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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: MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE COOPERATION**

The Board is pleased to announce that on 9 May 2016 (after trading hours), Mandarin Films, an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding Memorandum with Long Chuang Yi in relation to the Possible Cooperation.

**The Board wishes to emphasise that no binding agreement in relation to the Possible Cooperation has been entered into by Long Chuang Yi and Mandarin Films as at the date of this announcement. As such, the Possible Cooperation may or may not proceed.**

This announcement is made by Cheung Wo International Holdings Limited (the “**Company**”) on a voluntary basis.

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#### **THE MEMORANDUM**

**Date:** 9 May 2016 (after trading hours)

**Parties:** (1) 深圳市龍創藝文化傳播有限公司 (Shenzhen City Long Chuang Yi Culture Communication Company Limited\*); and  
(2) Mandarin Films Distribution Company Limited.

\* *For identification purpose only*

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

### **Possible Cooperation**

Pursuant to the Memorandum, Long Chuang Yi and Mandarin Films propose to have a cooperation in co-production and global distribution of a movie with the proposed name of "Legend of Master Situ" (司徒大佬). The production budget for the movie is estimated to be RMB35,000,000.

### **Formal Cooperation Agreement**

Within 10 business days after signing the Memorandum, the parties thereto will start to negotiate in good faith the structure of the Possible Cooperation and detailed terms of a definitive Formal Cooperation Agreement.

It is intended that the parties shall enter into the Formal Cooperation Agreement on or before 30 June 2016.

### **INFORMATION OF LONG CHUANG YI**

According to Long Chuang Yi, Long Chuang Yi is a company incorporated in the PRC, which principally engages in, among others, cultural event planning, animation design, research, development and sales of the animation products, game software products and toys, movie production and advertisement business.

### **REASONS FOR AND BENEFITS OF THE POSSIBLE COOPERATION**

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

The Board considers that the Possible Cooperation is in the usual course of business of the Group, and it is of the view that the Possible Cooperation, if materialised, will be a furtherance of the principal business of the Group which is in the interest of the Company and its shareholders as a whole.

### **GENERAL**

Save for clauses regarding, among other things, confidentiality, costs and expenses and termination of the Memorandum, the Memorandum does not constitute legally-binding commitment in respect of the Possible Cooperation. The Possible Cooperation is subject to, among others, the execution and completion of the Formal Cooperation Agreement. **The Board wishes to emphasise that no binding agreement in relation to the Possible Cooperation has been entered into by Long Chuang Yi and Mandarin Films as at the date of this announcement. As such, the Possible Cooperation may or may not proceed.**

## 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”);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Directors”	the director(s) of the Company;
“Formal Cooperation Agreement”	the formal cooperation agreement which may or may not be entered into between Long Chuang Yi and Mandarin Films in relation to the Possible Cooperation;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Chuang Yi”	深圳市龍創藝文化傳播有限公司 (Shenzhen City Long Chuang Yi Culture Communication Company Limited*), a company incorporated in the PRC with limited liability;
“Mandarin Films”	Mandarin Films Distribution Company Limited (東方電影發行有限公司), a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement;
“Memorandum”	the non-legally binding memorandum of understanding dated 9 May 2016 and entered into between Long Chuang Yi and Mandarin Films setting out the preliminary understanding in relation to the Possible Cooperation;

“Possible Cooperation”	the possible cooperation between Long Chuang Yi and Mandarin Films in relation to the co-production and global distribution of a movie with the proposed name of “Legend of Master Situ” (司徒大佬) as contemplated under the Memorandum;
“PRC”	The People’s Republic of China; and
“Shareholder(s)”	holder(s) of the shares of the Company.

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

Hong Kong, 9 May 2016

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