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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)

ISSUE OF GUARANTEED SECURED CONVERTIBLE NOTES DUE 2017

Financial adviser to the Company



On 12 August 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, subject to fulfillment of conditions precedent, the Subscriber has agreed to subscribe for the Convertible Notes in the principal amount of US\$30,000,000 (equivalent to approximately HK\$232,551,000).

The initial Conversion Price of HK\$1.20 per Conversion Share represents a discount of approximately 8.40% to the closing price of HK\$1.31 per Share on 12 August 2015, the date of the Subscription Agreement, and a discount of approximately 13.67% to the average closing price of approximately HK\$1.39 per Share as quoted on the Stock Exchange for the five trading days immediate prior to the date of the Subscription Agreement.

Assuming the aggregate principal amount of the Convertible Notes is HK\$232,551,000, and upon full conversion of the Convertible Notes at the initial Conversion Price, the Convertible Notes will be convertible into a maximum of 193,792,500 Shares, representing approximately 12.86% of the existing issued share capital of the Company and approximately 11.40% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of

* For identification purpose only

the Convertible Notes. The Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Notes will be issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM.

Assuming the aggregate principal amount of the Convertible Notes is HK\$232,551,000, the net proceeds (after deducting estimated expenses but without taking into account the Ticking Fee) from the issue of the Convertible Notes is expected to be not more than HK\$230,551,000 and the net price per Conversion Share is approximately HK\$1.19. Pursuant to the Subscription Agreement, the net proceeds will be applied to settle part of the consideration for the SPV Acquisition.

The Guarantor, a substantial shareholder of the Company, has agreed to guarantee the performance of the Company under the Convertible Notes. The Guarantor has also agreed to pay the Ticking Fee if Completion does not take place for any reasons. The provision of financial assistance, including the proposed payment of Ticking Fee and the guarantee, by the Guarantor to the Company constitutes financial assistance received by the Company from a connected person. As the provision of financial assistance is on normal commercial terms or better and no security over the assets of the Group will be granted in respect thereof, the provision of financial assistance is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. As the Subscription Agreement may or may not be completed and the issue of the Convertible Notes may or may not proceed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

SUBSCRIPTION AGREEMENT

Date: 12 August 2015 (after trading hours)

Parties

- (a) The Company as the issuer;
- (b) The Guarantor as the guarantor to the Company; and
- (c) The Subscriber as the initial subscriber to the Convertible Notes.

As at the date of this announcement, the Guarantor is interested in 938,309,250 Shares, representing approximately 62.29% of the issued share capital of the Company. The Guarantor is a substantial shareholder (as defined under the Listing Rules) of the Company and, therefore, a connected person of the Company.

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

The Convertible Notes to be Issued

Subject to the fulfillment of the conditions precedent as set out below, the Subscriber has agreed to subscribe for the Convertible Notes in the principal amount of US\$30,000,000 (equivalent to approximately HK\$232,551,000) on the Completion Date.

Conditions Precedent

Under the Subscription Agreement, the subscription of the Convertible Notes is conditional upon, among other things:

- (i) all necessary governmental consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;
- (ii) the Company having obtained (where applicable) the approval of the Independent Shareholders of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Notes and the Conversion Shares) at the SGM as required by the Listing Rules;
- (iii) the Company or its subsidiary having signed the agreement for the SPV Acquisition and the SPV having signed the agreements for the Forbes Global Acquisition and the Fund House Acquisition respectively;
- (iv) the Company having complied with and to the satisfaction of the Stock Exchange all requirements under the Listing Rules in relation to the issue of the Convertible Notes;
- (v) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares; and
- (vi) none of the warranties given by the Company hereunder having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

If any of the conditions specified above have not been satisfied or waived by the Subscriber (other than (i) to (v) above which cannot be waived) on or prior to the Long Stop Date, the Subscription Agreement (save and except for clauses relating to notices, costs and expenses, restrictions on announcements and governing law and jurisdiction) shall cease and terminate and the Company shall agree to release to the Subscriber from the Designated Account the Subscription Money deposited by

the Subscriber and whereupon no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Subscription Agreement save in respect of any antecedent breach of any obligation thereof.

