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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE AND ADJUSTMENT TO SUBSCRIPTION PRICE OF THE EXISTING WARRANTS

Placing Agent



KINGSTON SECURITIES

The Board is pleased to announce that all the conditions of the Placing have been fulfilled and completion of the Placing took place on 25 November 2015. An aggregate of 175,500,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$1.14 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

As at the date of this announcement, the Company has two unlisted warrants outstanding, namely: (a) 2014 Warrants entitling the holders thereof to subscribe for up to 792,591 new Shares at the exercise price (before adjustment for the Placing) of HK\$0.66 per Share; and (b) 2015 Warrants entitling the holders thereof to subscribe for up to 263,200,000 Shares at the exercise price (before adjustment for the Placing) of HK\$0.68 per Share. As a result of the Placing, the exercise price of the: (i) 2014 Warrants will be adjusted from HK\$0.66 per Share to HK\$0.65 per Share in accordance with the terms and conditions set out in the instrument of the 2014 Warrants, and (ii) 2015 Warrants will be adjusted from HK\$0.68 per Share to HK\$0.67 per Share in accordance

* *For identification purpose only*

with the terms and conditions set out in the instrument of the 2015 Warrants. The adjustment to the exercise prices of the 2014 Warrants and 2015 Warrants shall become effective on 25 November 2015, being the date of issue of the Placing Shares.

Reference is made to the announcement of Cheung Wo International Holdings Limited (the “**Company**”) dated 6 November 2015 in respect of the Placing (the “**Announcement**”). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions of the Placing have been fulfilled and completion of the Placing took place on 25 November 2015. An aggregate of 175,500,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$1.14 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners are Independent Third Parties. None of the Placees has become a substantial Shareholder (as defined under the Listing Rules) immediately after completion of the Placing. The maximum gross proceeds and net proceeds from the Placing are HK\$200.07 million and approximately HK\$194.87 million respectively. The net proceeds from the Placing are to be used as to :

- i) approximately HK\$15.50 million to repay interest expense for the US\$20 million guaranteed secured notes due 2017;
- ii) approximately HK\$4.70 million to pay the ticking fee for the guaranteed secured convertible notes due 2017 which issue has not completed; and
- iii) the remaining net proceeds of approximately HK\$174.67 million will be used for any potential investments in the future (which may include the possible acquisition of the interest in the project companies which the Company has entered into a formal sale and purchase agreement dated 16 November 2015, details of which are set out in the announcement of the Company dated 16 November 2015) and general working capital of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE

The 175,500,000 Placing Shares represent approximately 10.43% of the issued share capital of the Company immediately after completion of the Placing.

Set out below is the shareholding structure of the Company immediately before and after completion of the Placing:

| | Immediately before the completion of the Placing | | Immediately after the completion of the Placing | |
|---|---|--------------------------|--|--------------------------|
| | <i>No. of Shares</i> | <i>Approximate %</i> | <i>No. of Shares</i> | <i>Approximate %</i> |
| Shareholders | | | | |
| Full Dragon Group Limited (<i>Note 1</i>) | 938,309,250 | 62.26 | 938,309,250 | 55.77 |
| Public Shareholders | | | | |
| The Placees | – | – | 175,500,000 | 10.43 |
| Other public Shareholders | <u>568,728,254</u> | <u>37.74</u> | <u>568,728,254</u> | <u>33.80</u> |
| Total | <u><u>1,507,037,504</u></u> | <u><u>100.00</u></u> | <u><u>1,682,537,504</u></u> | <u><u>100.00</u></u> |

Notes:

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 as at the date of the grant and (ii) a call option to acquire 149,809,676 Shares of the total issued share capital of the Company, to a subsidiary of Central Huijin Investment Limited, details of which were disclosed in the announcement of the Company dated 4 May 2015.
2. The percentages are subject to rounding difference, if any.

ADJUSTMENT TO SUBSCRIPTION PRICE OF THE EXISTING WARRANTS

References are made to the announcements of the Company dated 24 February 2014 and 5 March 2014 in relation to the issue of the unlisted warrants of the Company (“**2014 Warrants**”), and the announcements of the Company dated 27 May 2015, 13 July 2015, and circular of the Company dated 15 June 2015 in relation to the issue of further unlisted warrants of the Company (“**2015 Warrants**”).

As at the date of this announcement, (a) the outstanding 2014 Warrants amounted to HK\$523,110.06, entitling the holders thereof to subscribe for up to 792,591 new Shares at the exercise price (before adjustment of the Placing) of HK\$0.66 per Share; and (b) the outstanding 2015 Warrants amounted to HK\$178,976,000 entitling the holders thereof to subscribe for up to 263,200,000 Shares at the exercise price (before adjustment of the Placing) of HK\$0.68 per Share.

In accordance with the respective warrants instrument of the 2014 Warrants and 2015 Warrants, the exercise price of the 2014 Warrants and 2015 Warrants will be subject to adjustment upon an issue wholly for cash any new shares at a price per share which is less than 90% of the market price of the Shares on the date of the announcement of the terms of such issue.

As a result of the Placing, the exercise price of the 2014 Warrants and 2015 Warrants will be adjusted in accordance with the terms and conditions set out in the respective warrants instrument of the 2014 Warrants and 2015 Warrants. Details of which are set out as follows:

| Warrants | Exercise price per warrant as at the date of this announcement (before adjustment for the Placing) | Adjusted Exercise price as a result of the Placing |
|-----------------|---|---|
| 2014 Warrants | HK\$0.66 | HK\$0.65 |
| 2015 Warrants | HK\$0.68 | HK\$0.67 |

The above adjustment to the 2014 Warrants and 2015 Warrants shall become effective on 25 November 2015, being the date of issue of the Placing Shares. The above adjustments were certified by RSM Hong Kong, the auditors of the Company. Save for the above, the terms and conditions of the 2014 Warrants and 2015 Warrants shall remain unchanged.

By Order of the Board
Cheung Wo International Holdings Limited
HUI WAI LEE, WILLY
Chairman

Hong Kong, 25 November 2015

As at the date of this announcement, the Board comprises eight Directors. The executive Directors of the Company are Mr. Hui Wai Lee, Willy (Chairman), Ms. Law Kee, Alice (Chief Executive Officer), Mr. Tai Yat Chung, Mr. Li Wenjun and Mr. Zhong Yingchang; and the independent non-executive Directors are Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chiu Sin Nang, Kenny.