasonableness of the terms of the Convertible Bonds, we have on a best effort basis identified a number of companies listed on the Main Board of the Stock Exchange (“**Main Board**”) which have made announcements to issue convertible notes/bonds during the 3 months ended the Last Trading Day (the “**Comparables**”), further details of which are summarised below. We believe that these Main Board listed companies are more comparable with the Company in terms of size than companies listed in the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. Besides, as the terms of the Comparables are determined under similar market conditions and sentiments as those of the Convertible Bonds, we consider that the Comparables are fair and representative samples. Set out below is the summary of the Comparables considered in our analysis:

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| Company (Stock Code) | Date of announcement | Currency denominated in | Maximum of principal amount (in million) | Interest rate per annum | Maturity (year) | Premium/ (Discount) of the Conversion Price over/to the closing price of the last trading days prior to the dates of the corresponding announcements | Premium/ (Discount) of the Conversion Price over/to the average closing price for the last 5 trading days prior to the dates of the corresponding announcements or last 5 trading days including the last trading days as mentioned in the corresponding announcements |
|---|-------------------------|-------------------------------|---|----------------------------|--------------------|--|---|
| Sino Oil and Gas Holdings Limited (702) | 3 April 2013 | HK\$ | 275 | 2.00% | 3 | 19.29% | 13.61% |
| Siberian Mining Group Company Limited ("SMGC") (1142) (Note 1) | 3 April 2013 | US\$ | 443.07 | 0.00% | 5 | 19900.00% | 16982.00% |
| China South City Holdings Limited ("CSCH") (1668) (Note 3) | 1 April 2013 | HK\$ | 975 | 6.50% | 5 | 20.00% | 21.12% |
| Sun Innovation Holdings Limited (547) | 28 March 2013 | HK\$ | 392 | 0.00% | 2 | (66.10)% | (64.41)% |
| Warderly International Holdings Limited ("WIH") (607) (Note 1) | 21 March 2013 | HK\$ | 500 | 2.00% | 5 | (89.58)% | (89.36)% |
| China Financial Services Holdings Limited (605) | 15 March 2013 | US\$ | 12 | 10.00% | 2 | (15.25)% | (16.67)% |
| Capital VC Limited (2324) | 11 March 2013 | HK\$ | 20 | 10.00% | 1 | 33.33% | 42.05% |
| Lisi Group (Holdings) Limited (526) | 4 March 2013 | HK\$ | 382.8 | 3.00% | 3 | (6.25)% | (1.64)% |
| The Hong Kong Building and Loan Agency Limited ("HKBLA") (145) (Note 4) | 28 February 2013 | HK\$ | 162 | 0.00% | 2.8 | (49.06)% | (43.51)% |
| Extrawell Pharmaceutical Holdings Limited (858) | 27 February 2013 | HK\$ | 641.3 | 0.00% | 20 | (1.34)% | (2.83)% |
| EPI (Holdings) Limited (689) | 26 February 2013 | HK\$ | 100 | 8.00% | 2 | 0.53% | (2.56)% |
| United Gene High-Tech Group Limited (399) | 18 February 2013 | HK\$ | 133 | 0.10% | 10 | (9.09)% | (6.10)% |
| New Times Energy Corporation Limited (166) | 6 February 2013 | HK\$ | 105 | 0.00% | 10 | 1.03% | 0.62% |
| China Fortune Financial Group Limited (290) | 6 February 2013 | HK\$ | 32 | 5.00% | 3 | (8.26)% | (14.09)% |
| Prosperity International Holdings (H.K.) Limited (803) | 1 February 2013 | US\$ | 30 | 8.25% | 3 | 40.60% | 36.40% |
| Tak Sing Alliance Holdings Limited (126) | 1 February 2013 | HK\$ | 80 | 5.00% | 1 | 6.48% | 9.94% |