Ticking Fee

Pursuant to the Subscription Agreement, the Subscriber undertakes to deposit the Subscription Money into the Designated Account on or before the expiry of 10 Business Days after the signing of the Subscription Agreement. The Company has agreed to pay to the Subscriber the Ticking Fee at the Agreed Interest Rate for the period starting from the 10th Business Days after the signing of the Subscription Agreement until the earlier of the Completion Date or the date on which the Company informs the Subscriber in writing that any of the conditions precedent to the Subscription Agreement cannot be fulfilled and the Subscription Agreement is terminated if the conditions precedent are not fulfilled or waived on or before the Long Stop Date. However, if the Completion does not take place for any reason, the Ticking Fee shall be paid by the Guarantor to the Subscriber instead of the Company.

Conversion Price

The initial Conversion Price of HK\$1.20 per Conversion Share represents a discount of approximately 8.40% to the closing price of HK\$1.31 per Share on 12 August 2015, the date of the Subscription Agreement, and a discount of approximately 13.67% to the average closing price of approximately HK\$1.39 per Share as quoted on the Stock Exchange for the five trading days immediate prior to the date of the Subscription Agreement. The Conversion Price will be subject to adjustment for subdivision or consolidation of Shares, issue any Shares credited as fully paid by way of capitalization of profits or reserves (other than Shares issued in lieu of the whole or any part of a cash dividend), capital distribution to Shareholders provided that the Conversion Price shall not be less than the par value of a Share, rights issues or options over shares at a price less than 80% of the then market price per Share, rights issues of other securities (other than shares or options, warrants or other rights to subscribe for or purchase shares), issue wholly for cash any shares other than shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, shares or on the issue or grant of options, warrants or other rights to subscribe for or purchase shares at less than 80% of the then market price per Share, other issues of securities (other than notes issue) which carry rights of conversion into, or exchange or subscription for, shares wholly for cash at less than 80% of the then market price per Share, modification of rights of conversion, exchange or subscription attaching to the securities, other offers to Shareholders generally or other events that the Company considers as appropriate. The initial Conversion Price was determined after arm's length negotiation between the parties.

Assuming the aggregate principal amount of the Convertible Notes is HK\$232,551,000, and upon full conversion of the Convertible Notes at the initial Conversion Price, the Convertible Notes will be convertible into a maximum of 193,792,500 Shares, representing approximately 12.86% of the

Status: The Convertible Notes constitute direct, unsubordinated, unconditional and secured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Convertible Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for a listing of the Convertible Notes on the Stock Exchange or any other stock exchange.

Transferability: Unless the Noteholder transfers the Convertible Notes to its wholly owned subsidiaries or holding companies, the Noteholder may only assign or transfer the Convertible Notes to the transferee (other than a connected person of the Company) subject to the consent of the Company. The Convertible Notes may be assigned or transferred in whole or in part (in whole multiples of US\$1,000,000) of its outstanding principal amount upon the payment in full and the Company shall facilitate any such assignment or transfer of the Convertible Notes, including making any necessary applications to the Stock Exchange for the said approval (if required).

Conversion Rights: The Noteholders have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Convertible Notes registered in its name into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of US\$1,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Notes is less than US\$1,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Notes may be converted.

Conversion Pre-requisite: The Noteholders shall have the right at any time from the Issue Date of the Convertible Notes to the Maturity Date to convert any outstanding amount of the Convertible Notes into the Conversion Shares at the Conversion Price, provided that the conversion right attached to the Convertible Notes shall only be exercisable by the Noteholders:

- (i) so long as the public float of at least 25% of the issued share capital of the Company as enlarged by the issue of Conversion Shares can be maintained; and

- (ii) so long as (a) the aggregate shareholding of such Noteholder, its associates (as defined in the Listing Rules) and parties acting in concert (as defined in the Takeovers Code) with it immediately after such exercise shall not be or exceed 29.9% of the then issued share capital of the Company; and (b) such Noteholder and parties acting in concert (as defined in the Takeovers Code) with it immediately after such exercise shall not be required to make a general offer under Rule 26 of the Takeovers Code.

