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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE ACQUISITION

The Board is pleased to announce that on 3 August 2015 (after trading hours), the Company entered into a non-legally binding Memorandum with the Vendor in relation to the Possible Acquisition where the Company intends to acquire and the Vendor intends to sell, as the legal and beneficial owner, the Sale Shares.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into by the Vendor and the Company as at the date of this announcement. As such, the Possible Acquisition may or may not proceed.

In the event the Possible Acquisition materialises, it will constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in compliance with the Listing Rules as and when appropriate.

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

The Board is pleased to announce that on 3 August 2015 (after trading hours), the Company entered into a non-legally binding Memorandum with the Vendor in relation to the Possible Acquisition.

* *For identification purpose only*

THE MEMORANDUM

Date: 3 August 2015 (after trading hours)

Parties: (1) the Company as the purchaser; and
(2) Energetic Force Investments Limited as the Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter

Pursuant to the Memorandum, the Company intends to acquire and the Vendor intends to sell, as the legal and beneficial owner, the Sale Shares.

Consideration

Pursuant to the Memorandum, the consideration of the Possible Acquisition will be determined after negotiations between the Company and the Vendor.

Formal SPA

As soon as practicable after the signing of the Memorandum, the Company and the Vendor will negotiate in good faith the detailed terms of a definitive Formal SPA which is intended to be signed by no later than 30 September 2015 or such other date as mutually agreed between the parties. The Company shall be entitled to nominate its wholly-owned subsidiary to enter into the Formal SPA as purchaser.

Due diligence

The Vendor shall procure that as soon as practicable after the signing of the Memorandum, the Company and its advisers and consultants will be given reasonable access to the books, records, properties and assets of the Target Company and its anticipated investments in the Fund House and Forbes Global, for the purpose of conducting due diligence.

Conditions precedents of the Formal SPA

Completion of the Formal SPA is subject to, among others, the completion of investments in certain interests of the Fund House and Forbes Global on or before 20 November 2015 or such other date as mutually agreed between the Vendor and Company.

INFORMATION OF THE VENDOR AND THE TARGET COMPANY

As at the date of this announcement, the Vendor owns the entire issued share capital of the Target Company which is contemplating to invest, among others, in certain interest in the Fund House and Forbes Global.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

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

As mentioned in the annual report of the Company for the year ended 31 December 2014, the Group will continue to strive for business growth and seize opportunities in order to bring the largest returns for the Shareholders. The Board believes that the Possible Acquisition presents an excellent opportunity for the Group to further expand and diversify its business portfolio.

GENERAL

Save for clauses regarding confidentiality and costs and expenses of the Memorandum, the Memorandum does not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition is subject to, among others, the execution and completion of the Formal SPA. The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into by the Vendor and the Company as at the date of this announcement. As such, the Possible Acquisition may or may not proceed.

In the event the Possible Acquisition materialises, it will constitute a notifiable transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in compliance with the Listing Rules as and when appropriate.

DEFINITIONS

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

“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 of Hong Kong Limited (stock code: 00009);

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Forbes Global”	Forbes Global Holdings Inc., which owns an interest of a global media business;
“Formal SPA”	the formal sale and purchase agreement which may or may not be entered into between the Vendor and the Company in relation to the Possible Acquisition;
“Fund House”	a global fund management company with its principal office in Switzerland and is an independent provider of alternative multi-manager and multi-asset solutions and related advisory and risk management services, and is now managing assets amounting to approximately US\$8 billion;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Memorandum”	the non-legally binding memorandum of understanding dated 3 August 2015 and entered into between the Vendor and the Company setting out the preliminary understanding in relation to the Possible Acquisition;
“Possible Acquisition”	the possible acquisition by the Company from the Vendor of the Sale Shares as contemplated under the Memorandum;
“Sale Shares”	the entire issued share capital of the Target Company;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Target Company”	Greater Elite Investments Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by the Vendor; and

“Vendor”

Energetic Force Investments Limited, a company incorporated in the British Virgin Island which owns the entire issued share capital of the Target Company.

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

Hong Kong, 3 August 2015

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) and Mr. Hui Wai Lee, Willy; and the independent non-executive Directors are Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chiu Sin Nang Kenny.