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| Company (Stock Code) | Date of announcement | Currency denominated in | Maximum of principal amount (in million) | Interest rate per annum | Maturity (year) | Premium/ (Discount) of the Conversion Price over/to the average closing price for the last 5 trading days prior to the dates of the corresponding announcements or price of the last 5 trading days including the last trading days as mentioned in the | Premium/ (Discount) of the Conversion Price over/to the average closing price for the last 5 trading days prior to the dates of the corresponding announcements or price of the last 5 trading days including the last trading days as mentioned in the |
|---|-------------------------|-------------------------------|---|----------------------------|--------------------|--|--|
| | | | | | | corresponding announcements | corresponding announcements |
| ENN Energy Holdings Limited ("ENN") (2688) (Note 5) | 30 January 2013 | US\$ | 500 | 0.00% | 5 | 30.00% | N/A |
| China Precious Metal Resources Holdings Co., Ltd ("CPMR") (1194) (Note 6) | 28 January 2013 | HK\$ | 1,028 | 7.25% | 5 | 25.00% | 28.00% |
| Huili Resources (Group) Limited (1303) | 25 January 2013 | HK\$ | 215 | 2.00% | 2 | (15.40)% | (13.70)% |
| Greenfield Chemical Holdings Limited (582) | 24 January 2013 | HK\$ | 550 | 0.00% | 3 | (17.05)% | (12.05)% |
| New Times Energy Corporation Limited (166) | 22 January 2013 | HK\$ | 11.9 | 0.00% | 1 | 1.01% | 6.16% |
| China Properties Investment Holdings Limited ("CPIH") (736) (Note 2) | 18 January 2013 | HK\$ | 20 | 3.00% | 7 | N/A | N/A |
| Shanghai Industrial Holdings Limited ("SIH") (363) (Note 7) | 16 January 2013 | HK\$ | 3,900 | 2.00% | 5 | 30.00% | 33.10% |
| Kingwell Group Limited (1195) | 11 January 2013 | HK\$ | 100 | 1.00% | 5 | (24.24)% | (24.24)% |
| Minimum | | | | 0.00% | 1.0 | (66.10)% | (64.41)% |
| Maximum | | | | 10.00% | 20.0 | 40.60% | 42.05% |
| Mean | | | | 3.34% | 4.5 | (0.23)% | (0.54)% |
| The Company | | HK\$ | 314.64 | 0% | 5.0 | (18.87)% | (25.35)% |

Notes:

- 1) The statistics of the convertible notes issued by SMGC and the statistics of the convertible bonds to be issued by WIH are considered of extreme values and are therefore excluded from our analysis above.
- 2) As the convertible bonds to be issued by CPIH carry a floating conversion price with reference to the market price of its shares within the conversion period which is of a different nature as the Convertible Bonds which carry a fixed initial conversion price (subject to adjustment as provided in the Convertible Bonds), we have excluded the sample from our analysis above.

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- 3) The convertible notes to be issued by CSCH will be due on 9 April 2018. Assuming the convertible notes will be issued on the closing date, i.e. 9 April 2013, it is reasonably expected that the maturity period will be approximately 5 years in our analysis above.
- 4) The convertible bonds to be issued by HKBLA will be due on 31 December 2016. Assuming the convertible bonds will be issued on the end of placing period, i.e. 28 February 2014, it is reasonably expected that the maturity period will be approximately 2.8 years in our analysis above.
- 5) The convertible bonds to be issued by ENN will be due on 26 February 2018. Assuming the convertible bonds are issued on the closing date, i.e. 26 February 2013, it is reasonably expected that the maturity period will be approximately 5 years in our analysis above.
- 6) The convertible bonds to be issued by CPMR will be due on 4 February 2018. Assuming the convertible bonds are issued on the closing date, i.e. 4 February 2013, it is reasonably expected that the maturity period will be approximately 5 years in our analysis above.
- 7) The convertible bonds to be issued by SIH will be due on 18 February 2018. Assuming the convertible bonds are issued on the closing date, i.e. 18 February 2013, it is reasonably expected that the maturity period will be approximately 5 years in our analysis above.

