
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the stockbroker, other registered dealer in securities, the bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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)

**ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF THE SPECIAL GENERAL MEETING**

A notice convening the special general meeting of Cheung Wo International Holdings Limited to be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on 2 September 2013 at 3:30 p.m. is set out on pages 15 to 16 of this circular. Whether or not you are able to attend and vote at the special general meeting, you are requested to read the notice and to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the special general meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

16 August 2013

* For identification purpose only

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DEFINITIONS

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

“Adoption Date”	2 September 2013 (the date on which the Scheme is adopted by an ordinary resolution passed by the shareholders of the Company at the general meeting)
“Board”	the board of Directors
“Bye-laws”	the Bye-laws of the Company (as amended from time to time)
“Company”	Cheung Wo International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13 August 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Option”	an option to subscribe for Shares granted to (and subject to acceptance by) a Participant pursuant to the Scheme
“Scheme Period”	the period of ten (10) years commencing on the Adoption Date
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on 2 September 2013 at 3:30 p.m. (or any adjournment thereof) for the purpose of considering, if thought fit, approving the resolution proposed in the SGM Notice
“SGM Notice”	the notice convening the SGM as set out on pages 15 to 16 of this circular

DEFINITIONS

“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the SGM, a summary of the principal terms is set out in “Summary of the Principal Terms of the Share Option Scheme” to this circular
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 HM11
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, 41/F,
The Lee Gardens,
33 Hysan Avenue,
Causeway Bay, Hong Kong

16 August 2013

To the Shareholders,

Dear Sir or Madam,

**ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF THE SPECIAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolution to be proposed at the SGM for the approval of the adoption of the Share Option Scheme.

* For identification purpose only

LETTER FROM THE BOARD

2. ADOPTION OF SHARE OPTION SCHEME

As at the Latest Practicable Date, the Company did not have any existing share option scheme, the previous share option scheme of the Company which was adopted on 21 August 2001 (the “**Previous Share Option Scheme**”) lapsed on 20 August 2011.

As at the Latest Practicable Date, there was no option outstanding held by any Director, employee of the Group or any eligible persons as defined in the Previous Share Option Scheme.

The Board proposes the adoption of the Share Option Scheme, which will be valid for 10 years from the Adoption Date.

A summary of the principal terms of the Share Option Scheme is set out in “Summary of the Principal Terms of the Share Option Scheme” to this circular. A copy of the rules of the Share Option Scheme is available for inspection 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 during normal business hours for a 14-day period immediately preceding the SGM.

The coming into effect of the Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the SGM approving the adoption of the Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Option under the Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Shares which may fall to be issued upon the exercise of the Options that may be granted under the Share Option Scheme.

As at the Latest Practicable Date, there were 1,111,603,816 Shares in issue. Assuming that there are no further allotment of Shares from the Latest Practicable Date up to the date of approval of the Share Option Scheme, Options to subscribe for up to 111,160,381 Shares may be issued under the Share Option Scheme pursuant to Rule 17.03(3) of the Listing Rules, representing 10% of the Shares in issue as at the date of approval of the Share Option Scheme.

The Company is not required to appoint any trustee for the purpose of administering the Share Option Scheme. The Share Option Scheme will be subject to administration of the Board. None of the Directors is or will be a trustee of the Share Option Scheme or have a direct or indirect interest in any such trustee.

To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholder is required to abstain from voting of the adoption of the Share Option Scheme.

LETTER FROM THE BOARD

Value of the options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date prior to the approval of the Share Option Scheme given that the variables which are critical for the calculation of the value of such Options cannot be determined. These variables include, but not limited to, the subscription price payable for the Shares upon the exercise of subscription rights attaching to the Options, whether or not Options will be granted under the Share Option Scheme and the timing of the granting of such options, the period during which the subscription rights may be exercised, and any other conditions that the Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised. The subscription price payable for the Shares depends on the price of the Shares as quoted on the Stock Exchange, which in turn depends on when the Board is to grant Options under the Share Option Scheme. With a scheme life of ten years, the Board is of the view that it is too premature to state whether or not Options will be granted under the Share Option Scheme and, if so, the number of Options that may be granted. It is also difficult to ascertain with accuracy the subscription price of the Shares given the volatility to which the price of the Shares may be subject to during the ten-year life span of the Share Option Scheme. The Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options would not be meaningful to Shareholders in the circumstances.

