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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)

**(1) PLACING OF NEW SHARES
WITH UNLISTED WARRANTS ATTACHED
UNDER GENERAL MANDATE
(2) ADJUSTMENT OF CONVERSION PRICE
OF THE CONVERTIBLE BONDS**

Placing Agent



THE PLACING

On 24 February 2014 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company appointed the Placing Agent as its placing agent to procure not less than six Placee(s) who will be Independent Third Parties to subscribe up to 214,200,000 Placing Shares at a price of HK\$0.56 per Placing Share on a best effort basis on the terms and subject to the conditions of the Placing Agreement. In consideration of the Placees subscribing for the Placing Shares pursuant to the Placing Agreement, the Company will issue the Warrants at nil consideration conferring the rights to subscribe for up to a maximum of 7,933,333 Warrant Shares at the Subscription Price of HK\$0.70 per Warrant Share (subject to adjustment). The Warrants will be issued to the Placees on the basis of 1 Warrant to 27 Placing Shares successfully subscribed by the Placees.

* *For identification purpose only*

The maximum number of 214,200,000 Placing Shares represents (i) approximately 19.27% of the existing issued share capital of the Company of 1,111,603,816 Shares as at the date of this announcement; (ii) approximately 16.16% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 16.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Warrant Shares upon full exercise of the subscription rights attaching to the Warrants.

It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing and excluding any exercise of the subscription rights attached to the Warrants) will amount to approximately HK\$117,670,000 and, together with the net proceeds from the full exercise of the subscription rights attached to the Warrants, will amount to approximately HK\$123,220,000. The Company intends to apply all or part of the net proceeds from the Placing to finance a possible acquisition of a company which shall have a right, subject to certain conditions, to use an internationally recognised brand in property related projects if such possible acquisition is materialized. If there are any remaining proceeds, the Company will apply the same as general working capital of the Group. As at the date of this announcement, the Company is negotiating with the relevant party in respect of the possible acquisition and a memorandum of understanding or an exclusivity agreement may be entered into in this regard. Announcement(s) will be made by the Company in compliance with the Listing Rules, if required.

Completion of the Placing is subject to the satisfaction of certain conditions as described below, including but not limited to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares and the Warrant Shares. If any of these conditions are not fulfilled, the Placing will not proceed.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attached to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

GENERAL MANDATE

Upon Completion of the Placing and exercise of the subscription rights attached to the Warrants in full, a maximum of 222,133,333 new Shares in aggregate will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 222,320,763 Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 11 June 2013 approving the General Mandate. As at the date of this announcement, no part of the General Mandate have been utilised by the Company. Accordingly, the Placing is not subject to the Shareholders' approval.

The Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE BONDS

As a result of the Placing, the Conversion Price of the Convertible Bonds will be adjusted in accordance with the terms and conditions of the Convertible Bonds. Further announcement will be made by the Company on the adjusted Conversion Price as and when appropriate.

The Directors announced that on 24 February 2014 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, details of which are described below.

PLACING OF 214,200,000 NEW SHARES WITH A MAXIMUM OF 7,933,333 UNLISTED WARRANTS ATTACHED

The Placing Agreement

Date: 24 February 2014

Parties

- (i) The Company
- (ii) GF Securities (Hong Kong) Brokerage Limited as the Placing Agent

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent will charge the Company a placing commission of 1.5% of the amount which is equal to the Placing Price multiplied by the number of the Placing Shares which are actually placed by the Placing Agent in accordance with the Placing Agreement. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, among other things, the prevailing market rate of placing commission and the size and scale of the Placing.

(1) *Number of Placing Shares*

The Placing Shares comprise a maximum of 214,200,000 new Shares to be issued and allotted by the Company, representing (i) approximately 19.27% of the existing issued share capital of the Company of 1,111,603,816 Shares; and (ii) approximately 16.16% of the issued share capital of the Company of 1,325,803,816 Shares as enlarged by the allotment and issue of the Placing Shares, excluding the Warrant Shares. The aggregate nominal value of the maximum number of the Placing Shares amounts to HK\$2,142,000.

