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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institutions in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Cheung Wo International Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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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)****ISSUE OF GUARANTEED SECURED CONVERTIBLE NOTES DUE 2017****Financial adviser to the Company**

A notice convening a special general meeting of the Company (the “SGM”) to be held at Room 4101, 41st Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on Tuesday, 29 September 2015 at 3 p.m. is set out on pages 18 to 19 of this circular.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

10 September 2015

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context otherwise requires:

“Agreed Interest Rate”	the annual interest rate of 3% plus the prime lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited on the date of signing of the Subscription Agreement;
“Announcement”	the announcement of the Company dated 12 August 2015 in respect of the Subscription Agreement and the transactions contemplated thereunder;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“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);
“Completion”	completion of the Subscription Agreement;
“Completion Date”	the day within three Business Days after fulfilment of all conditions precedent pursuant to the terms of the Subscription Agreement;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Conversion Period”	the period commencing from the Issue Date up to 4:00 p.m. (Hong Kong time) on the Maturity Date;
“Conversion Price”	HK\$1.20, being the initial price per Share at which the Convertible Notes may be converted into Shares;
“Convertible Notes”	the convertible notes in the principal amount of US\$30,000,000 to be issued by the Company pursuant to the Subscription Agreement;

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“Conversion Share(s)”	the Share(s) to be issued by the Company upon exercise by the Noteholders of the conversion rights attaching to the Convertible Notes;
“Deed of Guarantee”	a deed of guarantee to be executed by the Guarantor in favour of the Subscriber on or before the Completion Date;
“Designated Account”	an account opened by the Company for the retention of the Subscription Money for the subscription of the Convertible Notes;
“Directors”	the director(s) of the Company;
“Forbes Global”	Forbes Global Holdings Inc. which owns an interest in a global media business;
“Forbes Global Acquisition”	the acquisition of an interest in Forbes Global by the SPV or any of its subsidiary;
“Forbes Global Share Charge”	the fixed charge to be executed in favour of the Subscriber granted by the SPV or its subsidiary over all the shares owned by the SPV or its subsidiary in Forbes Global;
“Fund House”	a global fund management company with its principal office in Switzerland and is an independent provider of alternative multi-manager and multi-asset solutions and related advisory and risk management services;
“Fund House Acquisition”	the acquisition of an interest in the Fund House by the SPV or any of its subsidiary;
“Fund House Share Charge”	the fixed charge to be executed in favour of the Subscriber granted by the SPV or its subsidiary over all the shares owned by the SPV or its subsidiary in the Fund House;
“Group”	the Company and its subsidiaries;
“Guarantor”	Mr. Cheng Keung Fai, a substantial shareholder of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Shareholder(s)”	Shareholder(s) other than the Guarantor and his associates;

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“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Issue Date”	the date of issue of the Convertible Notes;
“Latest Practicable Date”	7 September 2015, the latest practicable date prior to the issue of this circular for the purpose of ascertaining certain information contained herein;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	a date falling on the expiry of three months after the date on which the SGM is held by the Company for the approval of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Notes and the Conversion Shares) or such other date as may be agreed between the Company and the Subscriber;
“Maturity Date”	the second (2 nd) anniversary of the Issue Date;
“Noteholder(s)”	holder(s) of the Convertible Notes;
“PRC”	the People’s Republic of China;
“Macau”	the Macau Special Administrative Region of the PRC;
“SGM”	the special general meeting of the Company to be convened and held at Room 4101, 41 st Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on Tuesday, 29 September 2015 at 3 p.m. to approve, among others, the Subscription Agreement and the Specific Mandate;
“Share Charges”	the SPV Share Charge, the Forbes Global Share Charge and/or the Fund House Share Charge, and “Share Charge” shall mean anyone of them;
“Specific Mandate”	the specific mandate required to be granted to the Directors by the Shareholders at the SGM for the allotment and issue of Conversion Shares;

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“SPV”	Greater Elite Investments Limited or such other company which will hold the interest in Forbes Global, the Fund House and/or such other company(ies) to be agreed between the Company and the Subscriber;
“SPV Acquisition”	the acquisition of the entire issued share capital of the SPV;
“SPV Share Charge”	the fixed charge to be executed in favour of the Subscriber granted by the Company’s subsidiary over all the shares owned by the Company or its subsidiary(ies) in the SPV;
“Shares”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Taiping Trustees Limited, a company incorporated in Hong Kong;
“Subscription Agreement”	the agreement dated 12 August 2015 entered into among the Company, the Subscriber and the Guarantor in relation to the subscription by the Subscriber of the Convertible Notes in the principal amount of US\$30,000,000;
“Subscription Money”	a sum of US\$30,000,000 being the subscription price for the Convertible Notes;
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong;
“Ticking Fee”	a fee to be paid by the Company or the Guarantor (in case of the Completion not taking place) to the Subscriber quarterly at the Agreed Interest Rate on the Subscription Money over the period starting from the 10 th Business Days after the signing of the Subscription Agreement until the earlier of the Completion Date or the date on which the Company informs the Subscriber in writing that any of the conditions precedent to the Subscription Agreement cannot be fulfilled and the Subscription Agreement is terminated if the conditions precedents are not fulfilled or waived on or before the Long Stop Date;
“US\$”	United States dollars, the lawful currency of the United States of America; and

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“%”

per cent.