Application for listing

An application will be made to the Listing Committee of the Stock Exchange for any Options that may be granted under the Share Option Scheme and the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the Share Option Scheme up to 10% of the Shares in issue as at the date of approval of the Share Option Scheme (the “**General Scheme Limit**”).

Reasons for adopting the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to attract, retain and motivate talented key management and employees to strive for future development and expansion of the Group. The Share Option Scheme shall be an incentive to encourage participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions. When making an offer under the Share Option Scheme to any participant, the Board is in its absolute discretion to impose the terms on which the Option is to be granted (including a minimum period for which an Option must be held or a performance target which must be achieved before an Option can be exercised) either on a case by case basis or generally. The Board will also have absolute discretion in determining the subscription price (not less than the price to be determined pursuant to Rule 17.03(9) of the Listing Rules) in respect of any Option. The Directors are of the view that the continuation of flexibility given to the Directors to grant Options to eligible persons subject to the Board’s absolute discretion in imposing or not imposing the minimum period for holding the Options and the condition of achieving performance targets and the Board’s absolute discretion in determining the subscription price will place the Group in a better position to

LETTER FROM THE BOARD

motivate participants to recognise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain on-going relationship with such participants whose contributions are or will be beneficial to the long term growth of the Group.

3. VOTING AT THE SGM

For the purpose of compliance with Rule 13.39(4) of the Listing Rules, the Company will procure the Chairman of the SGM to demand for a poll for the ordinary resolution put to the vote of the SGM in accordance with the Bye-laws.

4. ACTION TO BE TAKEN

The SGM Notice is set out on pages 15 to 16 of this circular. A form of proxy for use at the SGM is also enclosed. Whether or not you are able to attend and vote at the SGM, you are requested to read the notice and to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the SGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

5. 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.

6. RECOMMENDATION

The Directors consider that the proposed resolution referred in this circular and the SGM Notice are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend Shareholders to vote in favour of the resolution set out in the SGM Notice.

7. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in "Summary of the Principal Terms of the Share Option Scheme" of this circular.

By order of the Board of
Cheung Wo International Holdings Limited
Jin Lei
Chairman

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

Set out below is a summary of the principal terms of the Share Option Scheme.

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Group to attract, retain and motivate talented Participants (as defined in paragraph (4) below) to strive for future development and expansion of the Group. The Share Option Scheme shall be an incentive to encourage Participants to perform their best in achieving the goals of the Group and allow the Participants to enjoy the results of the Company attained through their efforts and contributions.

2. CONDITIONS

The Share Option Scheme shall take effect subject to: (a) the passing of an ordinary resolution of the shareholders of the Company in the general meeting for the approval for the adoption of the Share Option Scheme and to authorise the Directors to grant Options to subscribe for Shares under the Scheme and to allot, issue and deal in the Shares pursuant to the exercise of any Options granted under the Share Option Scheme; and (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of Options that may be granted under the Share Option Scheme.

3. PERIOD OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the date on which the Share Option Scheme becomes unconditional after which period no further Options will be granted and accepted; and thereafter for so long as there are any outstanding unexercised Options granted and accepted pursuant thereto prior to the expiration of the said ten-year period and in order to give effect to the exercise of any such Options or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

4. WHO MAY JOIN

The Board may grant (subject to acceptance in accordance with the terms of the Share Option Scheme) an Option to subscribe for such number of Shares as it may determine at a price determined in accordance with paragraph (5) below to any person or entity belonging to any of the following classes of participants who or which is regarded by the Board at its absolute discretion, has made valuable contribution to the business of the Group based on his/her performance and/or years of service, or is regarded to be a valuable resource of the Group based on his/her working experience, knowledge in the industry and other relevant factors (a "Participant"):

1. any employee or officer (whether full time or part time, and including any executive director) of any member of the Group;
2. any non-executive director (including independent non-executive director) of any member of the Group;
3. any supplier of goods or services to any member of the Group;

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

4. any customer of any member of the Group;
5. any holder of any securities or securities convertible into any securities issued by any member of the Group;
6. any person or entity that provides advisory, consultancy or professional services to any member of the Group or any director or employee of any such entity; and
7. any other group or classes of participants from time to time determined by the Directors as having contributed to the development and growth of the Group.