*** We have checked into the announcements of the above listed companies subsequent to the proposed issuance of convertible notes/bonds and observed that, as at the Latest Practicable Date, the proposed issuance of convertible notes/bonds are either issued on the closing date or within the relevant placing period or the relevant agreement(s) of the proposed issuance has not been lapsed. Therefore, we consider that the above Comparables adopted in our analysis are valid comparison.*

(i) Conversion Price

The Conversion Price of HK\$0.43 per Conversion Share represents a discount of approximately 18.9% to the closing price of HK\$0.53 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement. The discount represented by the Conversion Price falls within the range represented by the Comparables from the maximum of a premium of approximately 40.6% to a discount of approximately 66.1%. It is also observed that the discount represented by the Conversion Price is lower than (i) the mean of the discount of the conversion price to the last closing price prior to the release of the announcements of the Comparables, and (ii) the mean of the discount of the conversion price to the average closing price for the last 5 trading days prior to the release of the announcements of the Comparables. Nonetheless, given that (i) the relatively low liquidity of the Shares may imply that potential investors may seek a discount rather than premium on the issue price when the Company issues new Shares and (ii) the Convertible Bonds have a maturity term of five years and carry no interest, which allow the Group to raise new fund to accumulate land bank and for general working capital whilst minimising the financing burden of the Group in the near future, we are of the view that the Conversion Price was arrived at after arm's length negotiation, and are on normal commercial terms.

(ii) Interest rate

As shown in the above table, the interest rate of the Comparables ranged from nil to 10% and an average of approximately 3.3%. The Convertible Bonds as proposed to be issued by the Company is at zero interest rate, which falls within the range and since the Convertible Bonds

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do not constitute interest payment by the Company, we consider that the zero interest rate of the Convertible Bonds is fair and reasonable to the Company and Independent Shareholders as a whole.

(iii) Term to maturity

The term to maturity of the Comparables ranged from 1 year to 20 years and the term of the Convertible Bond of 5 years is within the range and approximates to the average of 4.5 years of the Comparables. Hence, we consider that the term to maturity is determined under normal commercial terms.

(iv) Conversion

As set out in the Letter from the Board, holders of the Convertible Bonds will have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Convertible Bonds (in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000 the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted into Conversion Shares.

There might be potential dilution effect on the shareholding structure immediate after the issuance of the Convertible Bonds if the holders of the Convertible Bonds decide to convert the Conversion Bonds into Conversion Shares. An analysis on the potential dilution effect will be discussed under the section "Potential Dilution to the Shareholdings of the Shareholders" of this letter.

5. Other Financing Alternatives

We have made enquires towards the Directors and are advised that the Company has considered alternative financing methods including, inter alia, application of term loan from financial institutions, issuance of bonds, and other form of equity financing.

The Directors have considered alternative financing methods such as term loan or issuance of bonds. Moreover, the Directors are of the view that under the current market conditions and the loss making financial position of the Group, the chance of obtaining further bank loans might not be high and the timing of obtaining bank loans may not be prompt enough which may not be favourable to the Group if it has identified any potential projects or investments that require immediate funding. According to the Directors, they have also considered that the term loan or issuance of bonds would incur interest-paying obligations on the Group's financial position. The current interest rates of bank loans as obtained by the Group are at the range from approximately 3.8% to 8.3%. Based on the prevailing market conditions, it is likely that the best interest rate that can be obtained from banks will be at least 3.8%, which is less favourable than the zero interest rate of the Convertible Bonds. Furthermore, the principal amount of any bank financing or bonds would require repayment at the end of its term whilst the Convertible Bonds would not create any financial burden on the Company if it is converted in full.