Ranking: The Conversion Shares will rank pari passu in all respects with the Shares then in issue.

Redemption: The Convertible Notes may be early redeemed at any time before the Maturity Date at the face value by agreement between the Company and the Noteholders holding not less than 75% of the Convertible Notes then outstanding.

Events of default: Any Noteholder may give notice to the Company that the Convertible Notes are immediately due and repayable if:

- (i) the Company fails to pay the principal amount when due or the Company fails to pay interest (if any), premium (if any) on the Convertible Notes when due; or
- (ii) the Company defaults in performance or observance or compliance with any of its other obligations set out in the conditions of the Convertible Notes and such default continues for the period of 14 days next following the service by any Noteholder on the Company of notice specifying brief details of such default and requiring such default to be remedied; or
- (iii) an order of a court of competent jurisdiction is made or an effective resolution is passed for winding-up or dissolution of the Company or the Company disposes of all or substantially all of its assets otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reorganization; or
- (iv) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company; or

- (v) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Company and is not discharged within three days thereof; or
- (vi) the Company becomes insolvent or is unable to pay its debts as they mature; or
- (vii) proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganization or insolvency law and such proceedings shall not have been discharged or stayed within a period of 21 days.

COMPLETION OF ISSUE AND SUBSCRIPTION OF CONVERTIBLE NOTES

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

REASONS FOR THE ISSUE OF THE CONVERTIBLE NOTES

The Directors consider that the issue of the Convertible Notes represents an opportunity for the Company to raise additional fund for external expansion of the business scope of the Group through acquisition of additional business activities that can diversify the source of revenue of the Group and create operating synergies for the Group. 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 maximize returns for the Shareholders. Reference is made to the announcement of the Company dated 3 August 2015 in respect of the entering into of a memorandum of understanding relating to the acquisition of interest in the SPV which will in turn own an interest in Forbes Global and the Fund House respectively. It is intended that the net proceeds will be applied as part of funding for the SPV Acquisition. The Board believes that the SPV Acquisition will bring a new synergy to the business of the Group by extending the Group’s business to fund of funds and other asset management sub-sectors through the globally respected brand names including Forbes Global. As the SPV Acquisition would require an extensive amount of capital, the issue of the Convertible Notes will provide the Company with funding as well as an opportunity for the Group, if the conversion rights attaching to the Convertible Notes are exercised, strengthen its capital base and form a synergistic alliance with the Subscriber who would become a substantial shareholder of the Company subsequent to the exercise of the conversion rights in full in the area of assets management in PRC and Hong Kong.

The Directors are of opinion that the terms of the Convertible Notes, which were arrived at after arm’s length negotiations between the Company and the Subscriber are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Assuming the aggregate principal amount of the Convertible Notes is HK\$232,551,000, the net proceeds (after deducting estimated expenses but without taking into account the Ticking Fee) from the issue of the Convertible Notes is expected to be not more than HK\$230,551,000 and the net price per Conversion Share is approximately HK\$1.19. It is intended that the net proceeds will be applied as part of funding for the SPV Acquisition.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has raised a total amount of approximately HK\$162,138,000 through the following fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Event	Approximate net proceeds	Intended use of proceeds	Actual use of proceeds
10 December 2014	Issue of US\$20 million guaranteed secured notes due 2018	Not more than US\$19,179,000 (equivalent to approximately HK\$148,638,000)	For its residential property development projects and as general working capital	For its residential property and hotel development projects and as general working capital
27 May 2015	Placing of warrants under specific mandate	Approximately HK\$13.5 million (after deducting related placing commissions and other related expenses)	Repayment of interest expenses	Repayment of interest expenses

EFFECT ON SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company had 1,506,437,504 Shares in issue. Under the warrants issued on 5 March 2014 and 13 July 2015, the total number of new shares which may be issued under the warrants are 792,591 Shares and 263,800,000 Shares respectively 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 date of this announcement, 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, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full conversion of the Convertible Notes at the initial Conversion Price.