The grant of an Option shall be subject to such conditions as the Board may think fit, provided that no grants shall be made except to such number of Participants and in such circumstances that the Company will not be required under applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof; and will not result in the breach by the Company or its directors of any applicable securities laws and regulations or in any filing or other requirements arising.

5. SUBSCRIPTION PRICE FOR THE SHARES UNDER THE SHARE OPTION SCHEME

The subscription price for the Shares on the exercise of Options under the Share Option Scheme shall be a price determined by the Board and notified to the relevant Participant at the time the grant of the Options (subject to any adjustments made pursuant to paragraph (17) below) is made to (subject to acceptance by) the Participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the Option is granted, which date must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date on which the Option is granted; and (iii) the nominal value of the Share.

6. MAXIMUM NUMBER OF THE SHARES AVAILABLE FOR SUBSCRIPTION

The limit on the total number of the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of the Shares in issue from time to time. Options lapsed or cancelled in accordance with the terms of the Share Option Scheme or any other share option scheme(s) of the Company shall not be counted for the purpose of calculating the said 30% limit.

In addition, the total number of the Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme, together with all options to be granted under any other share option scheme(s) of the Company, must not represent more than 10% of the total number of the Shares in issue as at the date of approval of the Share Option Scheme (the "**Scheme Mandate Limit**"). Options lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The Company may seek separate approval from the Shareholders in general meeting to refresh the Scheme Mandate Limit, but in any event the total number of the Shares in respect of which Options may be granted by the Board under the Share Option Scheme and any other share option scheme(s) of the Company

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

shall not exceed 10% of the total number of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised Options) will not be counted for the purpose of calculating such refreshed Scheme Mandate Limit.

The Company may also seek separate approval from the Shareholders in general meeting in accordance with the relevant provisions of the Listing Rules for granting Options to specified Participants beyond the Scheme Mandate Limit (or refreshed Scheme Mandate Limit) in respect of such number of the Shares and on such terms as may be specified in such approval.

7. MAXIMUM NUMBER OF OPTIONS TO EACH PARTICIPANT

The total number of the Shares issued and to be issued upon exercise of the Options granted to each Participant, together with all Options granted and to be granted to him/her under any other share option scheme(s) of the Company, within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding Options) shall not exceed 1% of the total number of the Shares in issue as at the proposed date of grant. Any further grant of Options to a Participant in excess of the 1% limit shall be subject to the shareholders' approval of the Company with such Participant and his/her associates abstaining from voting. The number and terms of the Options to be granted to such Participant shall be fixed before the shareholders' approval of the grant of such Options.

8. GRANT OF OPTIONS TO CONNECTED PERSONS

Where any grant of Options is proposed to be made to a Participant who is a director, chief executive or substantial shareholder (each has the meaning as ascribed under the Listing Rules) of the Company or any of their respective associates, such grant must be approved by the independent non-executive directors of the Company (excluding independent non-executive director who is the Participant).

Where the Board proposes to grant any Option to a Participant who is a substantial shareholder or an independent non-executive director of the Company or any of their respective associates and such Option which would result in the Shares issued and which may fall to be issued upon the exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other share option scheme(s) of the Company in the 12-month period up to and including the proposed date of grant for such Options:

- (i) representing in aggregate over 0.1% of the number of the Shares then in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange daily quotations sheet on each relevant date of the grant (subject to acceptance) of the Options, in excess of HK\$5,000,000.00,

such proposed grant of Options must first be approved by the Shareholders in general meeting at which all connected persons of the Company must abstain from voting in favour of the relevant resolution. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

9. OFFER AND ACCEPTANCE

A grant of an Option shall be made to a Participant by letter in such form as the Board may from time to time determine specifying, inter alia, (a) the number of Shares comprised in; (b) the Option Period in respect of the relevant Option; and (c) the Subscription Price and requiring the Participant to undertake to hold the Option on the terms on which it is to be granted including but not limited to the minimum period for which an Option must be held before it can be exercised (if any) and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the Participant for a period of thirty (30) days from the date of grant (the “**Acceptance Period**”).