(2) *Placing Price*

The Placing Price of HK\$0.56 per Placing Share represents:–

- (i) a discount of approximately 17.65% to the closing price of HK\$0.68 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 18.37% to the average closing price of HK\$0.686 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to and including the Last Trading Day; and
- (iii) a discount of approximately 19.66% to the average closing price of HK\$0.697 per Share as quoted on the Stock Exchange for the ten trading days of the Shares immediately prior to and including the Last Trading Day.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the liquidity and the recent trading performance of the Shares. The Directors consider that the terms of the Placing Agreement, including the Placing Price, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

(3) *Placees*

The Placing Shares will be placed to the Placees who will be independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder.

(4) *Ranking of the Placing Shares*

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the time of allotment and issue of the Placing Shares.

(5) *Conditions precedent of the Placing*

Completion of the Placing Agreement is conditional upon:

- (a) the Stock Exchange granting listing of and permission to deal in the Placing Shares and the Warrant Shares, in each case subject to conditions to which neither the Placing Agent nor the Company may reasonably object; and
- (b) the compliance of any other requirements under the Listing Rules or otherwise of the Stock Exchange which requires compliance in relation to the Placing, the issue of the Placing Shares, the Warrants and the Warrant Shares;

- (c) the obtaining of all consents from any relevant persons which are necessary or desirable in connection with the Placing and the issue of the Placing Shares, the Warrants and the Warrant Shares (and, where such consents are given subject to conditions, such conditions are on terms as may be reasonably acceptable to the Placing Agent and the Company);
- (d) there shall not have occurred any breach of, or any event rendering untrue or inaccurate, any of the representations, warranties or undertakings of the Company which would have or have had a material adverse effect on the financial position of the Group (taken as a whole) or the Company and which is material in the context of the Placing; and
- (e) the Placing Agreement not having been terminated in accordance with terms therein.

If the above conditions are not fulfilled on or prior to 30 April 2014 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and none of the parties thereto shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

(6) Termination

The Placing Agent shall be entitled to terminate the Placing Agreement by notice to the Company given prior to 8:00 a.m. on the date of Completion if:

- (i) there develops, occurs or comes into force:
 - (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material adverse change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the reasonable opinion of the Placing Agent would materially adversely affect the success of the Placing; or
 - (b) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the reasonable opinion of the Placing Agent, would materially adversely affect the success of the Placing; or
 - (c) any material adverse change in conditions of local, national or international securities markets occurs which in the reasonable opinion of the Placing Agent would materially and adversely affect the success of the Placing; or

- (d) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the reasonable opinion of the Placing Agent any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (e) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere and if in the reasonable opinion of the Placing Agent, any such change or development would materially adversely affect the success of the Placing; or
- (ii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of Completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any provision of the Placing Agreement, in each case, which is material in the context of the Placing; or
- (iii) there is any material adverse change in the financial position of the Company which is material in the context of the Placing; or
- (iv) the trading of the Shares on the Stock Exchange has been suspended for more than 10 consecutive trading days save for temporary suspension in connection with the Placing and/or the Placing Agreement.

(7) Completion

Completion of the Placing shall take place on the third Business Day following the fulfillment of all the conditions of the Placing (or such other date as agreed by the parties to the Placing Agreement in writing).

Terms of the unlisted Warrants

(1) Number of Warrant Shares

The Warrants confer the rights to subscribe for up to a maximum of 7,933,333 Warrant Shares at the Subscription Price of HK\$0.70 per Warrant Share (subject to adjustment). The Warrants will be issued to the Placees on the basis of 1 Warrant to 27 Placing Shares successfully subscribed by the Placees.