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For equity financing, such as share placement, the Directors are of the view that it would give rise to an immediate dilution effect on the shareholding of the existing Shareholders and the Directors have not identified any suitable prospective investors as at the Latest Practicable Date. As compared to other fund raising exercises, such as rights issue or open offer, the Directors are of the view that (i) the loss making financial position of the Group and the uncertainties in global financial market might cause huge difficulties in reaching enough acceptances and the Group may not be able to identify any underwriter(s), and (ii) it is more costly and time-consuming for rights issue or open offer than raising fund by way of issue of the Convertible Bonds. Due to the above circumstances, we believe that it is unlikely that the Group can raise sufficient fund through equity financing on terms that are favourable to the Group. As such, the Directors believe that entering into the Subscription Agreement enables the Group to both repay the Shareholder's Loan at a later maturity date and raise fund without interest payment and immediate dilution effect which is in the interest of the Company and the Shareholders as a whole. Also, we are of the view that fund raising by means of issue of the Convertible Bonds is reasonable given the current external and internal factors analysed above.

In view of the fact that (i) the Convertible Bonds which carry zero interest rate represents a good opportunity for the Company to settle the Shareholder's Loan and tap into the financial resources for future investment opportunities in a more cost efficient manner than financing with other bank financing; (ii) the issue of Convertible Bonds will not have immediate dilution effect to the shareholding as compared with equity financing; (iii) the difficulties faced by the Company to raise new funds under prevailing uncertainties in the global financial market; and (iv) the loss making financial position of the Company, it is difficult for the Company to obtain financing promptly and in favourable terms and we concur with the Directors that the settlement of the Shareholder's Loan and fund raising by way of the issue of the Convertible Bonds are in the interest of the Company and the Shareholders as a whole.

6. Potential Dilution to the Shareholdings of the Shareholders

Based on the initial Conversion Price of HK\$0.43 per Conversion Share, a maximum number of 731,721,186 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent: (i) approximately 94.2% of the existing issued share capital of the Company; and (ii) approximately 48.5% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Bonds.

The Conversion Shares will rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares.

The shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) immediately after the full conversion of the Convertible Bonds is as follows (assuming there being no other change in the share capital of the Company):

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| Name of Shareholders | At the Latest Practicable Date | | Immediately full conversion of the Convertible Bonds | |
|---------------------------------|---------------------------------------|-----------------------------------|---|-----------------------------------|
| | <i>No. of Shares</i> | <i>Approximate percentage</i> | <i>No. of Shares</i> | <i>Approximate percentage</i> |
| Mr. Cheng and the Subscriber | 431,132,580 | 55.51% | 1,162,853,766 | 77.09% |
| Other Shareholders | <u>345,587,516</u> | <u>44.49%</u> | <u>345,587,516</u> | <u>22.91%</u> |
| Total | <u><u>776,720,096</u></u> | <u><u>100.00%</u></u> | <u><u>1,508,441,282</u></u> | <u><u>100.00%</u></u> |

Note:

- 1) It should be noted that the right of the Bondholders to convert the whole or part of the principal amount of the Convertible Bonds is subject to the conditions that any conversion will (i) not result in the Company not fulfilling the public float requirements under Rule 8.08 of the Listing Rules and (ii) not trigger the mandatory offer obligation under Rule 26 of the Takeovers Code.

Although the issue of the Convertible Bonds does not have the immediate dilution effect on the shareholding of the public Shareholders, it will still dilute the shareholding of the public Shareholders upon conversion of Convertible Bonds into Conversion Shares. If we assume the Subscriber exercises the right to convert the Convertible Bonds into the Shares, upon full conversion of the Convertible Bonds, the shareholding of the public Shareholders will be diluted from approximately 44.49% to 22.91%. We note that the dilution effect of the Convertible Bonds is significant. However, taking into consideration that (i) the Convertible Bonds bear no interest rate while the terms of other bank loans to be obtained in the market might not be as favourable as the Convertible Bonds as described in the paragraph “Other Financing Alternatives” above; (ii) the Convertible Bonds have a later maturity date and lower interest rate (zero interest rate) than the Shareholder’s Loan (1% per annum) and hence reduce the interest expense of the Group; (iii) part of the subscription monies will be offset by the outstanding Shareholder’s Loan, thereby relief the Company from interest and other cost burdens on the Company; (iv) part of the fund raised from the Convertible Bonds will provide the Company with necessary financial resources and flexibility to capture future investment opportunities when such opportunities arise and this may provide an opportunities to improve the Company’s performance; and (v) the conversion of the Convertible Bonds is subject to the minimum public float requirement for the Conversion Shares as required under the Listing Rules, we are of the view that the dilution effect is acceptable.

