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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)**

### **SUPPLEMENTAL AGREEMENT TO THE FORMAL SP AGREEMENT IN RESPECT OF ACQUISITION OF 49% OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING THE ISSUE OF CONVERTIBLE NOTES AND UPDATE OF THE TOTAL INVESTMENT AMOUNT MAJOR AND CONNECTED TRANSACTION**

Reference is made to the announcement dated 16 November 2015 (the “**Announcement**”) of Cheung Wo International Holdings Limited (the “**Company**”) in relation to the proposed acquisition of 49% of the entire issued share capital of Ever-Grand Development Limited pursuant to the formal sale and purchase agreement dated 16 November 2015 entered into among the Company as purchaser, Sky-Linked International Limited as vendor and Mr. Cheng Ngok Fai and Mr. Li Ruiguang as guarantors. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

#### **SUPPLEMENTAL AGREEMENT**

The Board announces that after trading hours on 17 February 2016, the Company, the Vendor and the Guarantors entered into the supplemental agreement to the Formal SP Agreement (“**Supplemental Agreement**”), pursuant to which the parties thereto agreed that:

- (1) the Long Stop Date shall be extended from 17 February 2016 to 31 March 2016 (or such other date as agreed by the Vendor and the Company in writing); and

\* *For identification purpose only*

- (2) the Consideration payable by the Company shall be HK\$882,000,000, which shall be paid by the Company to the Vendor (or its nominee(s)) in the following manner:
- (a) an amount of HK\$60,000,000 in cash shall be settled by the Company within six months after the Completion Date by one single or multiple payment; and
  - (b) HK\$822,000,000 by way of issuing Convertible Notes in the same principal amount on the Completion Date.

For the clarification of the allocation of the potential tax liability (if any) arising out of the Acquisition, the parties to the Supplemental Agreement also agreed that the Vendor shall, on or before Completion, provide the Purchaser with a deed of tax indemnity duly executed by the Vendor and the Guarantors, the form and content of which shall be satisfactory to the Purchaser.

Save for the above, all other terms and conditions of the Formal SP Agreement as disclosed in the Announcement shall remain in full force and effect.

#### **UPDATE OF THE INVESTMENT AMOUNT BY THE PROJECT COMPANIES**

As disclosed in the Announcement, according to the Vendor, the respective total investment amount of the project conducted by the Humen Project Company and the Changan Project Company in Humen Town and Changan Town was estimated to be RMB600,764,300 and RMB1,200,000,000.

As updated by the Vendor recently, because it has been two years since the initial estimation of the cost of the projects, during which the costs for the construction of the steam transmission pipelines were substantially reduced due to the price reduction of the raw construction materials, such as pipelines (steel and iron) and other construction components and parts (e.g. joints and sealing materials), the estimated total investment of the project conducted by the Humen Project Company is reduced to RMB328,000,000 and the estimated total investment of the project conducted by the Changan Project Company is reduced to RMB465,000,000 respectively. Further information of the Acquisition will be disclosed in the Circular to be despatched by the Company to the Shareholders.

**As completion of the Acquisition is conditional upon fulfilment of the conditions precedent set out in the Formal SP Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.**

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

Hong Kong, 17 February 2016

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