For illustration purpose only and assuming full exercise of the subscription rights attaching to the Warrants, the Company will issue 7,933,333 Warrant Shares, representing (i) approximately 0.71% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 0.71% of the issued share capital of the Company as enlarged by the issue and allotment of the Warrant Shares and; (iii) approximately 0.59% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Warrant Shares upon full exercise of the subscription rights attaching to the Warrants. The aggregate nominal value of the Warrant Shares upon full exercise of the subscription rights attaching to the Warrants amounts to HK\$79,333.33.

(2) *Subscription Price of the Warrant Shares*

The Subscription Price is HK\$0.70 per Warrant Share, subject to adjustment upon the occurrence of any of the Adjustment Events.

The Subscription Price of HK\$0.70 per Warrant Share represents:

- (i) a premium of approximately 2.94% over the closing price of HK\$0.68 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 2.04% over the average closing price of HK\$0.686 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to and including the Last Trading Day; and
- (iii) a premium of approximately 0.43% over the average closing price of HK\$0.697 per Share as quoted on the Stock Exchange for the ten trading days of the Shares immediately prior to and including the Last Trading Day.

The Subscription Price was determined based on arm's length negotiations between the Company and the Placing Agent, after considering the prevailing market price of the Shares.

Assuming the full exercise of the subscription rights attaching to the Warrants at the Subscription Price, it is expected that approximately HK\$5.5 million will be raised.

(3) *The Warrant Instrument*

The Warrants will be issued to the holders of the Warrants upon Completion in registered form and constituted by way of deed poll to be executed by the Company. The Warrants will rank pari passu in all respects among themselves.

(4) *Ranking of the Warrant Shares*

The Warrant Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the Shares in issue (except for any right the record date for which precedes such subscription date).

(5) *Subscription Period*

The subscription rights attaching to the Warrants may be exercised at any time within 3 years commencing from the date of issue of the Warrants. Upon expiry of the Subscription Period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

(6) *Adjustment to the Subscription Price*

The Subscription Price will be adjusted in accordance with the relevant provisions under the terms and conditions of the Warrant Instrument upon occurrence of, among other things, the following events:

- (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision, which in such case, the Subscription Price shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such or the grant to the shareholders the right to acquire for cash assets of the Group;
- (iv) an offer or grant being made by the Company to the Shareholders by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 90% of the market price of the Shares;
- (v) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per Share is less than 90% of the market price of the Shares, or the terms of any such issue being altered so that the said total effective consideration is less than 90% of the market price of the Shares;
- (vi) an issue being made by the Company wholly for cash of Shares at a price less than 90% of the market price of the Shares; and

(vii) a cancellation of any Shares repurchased by the Company in circumstances where the Directors consider that it may be appropriate to make an adjustment to the subscription price.

(7) *Transferability*

The Warrants are transferable in integral multiples of the Subscription Price by instrument of transfer in any usual or common form or such other form as may be approved by the Directors.

(8) *Rights of the holders of the Warrants*

The holders of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Warrants. The holders of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

GENERAL MANDATE

Upon Completion of the Placing and exercise of the subscription rights attached to the Warrants in full, a maximum of 222,133,333 new Shares in aggregate will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 222,320,763 Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 11 June 2013 approving the General Mandate. As at the date of this announcement, no part of the General Mandate have been utilised by the Company. Accordingly, the Placing is not subject to the Shareholders' approval.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

REASONS FOR THE PLACING

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

Having considered various ways of fund raising, the Directors are of the view that the Placing is in the interest of the Company and its Shareholders as a whole to raise capital for the Company while broadening the shareholders base and capital base of the Company. In addition, the Directors consider that the Warrants will strengthen the Group's financial position and liquidity as in the event the holders of the Warrants exercise the subscription rights attaching to their Warrants, further funds will be received by the Company to cater for the needs for its operations and developments.

The Directors consider that the terms of the Placing Agreement are fair and reasonable and the Placing is in the interest of the Company and the Shareholders as a whole.

USE OF PROCEEDS

It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing and excluding any exercise of the subscription rights attached to the Warrants) will amount to approximately HK\$117,670,000 and, together with the net proceeds from the full exercise of the subscription rights attached to the Warrants, will amount to approximately HK\$123,220,000. The net price to be raised per Placing Share and per Warrant Share from the Placing will be approximately HK\$0.55 and approximately HK\$0.70 respectively.