7. Financial Impact of the Convertible Bonds

a) Net assets

As advised by the Directors, the Convertible Bonds to be issued by the Company will be accounted for in two separate portions in the Company’s balance sheet, including a liability portion and an equity portion on initial recognition. The liability portion will be included on the balance sheet of the Company, whereas the total assets will be increased by the net proceeds of the issue of the Convertible Bonds. The net effect of the aforesaid will be the increase in the net assets, which is

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represented by the corresponding increase in the equity portion on the Company's balance sheet. Accordingly, there will be a positive impact on the net assets of the Group upon the issue of the Convertible Bonds.

b) *Liquidity and working capital*

Based on the AR 2012, the Group had cash and cash equivalents of approximately HK\$66.1 million as at 31 December 2012. Immediately upon completion of the issue of the Convertible Bonds, the Company will raise net proceeds not more than HK\$298.7 million from the issue of the Convertible Bonds and the liability portion of the Convertible Bonds will be treated as a non-current liability of the Group. Accordingly, the liquidity and working capital position of the Group will be improved upon completion of the issue of the Convertible Bonds.

c) *Gearing*

Based on the AR 2012, the Group's gearing ratio, which was calculated based on sum of interest-bearing bank and other borrowings, loans from a Shareholder, the obligations under finance leases and convertible bonds over total equity as at 31 December 2012, was approximately 0.187. Immediately upon the issue of Convertible Bonds, the net assets will be increased by the net proceeds of not more than HK\$298.7 million and correspondingly, there will be an increase of total liabilities by the liability portion of the Convertible Bonds offsetting the carrying amount of the Shareholder's Loan which is amounted to HK\$14,640,110 and increase of total equity by the equity portion of the Convertible Bonds.

The movement of the gearing ratio will be subject to the amount of the respective increase in the equity portion and the liability portion of the Convertible Bonds. Given the best scenario that the liability portion equals to HK\$Nil, total liability will remain unchanged while the denominator will increase by HK\$298.7 million and the Group's gearing ratio will be decreased from 0.187^{Note 1} to 0.150^{Note 2}. In the worst scenario, if the equity portion of the Convertible Bonds equals to HK\$Nil, total equity will remain unchanged while the numerator will increase by HK\$298.7 million and the Group's gearing ratio will be increased from 0.187^{Note 1} to 0.430^{Note 3}.

Notes:

- 1) As extracted from the AR 2012 as announced on 27 March 2013
 - 2) Gearing ratio in the best scenario = $\text{HK\$}229.3\text{M}^*/\text{HK\$}(1,228.5\text{M}^{***}+298.7\text{M}^{**})=0.150$
 - 3) Gearing ratio in the worst scenario = $\text{HK\$}(229.3\text{M}^*+298.7\text{M}^{**})/\text{HK\$}1,228.5\text{M}^{***}=0.430$
- * *being the sum of interest-bearing bank and other borrowings, loans from a Shareholder, the obligations under finance leases and convertible bonds as extracted from the AR 2012*
- ** *being the maximum net proceeds (after deducting estimated expenses and excluding the amount to be satisfied by the Shareholder's Loan) from the issue of the Convertible Bonds*
- *** *being the amount of total equity as extracted from the AR 2012*

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d) Earnings

As advised by the Directors, the liability portion of the Convertible Bonds will be carried at amortised cost using the effective interest method in subsequent periods. The effective interest expenses of the Convertible Bonds will be charged to the consolidated income statement subsequent to completion of issue of the Convertible Bonds and for the five years onward. The effective interest expenses of the Convertible Bonds will continuously be incurred by the Group until conversion and/or redemption of the Convertible Bonds in full. No gain or loss will be recognised in the Group's consolidated income statement upon initial recognition, conversion or expiration of the Convertible Bonds other than the interest charged.