An Option shall be deemed to have been accepted when the duplicate of the grant letter, comprising acceptance of the Option, duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within the Acceptance Period.

10. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing. Any breach of the foregoing shall entitle the Company to cancel the relevant grantee’s outstanding Options in whole or in part.

11. PERFORMANCE TARGET

No performance target needs to be achieved by the grantee before the Options can be exercised, unless otherwise determined by the Board.

12. TIME OF EXERCISE OF OPTIONS

An Option may be exercised in accordance with the terms of the Share Option Scheme and such other terms and conditions upon which an Option was granted, at any time during the Option period after the Option has been granted by the Board but in any event, not after ten (10) years from the date of grant. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the option period.

13. RIGHTS ON CEASING EMPLOYMENT OR DEATH

If the grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group for any reason other than on death, ill health, disability or insanity or the termination of employment, office, agency, consultancy or representation on certain grounds specified in the Share Option Scheme, then, if the option period has not at the date of cessation commenced, the Option shall lapse; and if the option period has commenced, the grantee may exercise the Option up to his/her entitlement at the date of cessation (to the extent not already exercised) until whichever is the earlier of the date of expiry of the option period or the

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

date falling one (1) month from the date of such cessation, and such cessation date shall be the last actual day of employment, office, agency, consultancy or representation with the relevant member of the Group whether payment in lieu of notice is made or not (if applicable).

For the purposes of this paragraph (13), a grantee shall not be regarded as ceasing to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group if he/she ceases to hold a position of employment, office, agency, consultancy or representation with a particular member of the Group but at the same time takes up a different position of employment, office, agency, consultancy or representation with another member of the Group.

14. RIGHTS ON DEATH, ILL HEALTH, DISABILITY AND INSANITY

If the grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group by reason of death, ill health, disability or insanity before exercising the Option in full and none of certain events which would be a ground for termination of his/her employment, office, agency, consultancy or representation specified in the Share Option Scheme arises, the grantee or his/her legal personal representative(s) shall be entitled after commencement of the option period until whichever is the earlier of the date of expiry of the option period or the date falling twelve (12) months from the date of cessation (or such longer period as the Board may determine) to exercise the Option (to the extent not already exercised) up to his/her entitlement.

15. RIGHTS ON TAKEOVER

If a general offer to acquire the Shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and the Shareholders or otherwise in like manner) is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved (if required) in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the grantee (or his/her legal personal representative(s)) shall, even though the option period has not yet commenced, be entitled to exercise the Option (to the extent not already exercised) at any time until whichever is the earlier of the date of expiry of the option period or the date falling fourteen (14) days from the date on which the offer becomes or is declared unconditional, after which the Option shall lapse.

16. RIGHTS ON WINDING-UP

If a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all grantees and thereupon, each grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her Options at any time not later than five (5) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

17. EFFECT ON REORGANISATION OF CAPITAL STRUCTURE

In the event of any capitalisation issue, rights issue, open offer, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of the Shares as consideration in respect of a transaction), corresponding adjustments (if any) shall be made in:

- (i) the number or nominal amount of the Shares subject to Options so far as unexercised;
- (ii) the subscription price in relation to each outstanding Option; and/or
- (iii) the method of exercise of the Options,

provided that any such adjustments shall be made such that the proportion of the issued share capital of the Company to which an Option entitles the grantee to subscribe after such adjustment must be the same as that to which the Option entitled the grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value.

In respect of any adjustment required by the foregoing provisions, other than any adjustment made on a capitalisation issue, an independent financial adviser or the auditor of the Company for the time being must also confirm to the Board in writing that the adjustments satisfy the foregoing provisions and fairly and reasonably satisfy the requirement that any such adjustment shall be made in compliance with the provisions stipulated under Chapter 17 of the Listing Rules or such other guidelines and supplementary guidance on the interpretation of the Listing Rules issued or as may be issued by the Stock Exchange from time to time.

18. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof is before the date of allotment.

A Share issued upon the exercise of an Option shall not carry any voting rights until the registration of the grantee (or any other person) as the holder thereof.

