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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)**

**(1) COMPLETION OF MAJOR AND CONNECTED TRANSACTION  
SALE AND PURCHASE AGREEMENT IN RESPECT OF  
ACQUISITION OF 49% OF THE ENTIRE ISSUED SHARE CAPITAL OF  
THE TARGET COMPANY INVOLVING THE ISSUE OF CONVERTIBLE NOTES;  
(2) CHANGE OF EXECUTIVE DIRECTORS  
AND CHIEF EXECUTIVE OFFICER; AND  
(3) CESSATION TO ACT AS AUTHORISED REPRESENTATIVE  
UNDER THE COMPANIES ORDINANCE**

Reference is made to the circular of Cheung Wo International Holdings Limited (the “**Company**”) dated 3 March 2016 (the “**Circular**”) 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 (as supplemented by the supplemental agreement dated 17 February 2016) 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 Circular.

### **COMPLETION OF THE ACQUISITION**

The Board is pleased to announce that all the conditions precedent for the transactions contemplated under the Formal SP Agreement (as supplemented by the Supplemental Agreement) have been fulfilled. Accordingly, Completion took place on 30 March 2016 and the Convertible Notes in a principal amount of HK\$822,000,000 at the initial conversion price of HK\$0.80 per Conversion Share have been created and issued to the Vendor and its nominees by the Company in accordance with the terms of the Formal SP Agreement. The Company has nominated Vast Build Limited (“**Vast Build**”),

\* *For identification purpose only*

which was incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company, to be the holder holding the Sale Shares. Upon Completion, the Company indirectly holds 49% of the issued share capital of the Target Company through Vast Build.

Assuming full conversion of the Convertible Notes in the amount of HK\$822,000,000 at the initial Conversion Price of HK\$0.80 per Share, the Convertible Notes will be convertible into a maximum of 1,027,500,000 Shares, representing approximately 61.07% of the existing issued share capital of the Company as at the date of this announcement and approximately 37.91% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes.

The shareholding structures of the Company (i) as at the date of this announcement and (ii) immediately upon full conversion of the Convertible Notes at the initial Conversion Price are as follows:

Shareholders	As at the date of this announcement		Immediately upon full conversion of the Convertible Notes at the initial Conversion Price	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Full Dragon Group Limited ( <i>Note 1</i> )	938,309,250	55.77	938,309,250	34.62
The Vendor and its nominees ( <i>Note 2</i> )	-	-	1,027,500,000	37.91
Other public shareholders	<u>744,228,254</u>	<u>44.23</u>	<u>744,228,254</u>	<u>27.47</u>
<b>Total</b>	<b><u>1,682,537,504</u></b>	<b><u>100.00</u></b>	<b><u>2,710,037,504</u></b>	<b><u>100.00</u></b>

Notes:

1. 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 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 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.

## **APPOINTMENT OF EXECUTIVE DIRECTORS AND CHIEF EXECUTIVE OFFICER**

The Board is pleased to announce that with effect from 31 March 2016, Mr. Xiang Junjie (向俊杰) (“**Mr. Xiang**”) has been appointed as an executive Director and the chief executive officer of the Company and Mr. Ji Jianguo (季建國) (“**Mr. Ji**”) has been appointed as an executive Director of the Company.

### **(1) Appointment of Mr. Xiang**

Mr. Xiang, aged 31, has over 6 years of experience in enterprise management in the PRC. Mr. Xiang graduated with a Bachelor’s Degree in Electronic Commerce from the Department of Electronic Commerce at South China University of Technology, the PRC in July 2008. Prior to joining the Company, Mr. Xiang had been the chief executive officer of Dongguan Dejin Energy Technology Limited\* (東莞市德晉能源科技有限公司) since 1 January 2015.

Mr. Xiang has entered into a service agreement with the Company for an initial term of one year(s) commencing from 31 March 2016 and the term shall continue thereafter until terminated by either party giving to the other not less than 3 month(s)’ prior written notice. Mr. Xiang shall be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company.

Under the service agreement, Mr. Xiang is entitled to a fixed director’s fee of HK\$102,850 per month. The director’s fee was mutually agreed upon between the Board and Mr. Xiang with reference to the prevailing market conditions and was determined by the Board based on his anticipated efforts and expertise to be exercised on the Company’s affairs.

As at the date of this announcement, Mr. Xiang did not (i) have any relationship with any Directors, senior management, or substantial or controlling shareholders of the Company; (ii) have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and other major appointment and professional qualification; and (iv) hold other positions with any member of the Group.

Save as disclosed above, there are no other matters concerning the appointment of Mr. Xiang that need to be brought to the attention of the Shareholders and there is no other information that needs to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

### **(2) Appointment of Mr. Ji**

Mr. Ji, aged 60, has over 12 years of experience in planning, construction and management of the construction projects in the PRC. Mr. Ji also participated in the research and development of the patent relating to the design of the overlenght centralised heat supply pipeline system and its

implementation. Mr. Ji was the vice manager of both Zhangjiagang Hengdong Cogeneration Co. Ltd (張家港恒東熱電有限公司) and Zhangjiagang Yongxing Cogeneration Co. Ltd\* (張家港永興熱電有限公司) from May 2008 to May 2011 and was appointed as their manager from May 2011 to May 2014. Prior to joining the Company, Mr. Ji had been appointed as the chief engineer of both Dongguan City Dejin Energy Technology Company Limited\* (東莞市德晉能源科技有限公司) and Dongguan City Dejin Thermal Power Company Limited\* (東莞市德晉熱力有限公司) since September 2015.

Mr. Ji has entered into a service agreement with the Company for an initial term of one year(s) commencing from 31 March 2016 and the term shall continue thereafter until terminated by either party giving to the other not less than 3 month(s)' prior written notice. Mr. Ji shall be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company.

Under the service agreement, Mr. Ji is entitled to a fixed director's fee of HK\$50,000 per month. The director's fee was mutually agreed upon between the Board and Mr. Ji with reference to the prevailing market conditions and was determined by the Board based on his anticipated efforts and expertise to be exercised on the Company's affairs.

As at the date of this announcement, Mr. Ji did not (i) have any relationship with any Directors, senior management, or substantial or controlling shareholders of the Company; (ii) have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and other major appointment and professional qualification; and (iv) hold other positions with any member of the Group.

Save as disclosed above, there are no other matters concerning the appointment of Mr. Ji that need to be brought to the attention of the Shareholders and there is no other information that needs to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

The Board would like to take this opportunity to welcome Mr. Xiang and Mr. Ji for joining the Company.

## **RESIGNATION OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER AND CESSATION TO ACT AS THE AUTHORISED REPRESENTATIVE UNDER THE COMPANIES ORDINANCE**

The Board announces that with effect from 31 March 2016, Ms. Law Kee, Alice will resign as an executive Director and the chief executive officer of the Company and will cease to act as the authorised representative of the Company for accepting service of process and notices on the Company's behalf in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) due to health issues.

Ms. Law Kee, Alice has confirmed that she has no disagreement with the Board and there are no matters relating to her resignation that need to be brought to the attention of the Shareholders.

After the resignation of Ms. Law, she will still remain an employee of the Company.

The Board would like to express its gratitude and immense appreciation to Ms. Law Kee, Alice for her valuable contribution and support towards the Company during her terms of service.

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

Hong Kong, 30 March 2016

*As at the date of this notice, 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.*