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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)

INSIDE INFORMATION AND MEMORANDUM OF UNDERSTANDING IN RESPECT OF SHESHAN PROPERTY DEVELOPMENT PROJECT

Financial adviser to the Company



MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE SHESHAN PROPERTY DEVELOPMENT PROJECT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board is pleased to announce that on 18 March 2014 (after trading hours), the Company entered into a non-legally binding MOU with Guangdong Huanghe Industrial, InfraRed NF, G2 Whale and Mr. Cheng in respect of the Proposed Cooperation in the Sheshan Property Development Project, which is located in Shanghai, the PRC.

Guangdong Huanghe Industrial is indirectly non-wholly owned by, and an associate (as defined under the Listing Rules) of, Mr. Cheng. As at the date of this announcement, Mr. Cheng is interested in 766,016,300 Shares, representing approximately 57.78% of the issued share capital of

* *For identification purpose only*

the Company. Both Mr. Cheng, being a substantial shareholder (as defined under the Listing Rules) of the Company, and Guangdong Huanghe Industrial, being associate of Mr. Cheng, are therefore connected persons of the Company under Chapter 14A of the Listing Rules.

The Board wishes to emphasise that no legally binding agreement in relation to the investments in the Proposed Cooperation has been entered into by the Company and the other parties to the MOU as at the date of this announcement. As such, the Proposed Cooperation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

In the event that the Proposed Cooperation materialises, it will constitute a notifiable and/or connected transaction of the Company pursuant to the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE PROPOSED COOPERATION

The MOU

Date: 18 March 2014 (after trading hours)

Parties:

1. Guangdong Huanghe Industrial
2. InfraRed NF
3. G2 Whale
4. The Company
5. Mr. Cheng

Guangdong Huanghe Industrial is indirectly non-wholly owned by, and an associate (as defined under the Listing Rules) of, Mr. Cheng. As at the date of this announcement, Mr. Cheng is interested in 766,016,300 Shares, representing approximately 57.78% of the issued share capital of the Company. Both Mr. Cheng, being a substantial shareholder (as defined under the Listing Rules) of the Company, and Guangdong Huanghe Industrial, being associate of Mr. Cheng, are therefore connected persons of the Company under Chapter 14A of the Listing Rules.

Subject matter

Based on the information available to the Company, Guangdong Huanghe Industrial has successfully completed the development of phase one and phase two of Sheshan Silver Lake Villa since 2000 with a total site area of approximately 1,200 mu.

Sheshan Property Development Project was positioned for commercial and residential development with an expected aggregate site area of over 1,000 mu. The total land area and construction area are subject to approval of the relevant authorities. The estimated total investment amount in relation to the Sheshan Property Development Project shall be subject to the open auction to be conducted by the relevant authorities and the estimated capital requirement for the project.

The JV Partners plan to set up a joint venture company to develop and operate the Sheshan Property Development Project. The actual final total investment amount by each of the JV Partners and the details and implementation of the Sheshan Property Development Project shall be subject to further negotiation and finalisation in formal and legally binding agreement(s). Mr. Cheng has undertaken to assist Guangdong Huanghe Industrial in obtaining the land use right and assist other parties to liaise with the relevant authority(ies) in the PRC in respect of other relevant approval(s) for the Sheshan Property Development Project.

Non legally-binding effect

All the terms of the MOU do not constitute legally-binding commitment in respect of the Proposed Cooperation and shall be subject to the execution and completion of formal and legally binding agreement(s). If parties thereto fail to reach a formal and legally binding cooperation agreement eventually, no responsibility is to be borne by any one of them.

REASONS FOR THE PROPOSED COOPERATION

The Group is principally engaged in property and hotel development, rental of property, film distribution, licensing and film processing businesses.

The Board considers that the Proposed Cooperation, if materialises, represents a good opportunity for the Company to further reinforce its existing property development business by participating in the development of a large scale and high-end property development project in the western part of Shanghai. The Board expects that the Group could benefit from the combined strengths and synergy generated from the JV Partners, which are reputable real estate investor or well-established PRC property developer.

GENERAL

The Board wishes to emphasise that no legally binding agreement in relation to the investments in the Proposed Cooperation has been entered into by the Company and the other parties to the MOU as at the date of this announcement. As such, the Proposed Cooperation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

In the event that the Proposed Cooperation materialises, it will constitute a connected transaction of the Company pursuant to the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“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
“Directors”	the directors of the Company from time to time
“G2 Whale”	G2 Whale Capital Group Limited (G2 滙鯨資本集團有限公司), a company incorporated in the British Virgin Islands with limited liability
“Guangdong Huanghe Industrial”	Guangdong Huanghe Industrial Group Shanghai Real Estate Limited (廣東黃河實業集團上海房地產有限公司), a company established in the PRC, which is indirectly non-wholly owned by, and an associate (as defined in the Listing Rules) of, Mr. Cheng
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“InfraRed NF”	InfraRed NF Investment Advisers Limited (滙貫南豐投資管理有限公司), a company incorporated in Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Cheng”	Mr. Cheng Keung Fai, being a substantial shareholder of the Company
“MOU”	the non-legally binding memorandum of understanding dated 18 March 2014 entered into among the Company, Guangdong Huanghe Industrial, InfraRed NF, G2 Whale and Mr. Cheng in respect of Sheshan Property Development Project
“PRC”	the People’s Republic of China
“Proposed Cooperation”	the proposed cooperation in developing the Sheshan Property Development Project as stipulated in the MOU
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Share(s)
“Sheshan Property Development Project”	the property development project tentatively known as phase three of the Sheshan Silver Lake Villa
“Sheshan Silver Lake Villa”	the property development project known as “佘山銀湖別墅” (Sheshan Silver Lake Villa*) located in Shanghai, the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“JV Partners”	Guangdong Huanghe Industrial, InfraRed NF, G2 Whale and the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 18 March 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.