19. CANCELLATION OF OPTIONS

The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

Where the Company cancels any Options granted but not exercised and grants new Option to the same grantee, the grant of such new Options may only be made under the Share Option Scheme if there is available unissued Options (excluding the cancelled Options) within each of the 10% limits as referred to in paragraph (6) above and there is available Options (excluding the cancelled Options) under the 1% limit for each Participant as referred to in paragraph (7) above.

20. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the option period;
- (ii) the expiry of any of the other periods referred to in paragraphs (13), (14) or (15);
- (iii) subject to paragraph (16) above, the earliest of the close of business on the 5th business day prior to the general meeting referred to in paragraph (16) above or the date of commencement of the winding-up of the Company;
- (iv) save as otherwise provided in paragraph (15) above or by the court in relation to the Share Option Scheme in question, upon the sanctioning pursuant to the Companies Law by the Supreme Court of Bermuda of a compromise or arrangement between the Company and the Shareholders or creditors for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (v) the date on which the grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of any relevant member of the Group by reason of the termination of his/her employment, office, agency, consultancy or representation on certain grounds specified in the Share Option Scheme including but not limited to, guilty of misconduct, bankruptcy or insolvency, having made any arrangement or composition with his creditors generally, or conviction of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or principal would be entitled to terminate his/her employment, office, agency, consultancy or representation at common law or pursuant to any applicable laws or under the grantee's service contract, terms of office, or agency, consultancy, or representation agreement or arrangement with the relevant member of the Group; or
- (vi) the date on which the Board exercises the Company's right to cancel the Option because of a breach by the grantee of the rules summarised in paragraph (10).

21. ALTERATION OF THE SHARE OPTION SCHEME

The terms of the Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme relating to matters contained in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Participants unless with the prior sanction of a resolution of the Shareholders in general meeting.

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Options granted must first be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. Any change to the authority of the Board or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme must first be approved by the Shareholders of the Company in general meeting.

The amended terms of the Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

22. TERMINATION OF THE SHARE OPTION SCHEME

The Company may by ordinary resolution in general meeting terminate or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be granted but in all other respects the provisions of the Share Option Scheme in relation to any outstanding Options shall remain in full force and effect. All Options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

NOTICE OF THE SPECIAL GENERAL MEETING



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 IS HEREBY GIVEN that a special general 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 2 September 2013 at 3:30 p.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution which will be proposed as ordinary resolution:

ORDINARY RESOLUTION

“THAT:

subject to and conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular despatched to the shareholders of the Company on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to this meeting and for the purpose of identification signed by the Chairman of this meeting hereof (the “**Share Option Scheme**”), the Share Option Scheme be approved and adopted to be the share option scheme of the Company and with effect from the date of the Share Option Scheme becoming unconditional and coming into effect and that the Directors be authorised:-

- (a) to administer the Share Option Scheme under which options will be granted to the Participants (as defined in the Share Option Scheme) eligible under the Share Option Scheme to subscribe for shares of the Company (the “**Shares**”), including but not limited to determining and granting the options thereunder and to allot and issue Shares pursuant to the Share Option Scheme;
- (b) to alter and/or modify the Share Option Scheme from time to time provided that such alternation and/or modification is effected in accordance with the provisions of the Share Option Scheme relating to the alternation and/or modification and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);
- (c) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of options granted under the Share Option Scheme and subject to the Listing Rules;
- (d) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and for permission to deal in, any Shares which may hereafter from time to time be allotted and issued

* For identification purpose only

NOTICE OF THE SPECIAL GENERAL MEETING

pursuant to the exercise of the options under the Share Option Scheme, and where any such application has been made prior to the date of passing of this resolution, the same be approved, confirmed and ratified; and

- (e) to take all such steps as may be necessary or desirable to implement such Share Option Scheme.”

By Order of the Board
Cheung Wo International Holdings Limited
Jin Lei
Chairman

Hong Kong, 16 August 2013

As at the date hereof, Mr. Jin Lei (Chairman), Ms. Law Kee Alice (Chief Executive Officer) and Mr. Hui Wai Lee Willy are the executive Directors and Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chu To, Jonathan are the independent non-executive Directors.

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation is entitled to exercise the same powers on behalf of the member of the Company which he or they represent as such member of the Company could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
3. The instrument appointing a proxy and (if required by the Board of Directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to 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 as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the special general meeting or adjourned meeting thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.