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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)

VOLUNTARY ANNOUNCEMENT ON BUSINESS UPDATE

This is a voluntary announcement made by the Company. The Company wishes to inform Shareholders and potential investors of its recent business plans and development.

POTENTIAL PLAN ON FILM BUSINESS

The Company has been approached by a potential investor who shows interest in acquiring the Film Business. The Company is therefore considering the feasibility and benefits in such potential disposal and may explore the opportunity to cooperate with the potential investor on the other future development of the Film Business, with a view to providing the greatest benefits to the Company and the Shareholders as a whole.

The Board wishes to emphasise that the abovementioned potential disposal of the Film Business is at a preliminary stage and no concrete plan or decision has been made in relation to such disposal. Shareholders and potential investors of the Company should be aware that there is no assurance that any disposal plan will take place, or if it does, when it will take place.

UPDATE ON BUSINESSES DEVELOPMENT

The Group has been principally engaged in the Film Business, rental of property and property development.

Over the past few months, the Company has been actively exploring new business opportunities to diversify its future business development. The Company intended to develop three new business areas: (i) environmental thermoelectric technology; (ii) real estates and hotels; and (iii) other business.

* *For identification purpose only*

(i) Environmental Thermoelectric Technology

The Group intends to engage in the business of new environmental energy technology, in particular the supply of heat and steam and the related technologies and products.

As disclosed in the announcement of the Company dated 16 November 2015, the Company entered into the Formal SP Agreement dated 16 November 2015 to acquire certain interest in two companies which are engaging in the energy saving environmental protection projects by distribution of steam and heat produced by a power plant to the industrial customers in Humen Town and Changan Town, Dongguan City, Guangdong Province, the PRC. For further details, please refer to the Company's announcement dated 16 November 2015.

(ii) Real estates and hotels

The Group intends to continue its existing business line and further invest in real estates and hotels; with the focus on tourism and commercial properties, including establishing schools of tourism and hotel management.

On 15 December 2015, the Company entered into the Memorandum of Hotels Acquisition, pursuant to which the Company intended to acquire or invest in equity interest in companies that are engaging in the operation and management of five-star resorts and hotels in the PRC. For further details, please refer to the Company's announcement dated 15 December 2015.

(iii) Other business

The Group also intends to develop other business as follows:

On 3 August 2015, the Company entered into the Forbes Memorandum, pursuant to which the Company intended to acquire a company, which is contemplating to invest, among others, in certain interest in Forbes Global Holdings Inc. and a global fund management company, which provides alternative multi-manger and multi-asset solutions and related advisory and risk management services. For further details, please refer to the Company's announcement dated 3 August 2015.

On 12 August 2015, the Company entered into the Subscription Agreement under which the Company has agreed to issue convertible notes in the principal amount of US\$30,000,000 to Taiping Trustees Limited to raise additional fund for investment in the companies which are subjects of the Forbes Memorandum. The Board believes that the conversion of such convertible notes can strengthen its capital base and form a synergistic alliance with Taiping Trustees Limited in the area of asset management in PRC and Hong Kong. Please refer to the Company's announcement dated 12 August 2015 for further details.

GENERAL

The Board considers that the investment in the industries of (i) environmental thermoelectric technology; and (ii) real estates and hotels; and (iii) other business will diversify the business portfolio of the Group and broaden its income base, and is in the interest of the Company and the Shareholders as a whole. The Company will continue to explore and seek other potential investment opportunities for further development in the abovementioned three industries.

The Board will closely monitor the performance of its new business lines (along with its existing business operations), and will advise the Shareholders of any further developments from time to time as appropriate.

As the Formal SP Agreement, the Subscription Agreement may or may not be completed and the issue of the convertible notes pursuant to the Subscription Agreement may or may not proceed, and the possible acquisitions contemplated under the Forbes Memorandum and the Memorandum of Hotels Acquisition may or may not materialize, Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company.

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 (stock code: 00009);
“Directors”	the director(s) of the Company;
“Film Business”	film processing, film production and related business operated by the Group;
“Forbes Memorandum”	the non-legally binding memorandum of understanding dated 3 August 2015 entered into between Energetic Force Investments Limited as vendor and the Company as purchaser setting out the preliminary understanding in relation to the possible acquisition of the entire issued share capital of Greater Elite Investments Limited;

“Formal SP Agreement”	the formal sale and purchase agreement dated 16 November 2015 entered into among the Company as purchaser, Sky-Linked International Limited as vendor, Mr. Cheng Ngok Fai and Mr. Li Ruiguang both as guarantors in respect of the proposed acquisition of 49% of the entire issued share capital of Ever-Grand Development Limited;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Memorandum of Hotels Acquisition”	the non-legally binding memorandum of understanding dated 15 December 2015 entered into between Mr. Cheng Keung Fai as vendor and the Company as purchaser setting out the preliminary understanding in relation to a one-off or a series of possible acquisition(s) of not less than 40% equity interest in companies engaging in the operation of two five-star resorts and hotels in the PRC;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the agreement dated 12 August 2015 entered into among the Company, Taiping Trustees Limited as subscriber and Mr. Cheng Keung Fai as guarantor in relation to the subscription by Taiping Trustees Limited of the convertible notes in the principal amount of US\$30,000,000;
“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
HUI WAI LEE, WILLY
Chairman

Hong Kong, 16 December 2015

As at the date of this announcement, the Board comprises eight Directors, of which 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.