Although the carrying interest of the Convertible Bonds will create negative impact on the future earnings of the Group, the issue of the Convertible Bonds is considered necessary in order to allow the Group to raise additional fund at relatively low cost with strong support from its largest Shareholder. It is intended that the net proceeds will be applied for additional funding to accumulate land bank and as general working capital of the Company as discussed in sections headed "Reasons for the issue of the Convertible Bonds" and "Use of Proceeds" which are set out in the Letter from the Board.

RECOMMENDATION

Having considered the aforesaid principal factors, we are of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and the entering into the Subscription Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the proposed resolution to approve the Subscription Agreement and the transaction contemplated thereunder at the upcoming SGM.

Yours faithfully,

For and on behalf of

FORTUNE FINANCIAL CAPITAL LIMITED

Eric Koo
Managing Director

Stanley Chung
Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

(b) Interests and short positions of the Shareholders

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, Shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions of substantial Shareholders in the Shares

| Name of Shareholders | Capacity | Number of Shares held | Percentage of the issued share capital of the Company |
|---|------------------------------------|-----------------------|---|
| Mr. Cheng (<i>Note</i>) | Beneficial owner | 431,132,580 | 55.51% |
| | Interest of controlled corporation | 731,721,186 | 94.21% |
| Full Dragon Group Limited (<i>Note</i>) | Beneficial owner | 731,721,186 | 94.21% |

Note: The 731,721,186 Shares held by Full Dragon Group Limited represent 731,721,186 Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in an aggregate principal amount of not more than HK\$314,640,110 with an initial Conversion Price of HK\$0.43 per Conversion Share. Mr. Cheng, the beneficial owner of the entire issued share capital of Full Dragon Group Limited, is deemed to be interested in the 731,721,186 Shares held by Full Dragon Group Limited under the SFO.

(c) Interests of substantial shareholders of other members of the Group

As at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

3. COMPETING INTERESTS

As at the Latest Practicable Date, save as disclosed above, the Directors are not aware that any of them or any of their associates had interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

4. DIRECTORS' INTERESTS IN CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).
- (b) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which was significant in relation to the business of the Group.

5. NO MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

6. EXPERT AND CONSENT

- (a) The following is the qualification of the expert who has given opinion or advice which is contained or referred to in this circular:

| Name | Qualifications |
|---|---|
| Fortune Financial Capital Limited | a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO |
| (b) As at the Latest Practicable Date, Fortune Financial Capital did not have any shareholding in any Shares or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group. | |
| (c) As at the Latest Practicable Date, Fortune Financial Capital did not have any direct or indirect interest in any assets which had been, since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group. | |
| (d) Fortune Financial Capital has given and has not withdrawn its written consent to inclusion of its letter dated 19 April 2013 in this circular and the references to its name included herein in the form and context in which it appears. | |

7. DOCUMENTS AVAILABLE FOR INSPECTION

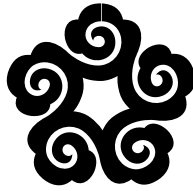
Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Room 4101, 41/F., The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on weekdays (Saturdays and public holidays excepted) up to and including 13 May 2013:

- (a) the Subscription Agreement;
- (b) the Supplemental Agreement;
- (c) final draft of the Settlement Deed;
- (d) the memorandum of association and bye-laws of the Company;
- (e) the annual reports of the Company for the last two financial years ended 31 December 2011;
- (f) the letter from the Independent Board Committee, the text of which is set out on pages 12 to 13 of this circular;
- (g) the letter from Fortune Financial Capital, the text of which is set out on pages 14 to 29 of this circular; and
- (h) the letter of consent from Fortune Financial Capital referred to in the above paragraph headed "Expert and Consent" in this Appendix.