For the purpose of this circular, translations of US\$ into HK\$ or vice versa have been calculated by using an exchange rate of US\$1.00 equal to HK\$7.7517. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Jin Lei (*Chairman*)
Ms. Law Kee, Alice (*Chief Executive Officer*)
Mr. Hui Wai Lee, Willy

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Tsui Pui Hung
Mr. Tang Ping Sum
Mr. Chiu Sin Nang Kenny

*Head office and principal place of
business in Hong Kong:*

Room 4101
41st Floor
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

10 September 2015

To the Shareholders and Warrantholders

Dear Sir or Madam,

ISSUE OF GUARANTEED SECURED CONVERTIBLE NOTES DUE 2017

1. INTRODUCTION

Reference is made to the Announcement. On 12 August 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, subject to fulfillment of conditions precedent, the Subscriber agreed to subscribe for the Convertible Notes in the principal amount of US\$30,000,000 (equivalent to approximately HK\$232,551,000).

The purpose of this circular is to provide you with, among other things, further information on the Subscription Agreement and the transactions contemplated thereunder and a notice of the SGM.

* *For identification purpose only*

LETTER FROM THE BOARD

2. THE SUBSCRIPTION AGREEMENT

Date: 12 August 2015 (after trading hours)

Parties

- (a) The Company as the issuer;
- (b) The Guarantor as the guarantor to the Company; and
- (c) The Subscriber as the initial subscriber to the Convertible Notes.

As at the Latest Practicable Date, the Guarantor is interested in 938,309,250 Shares, representing approximately 62.29% of the issued share capital of the Company. The Guarantor is a substantial shareholder of the Company and, therefore, a connected person of the Company.

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

The Convertible Notes to be Issued

Subject to the fulfillment of the conditions precedent as set out below, the Subscriber has agreed to subscribe for the Convertible Notes in the principal amount of US\$30,000,000 (equivalent to approximately HK\$232,551,000) on the Completion Date.

Conditions Precedent

Under the Subscription Agreement, the subscription of the Convertible Notes is conditional upon, among other things:

- (i) all necessary governmental consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;
- (ii) the Company having obtained (where applicable) the approval of the Independent Shareholders of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Notes and the Conversion Shares) at the SGM as required by the Listing Rules;
- (iii) the Company or its subsidiary having signed the agreement for the SPV Acquisition and the SPV having signed the agreements for the Forbes Global Acquisition and the Fund House Acquisition respectively;
- (iv) the Company having complied with and to the satisfaction of the Stock Exchange all requirements under the Listing Rules in relation to the issue of the Convertible Notes;

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- (v) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares; and
- (vi) none of the warranties given by the Company thereunder having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

If any of the conditions specified above have not been satisfied or waived by the Subscriber (other than (i) to (v) above which cannot be waived) on or prior to the Long Stop Date, the Subscription Agreement (save and except for clauses relating to notices, costs and expenses, restrictions on announcements and governing law and jurisdiction) shall cease and terminate and the Company shall agree to release to the Subscriber from the Designated Account the Subscription Money deposited by the Subscriber and whereupon no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Subscription Agreement save in respect of any antecedent breach of any obligation thereof. The Subscriber may at any time by notice in writing to the Company waive condition (vi) above. To the best of the knowledge of the Directors, having made all reasonable enquires to the Subscriber, the Subscriber has no intention to waive condition (vi) above. As at the Latest Practicable date, none of the above conditions have been fulfilled.

In view of the estimated time involved in negotiation and performance of due diligence in connection with the SPV Acquisition, which would also depend on the progress on the signing of the agreements for the Forbes Global Acquisition and the Fund House Acquisition, the Directors consider that the Long Stop Date, being a date falling on the expiry of three months after the date on which the SGM is held by the Company for the approval of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Notes and the Conversion Shares) or such other date as may be agreed between the Company and the Subscriber, is appropriate.

Ticking Fee

The Subscriber shall deposit the Subscription Money into the Designated Account or such other account as agreed by the Company on or before the expiry of 10 Business Days after the signing of the Subscription Agreement. The Company has agreed to pay to the Subscriber the Ticking Fee at the Agreed Interest Rate for the period starting from the 10th Business Days after the signing of the Subscription Agreement until the earlier of the Completion Date or the date on which the Company informs the Subscriber in writing that any of the conditions precedent to the Subscription Agreement cannot be fulfilled and the Subscription Agreement is terminated if the conditions precedent are not fulfilled or waived on or before the Long Stop Date. However, if the Completion does not take place for any reason, the Ticking Fee shall be paid by the Guarantor to the Subscriber instead of the Company.