Shareholders	As at the date of this announcement		Immediately after the full conversion of the Convertible Notes at the initial Conversion Price	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Full Dragon Group Limited (<i>Note 1</i>)	938,309,250	62.29	938,309,250	55.19
The Subscriber	0	0	193,792,500	11.40
Public				
Other public Shareholders	568,128,254	37.71	568,128,254	33.41
Total	1,506,437,504	100.00	1,700,230,004	100.00

Note:

1. The entire issued share capital of Full Dragon Group Limited is owned by Mr. Cheng Keung Fai. Full Dragon Group Limited has granted (i) a security interest over 58.39% of the total issued share capital of the Company and (ii) a call option to acquire 149,809,676 Shares, to a subsidiary of Central Huijin Investment Limited, details of which were disclosed in the announcement of the Company dated 4 May 2015.
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.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee for the listing of and permission to deal in the Conversion Shares. No application will be made for the listing of the Convertible Notes.

LISTING RULES IMPLICATIONS

The Guarantor, a substantial shareholder of the Company, has agreed to guarantee the performance of the Company under the Convertible Notes. The Guarantor has also agreed to pay the Ticking Fee if Completion does not take place for any reasons. The provision of financial assistance, including the proposed payment of Ticking Fee and the guarantee, by the Guarantor to the Company constitutes financial assistance received by the Company from a connected person. As the provision of financial assistance is on normal commercial terms or better and no security over the assets of the Group will

be granted in respect thereof, the provision of financial assistance is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

GENERAL

Information of the Company

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

Information of the Subscriber

The Subscriber is a company incorporated in Hong Kong, and principally engaged in trust business. Its ultimate controlling shareholder is China Taiping Insurance Group Co. ("**China Taiping**"). China Taiping is a PRC state-owned financial and insurance group, and is currently the longest standing national brand in China's insurance industry. Its business covers life insurance, general insurance, pension plans, reinsurance, securities brokerage, asset management and non-financial investment, and its operations has presence in many countries and regions including the PRC, Hong Kong, Macau, Europe, Oceania, East Asia and Southeast Asia.

Information of the Guarantor

As at the date of this announcement, the Guarantor is interested in 938,309,250 Shares, representing approximately 62.29% of the issued share capital of the Company.

SGM

The SGM will be convened and held to consider and, if thought fit, pass the requisite resolution(s) to approve, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Convertible Notes and the Specific Mandate for the allotment and issue of the Conversion Shares. To the best knowledge of the Directors, save for the Guarantor, none of the Shareholders has a material interest in the transactions contemplated under the Subscription Agreement as at the date of this announcement. Accordingly, save for the Guarantor, none of the Shareholders will be required to abstain from voting at the SGM in respect of the resolution(s) relating to the Subscription Agreement and the Specific Mandate.

A circular containing further details of the Subscription Agreement and the notice of the SGM will be despatched to the Shareholders as soon as practicable.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. As the Subscription Agreement may or may not be completed and the issue of the Convertible Notes may or may not proceed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Agreed Interest Rate”	the annual interest rate of 3% plus the prime lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited on the date of signing of the Subscription Agreement;
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong 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 (stock code: 00009);
“Completion”	completion of the Subscription Agreement;
“Completion Date”	the day within three Business Days after fulfilment of all conditions precedent pursuant to the terms of the Subscription Agreement;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Conversion Period”	the period commencing from the Issue Date up to 4:00 p.m. (Hong Kong time) on the Maturity Date;
“Conversion Price”	HK\$1.20, being the initial price per Share at which the Convertible Notes may be converted into Shares;
“Convertible Notes”	the convertible notes in the principal amount of US\$30,000,000 to be issued by the Company pursuant to the Subscription Agreement;
“Conversion Share(s)”	the Share(s) to be issued by the Company upon exercise by the Noteholders of the conversion rights attaching to the Convertible Notes;