The Company intends to apply all or part of the net proceeds from the Placing to finance a possible acquisition of a company which shall have a right, subject to certain conditions, to use an internationally recognised brand in property related projects if such possible acquisition is materialized. If there are any remaining proceeds, the Company will apply the same as general working capital of the Group. As at the date of this announcement, the Company is negotiating with the relevant party in respect of the possible acquisition and a memorandum of understanding or an exclusivity agreement may be entered into in this regard. Announcement(s) will be made by the Company in compliance with the Listing Rules, if required.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

| Date of announcement | Event | Approximate net proceeds | Intended use of proceeds | Actual use of proceeds |
|-----------------------------|--|---|---|---|
| 18 September 2013 | Issue of USD80 million 20% guaranteed secured notes due 2016 | not more than USD79,419,000 (equivalent to approximately HK\$615,497,000) | for residential development projects in Xiangtan, Hunan Province, the PRC and as general working capital or for the acquisitions of real estate assets. | Not applicable as the completion of this transaction has not taken place as at the date of this announcement. |

| Date of announcement | Event | Approximate net proceeds | Intended use of proceeds | Actual use of proceeds |
|-----------------------------|---|--|--|---|
| 24 May 2013 | Issue of Convertible Bonds | HK\$200,000,000 (after deducting related expenses and the amount for settlement of shareholder's loan) | for additional funding to accumulate land bank and as general working capital of the Company | HK\$195,880,000 as additional capital for the Company's subsidiary in Xiangtan, Hunan Province, the PRC and the remaining balance is held at financial institution. |
| 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 | Approximately HK\$25,000,000 as general working capital and the remaining balance is held at financial institution. |

Save as disclosed above, the Company has not undertaken any equity fund raising exercise in the 12 months immediately preceding the date of the this announcement.

EFFECT OF THE PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company had 1,111,603,816 Shares in issue. The outstanding aggregate principal amount of the Convertible Bonds was in an amount of HK\$70,640,110 and the Company has adopted a share option scheme on 2 September 2013 and granted share options to certain Directors and employees of the Company to subscribe for a total of 77,812,266 Shares pursuant to such share option scheme on 5 November 2013. Save as disclosed herein, as at the Latest Practicable Date, there were no other outstanding options, warrants, derivatives, or other securities which carried rights to subscribe for or convertible into Shares.

For illustration purpose only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing; and (iii) immediately after the Placing and assuming the full exercise of the subscription rights attaching to the Warrants, assuming also that there are no other changes to the issued share capital of the Company, are as follows:

| | As at the date of this announcement | | Immediately after the completion of the Placing | | Immediately after the completion of the Placing and assuming the full exercise of the subscription rights attaching to the Warrants | |
|---|-------------------------------------|---------------|---|---------------|---|---------------|
| | <i>Approximate</i> | | <i>Approximate</i> | | <i>Approximate</i> | |
| | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> |
| Full Dragon Group Limited (<i>Note 1</i>) | 766,016,300 | 68.91 | 766,016,300 | 57.78 | 766,016,300 | 57.43 |
| Public | | | | | | |
| - Placees | - | - | 214,200,000 | 16.16 | 222,133,333 | 16.65 |
| - Other public Shareholders | <u>345,587,516</u> | <u>31.09</u> | <u>345,587,516</u> | <u>26.07</u> | <u>345,587,516</u> | <u>25.91</u> |
| Total | <u>1,111,603,816</u> | <u>100.00</u> | <u>1,325,803,816</u> | <u>100.00</u> | <u>1,333,737,149</u> | <u>100.00</u> |

Note:

1. The entire issued share capital of Full Dragon Group Limited is owned by Mr. Cheng Keung Fai.
2. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

ISSUE OF WARRANT SHARES

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement, the Company has outstanding Convertible Bonds with conversion rights not yet exercised. The Company will announce the total number of new Shares which will be issued upon full conversion of the outstanding Convertible Bonds once the adjusted Conversion Price is determined, and will ensure that the issue of the Warrants will be in compliance with Rule 15.02(1) of the Listing Rules.

ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE BONDS

References are made to the announcements date 8 April 2013 and 16 April 2013, and the circular dated 19 April 2013 of the Company in relation to, among other things, the issue of the Convertible Notes (the “**CB Announcements and Circular**”).

As disclosed in the CB Announcements and Circular, the Conversion Price will be subject to adjustment for subdivision or consolidation of Shares, issue of 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.

As a result of the Placing, the Conversion Price of the Convertible Bonds will be adjusted in accordance with the terms and conditions of the Convertible Bonds. The adjustment to the Conversion Price shall become effective on the date of issue of the Placing Shares and the Warrants.

Save for the adjustment to the Conversion Price, the terms and conditions of the Convertible Bonds remain unchanged. As at the date of this announcement, the total outstanding principal amount of the Convertible Bonds is HK\$70,640,110. Further announcement will be made by the Company on the adjusted Conversion Price as and when appropriate.

Shareholders and potential investors should be aware of and take note that completion of the Placing is conditional upon satisfaction of certain conditions precedent as set out in the section headed “Condition precedents of the Placing” above and the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

| | |
|----------------|--|
| “Board” | the board of Directors |
| “Business Day” | a day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong generally are 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 Placing in accordance with the terms and conditions of the Placing Agreement |
| “connected person(s)” | has the same meaning ascribed thereto under the Listing Rules |
| “Conversion Price” | being the price per Share at which the Convertible Bonds may be converted into Shares |
| “Convertible Bonds” | zero coupon convertible bonds due 2018 issued by the Company on 24 May 2013 |
| “Director(s)” | the director(s) of the Company |
| “General Mandate” | the general mandate granted to the Directors by the Shareholders to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting held on 11 June 2013 |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of PRC |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with the Company and its connected persons |
| “Last Trading Day” | 24 February 2014, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement |
| “Listing Committee” | the listing committee of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Placee(s)” | the subscriber(s) of the Placing Shares (with Warrants attached) which the Placing Agents will procure pursuant to and in accordance with the Placing Agreement |
| “Placing” | the placing of the Placing Shares with Warrants on the terms and subject to the conditions set out in the Placing Agreement |

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| “Placing Agent” | GF Securities (Hong Kong) Brokerage Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO |
| “Placing Agreement” | the placing agreement entered into between the Company and the Placing Agent in respect of the Placing |
| “Placing Price” | HK\$0.56 per Placing Share |
| “Placing Shares” | a total of up to 214,200,000 new Shares to be allotted and issued to the Placees pursuant to the Placing Agreement |
| “PRC” | The People’s Republic of China |
| “SFC” | the Securities and Futures Commission |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Period” | a period of 3 years commencing from the date of issue of the Warrants |
| “Subscription Price” | HK\$0.70 (subject to adjustment), being the exercise price per Warrant Share at which the holder of each Warrant may subscribe for the Warrant Shares |
| “USD” | United States dollar(s), the lawful currency of the United States. For the purpose of illustration in this announcement only, translations of USD into Hong Kong dollars or vice versa have been calculated by using an exchange rate of USD1.00 equal to HK\$7.75 |
| “Warrant(s)” | unlisted warrants at nil consideration conferring the rights to subscribe for an aggregate of 7,933,333 Warrant Shares at the Subscription Price of HK0.70 per Warrant Share (subject to adjustment) |

| | |
|----------------------|--|
| “Warrant Instrument” | the instrument to be executed by the Company by way of deed poll constituting the Warrants |
| “Warrant Share(s)” | new Shares to be allotted and issued by the Company upon exercise of the subscription rights attaching to the Warrants |
| “%” | per cent |

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

Hong Kong, 24 February 2014

As at the date of this announcement, 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.