8. MISCELLANEOUS

- (a) The Group is principally engaged in the film production and related business, film processing, rental of property, and property and hotel development.
- (b) The company secretary of the Company is Mr. Chan Chun Fat. He is a solicitor of the High Court of the Hong Kong Special Administrative Region.
- (c) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company is at Room 4101, 41/F., The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (d) The principal share registrar and transfer office of the Company is Butterfield Fulcrum Group (Bermuda) Limited, 26 Burnaby Street, Hamilton HM 11, Bermuda. The branch share registrar and transfer office of the Company is Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

NOTICE OF SGM



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Cheung Wo International Holdings Limited (the “**Company**”) will be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Monday, 13 May 2013 at 3:00 p.m. for the following purposes:-

ORDINARY RESOLUTION

“THAT:

- (a) the terms of the subscription agreement dated 8 April 2013 entered into between the Company and Full Dragon Group Limited as the subscriber (the “**Subscriber**”) in relation to the issue by the Company of principal amount of not more than HK\$314,640,110 zero coupon convertible bonds (the “**Convertible Bonds**”) due on the fifth (5th) anniversary of the date of issue of the Convertible Bonds (as amended by a supplemental agreement entered into between the Company and the Subscriber dated 16 April 2013) (the “**Subscription Agreement**”) (details relating to the Subscription Agreement are set out in the circular of the Company dated 19 April 2013 and a copy of the Subscription Agreement marked “A” has been produced to the Meeting and initialled by the chairman of the Meeting for the purpose of identification), be and are hereby approved, confirmed and ratified;
- (b) the creation and issue of the Convertible Bonds by the Company pursuant to the terms of the Subscription Agreement and the instrument, the form of which is attached as schedule 1 to the Subscription Agreement, be and are hereby approved;
- (c) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the New Shares (as defined below) to be allotted and issued upon the conversion of the Convertible Bonds, the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate (the “**Specific Mandate**”) to allot and issue, credited as fully paid, such number of ordinary shares (the “**New Shares**”) in the capital of the Company as may be required to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds at an initial conversion price of

* For identification purpose only

NOTICE OF SGM

HK\$0.43 per Share (subject to adjustment pursuant to the terms and conditions of the Convertible Bonds), on and subject to the terms and conditions of the Convertible Bonds, provided that the Specific Mandate shall be in addition to and shall not prejudice nor revoke the existing general mandate granted to the Directors by the shareholders of the Company in the annual general meeting of the Company held on 30 May 2012;

- (d) the terms of the settlement and offset deed to be entered into between the Company, the Subscriber and Mr. Cheng Keung Fai (the "Settlement Deed") (copy of the Settlement Deed marked "B" has been produced to the Meeting and initialled by the chairman of the Meeting for the purpose of identification) on completion of the Subscription Agreement and all the transactions contemplated under the Settlement Deed be and are hereby approved;
- (e) all the transactions contemplated under the Subscription Agreement in connection with the issue of the Convertible Bonds (collectively referred to as the "Transactions") be and are hereby approved; and
- (f) the Directors be and are hereby authorised to do all such acts and things and sign and execute all such documents as they consider necessary or expedient in connection with the issue of the Convertible Bonds, the allotment and issue of the New Shares upon conversion of the Convertible Bonds and/or to give effect to the terms of, or the Transactions contemplated by, the Subscription Agreement."

By Order of the Board
CHEUNG WO INTERNATIONAL HOLDINGS LIMITED
JIN LEI
Chairman

Hong Kong, 19 April 2013

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:
Room 4101, 41/F.
The Lee Gardens
33 Hysan Avenue
Causeway Bay
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed herewith. Whether or not you intend to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.

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3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, then one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. All the resolutions are to be voted by way of poll.

As at the date hereof, the Board comprises six Directors, of which the executive Directors are Mr. Jin Lei (Chairman), Ms. Law Kee, Alice (Chief Executive Officer), 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.