“Deed of Guarantee”	a deed of guarantee executed by the Guarantor in favour of the Subscriber on or before Completion Date;
“Designated Account”	an account opened by the Company for the retention of the Subscription Money for the subscription of the Convertible Notes;
“Directors”	the director(s) of the Company;
“Forbes Global”	Forbes Global Holdings Inc. which owns an interest of a global media business;
“Forbes Global Acquisition”	the acquisition of an interest in Forbes Global by the SPV or any of its subsidiary;
“Forbes Global Share Charge”	the fixed charge executed or to be executed in favour of the Subscriber granted by the SPV or its subsidiary over all the shares owned by the SPV or its subsidiary in Forbes Global;
“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;
“Fund House Acquisition”	the acquisition of an interest in the Fund House by the SPV or any of its subsidiary;
“Fund House Share Charge”	the fixed charge executed or to be executed in favour of the Subscriber granted by the SPV or its subsidiary over all the shares owned by the SPV or its subsidiary in the Fund House;
“Group”	the Company and its subsidiaries;
“Guarantor”	Mr. Cheng Keung Fai, a substantial shareholder of the Company;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Shareholder(s)”	Shareholder(s) other than the Guarantor and his associates (which has the meaning ascribed to this term under the Listing Rules);
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Issue Date”	the date of issue of the Convertible Notes;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	a date falling on the expiry of three months after the date on which the SGM is held by the Company for the approval of the Subscription Agreement and the transactions contemplated hereunder (including but not limited to the issue of the Convertible Notes and the Conversion Shares) or such other date as may be agreed between the Company and the Subscriber;
“Maturity Date”	the second (2nd) anniversary of the date of the Issue Date;
“Noteholder(s)”	holder(s) of the Convertible Notes;
“PRC”	the People’s Republic of China;
“Macau”	the Macau Special Administrative Region of the PRC;
“SGM”	the special general meeting of the Company to be convened and held to approve, among others, the Subscription Agreement and the Specific Mandate;
“Share Charges”	the SPV Share Charge, the Forbes Global Share Charge and/or the Fund House Share Charge, and “Share Charge” shall mean anyone of them;
“Specific Mandate”	the specific mandate required to be granted to the Directors by the Shareholders at a general meeting for the allotment and issue of Conversion Shares;

“SPV”	Greater Elite Investments Limited or such other company which will hold the interest in Forbes Global, the Fund House and/or such other company(ies) to be agreed between the Company and the Subscriber;
“SPV Acquisition”	the acquisition of the entire issued share capital of the SPV;
“SPV Share Charge”	the fixed charge executed or to be executed in favour of the Subscriber granted by the Company’s subsidiary over all the shares owned by the Company or its subsidiary(ies) in the SPV;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Taiping Trustees Limited, a company incorporated in Hong Kong;
“Subscription Agreement”	the agreement dated 12 August 2015 entered into among the Company, the Subscriber and the Guarantor in relation to the subscription by the Subscriber of the Convertible Notes in the principal amount of US\$30,000,000;
“Subscription Money”	a sum of US\$30,000,000 being the subscription price for the Convertible Notes;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong;
“Ticking Fee”	a fee to be paid by the Company or the Guarantor (in case of the Completion not taking place) to the Subscriber quarterly at the Agreed Interest Rate on the Subscription Money over the period starting from the 10 th Business Days after the signing of the Subscription Agreement until the earlier of the Completion Date or the date on which the Company informs the Subscriber in writing that any of the conditions precedent to the Subscription Agreement cannot be fulfilled and the Subscription Agreement is terminated if the conditions precedents are not fulfilled or waived on or before the Long Stop Date;

“US\$” United States dollars, the lawful currency of the United States of America; and

“%” per cent.

By order of the Board
Cheung Wo International Holdings Limited
JIN LEI
Chairman

Hong Kong, 12 August 2015

For the purpose of this announcement, translations of US\$ into HK\$ or vice versa have been calculated by using an exchange rate of US\$1.00 equal to HK\$7.7517. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

As at the date of this announcement, the Board comprises six Directors, of which the executive Directors of the Company 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.