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Conversion Price

The initial Conversion Price of HK\$1.20 per Conversion Share represents (i) a discount of approximately 8.40% to the closing price of HK\$1.31 per Share on 12 August 2015, the date of the Subscription Agreement, (ii) a discount of approximately 13.67% to the average closing price of approximately HK\$1.39 per Share as quoted on the Stock Exchange for the five trading days immediate prior to the date of the Subscription Agreement; (iii) a premium of approximately 34.83% to the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on 7 September 2015, being the Latest Practicable Date; and (iv) a premium of approximately 26.32% to the unaudited net asset value of approximately HK\$0.95 per Share as at 30 June 2015. The Conversion Price will be subject to adjustment for subdivision or consolidation of Shares, issue of any Shares credited as fully paid by way of capitalization of profits or reserves (other than Shares issued in lieu of the whole or any part of a cash dividend), capital distribution to Shareholders provided that the Conversion Price shall not be less than the par value of a Share, rights issues or options over Shares at a price less than 80% of the then market price per Share, rights issues of other securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), issue wholly for cash any Shares other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares or on the issue or grant of options, warrants or other rights to subscribe for or purchase Shares at less than 80% of the then market price per Share, other issues of securities (other than notes issue) which carry rights of conversion into, or exchange or subscription for, shares wholly for cash at less than 80% of the then market price per Share, modification of rights of conversion, exchange or subscription attaching to the securities, other offers to Shareholders generally or other events that the Company considers as appropriate. The initial Conversion Price was determined after arm's length negotiation between the parties.

Assuming the aggregate principal amount of the Convertible Notes is HK\$232,551,000, and upon full conversion of the Convertible Notes at the initial Conversion Price, the Convertible Notes will be convertible into a maximum of 193,792,500 Shares, representing approximately 12.86% of the existing issued share capital of the Company and approximately 11.40% 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 Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Notes will be issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM.

Security and Guarantee to the Convertible Notes

The Convertible Notes are secured by the Share Charge(s). In addition, the Convertible Notes will also be guaranteed by the Guarantor by the Deed of Guarantee.

Other Principal Terms of the Convertible Notes

The other principal terms of the Convertible Notes were determined after arm's length negotiations between the parties and are summarized below:

Principal amount: The aggregate principal amount of the Convertible Notes is US\$30,000,000.

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- Interest:** The Convertible Notes bear an interest at the Agreed Interest Rate (being the rate of 3% plus the prime lending rate quoted by The Hongkong and Shanghai Bank Corporation Limited on the date of the Subscription Agreement) per annum (calculated on a 365-day year basis) on the outstanding principal amount of the Convertible Notes from the Issue Date to the Maturity Date. The interest will, subject as provided therein, be payable by the Company every three (3) calendar months in arrears on the dates (the “**Interest Payment Date**”) falling every three (3) calendar months after the preceding Interest Payment Date. The first interest payment shall be made on the date falling three (3) calendar months after the Issue Date.
- Maturity Date:** The second (2nd) anniversary of the Issue Date.
- Status:** The Convertible Notes constitute direct, unsubordinated, unconditional and secured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Convertible Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for a listing of the Convertible Notes on the Stock Exchange or any other stock exchange.
- Transferability:** Unless the Noteholder transfers the Convertible Notes to its wholly owned subsidiaries or holding companies, the Noteholder may only assign or transfer the Convertible Notes to the transferee (other than a connected person of the Company) subject to the consent of the Company. The Convertible Notes may be assigned or transferred in whole or in part (in whole multiples of US\$1,000,000) of its outstanding principal amount upon the payment in full and the Company shall facilitate any such assignment or transfer of the Convertible Notes, including making any necessary applications to the Stock Exchange for the said approval (if required).

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- Conversion Rights: The Noteholders have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Convertible Notes registered in their names into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of US\$1,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Notes is less than US\$1,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Notes may be converted.
- Conversion Pre-requisite: The Noteholders shall have the right at any time from the Issue Date of the Convertible Notes to the Maturity Date to convert any outstanding amount of the Convertible Notes into the Conversion Shares at the Conversion Price, provided that 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 (a) the aggregate shareholding of such Noteholder, its associates and parties acting in concert (as defined in the Takeovers Code) with it immediately after such exercise shall not be or exceed 29.9% of the then issued share capital of the Company; and (b) 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.
- Ranking: The Conversion Shares will rank pari passu in all respects with the Shares then in issue.
- Redemption: The Convertible Notes may be early redeemed at any time before the Maturity Date at the face value by agreement between the Company and the Noteholders holding not less than 75% of the Convertible Notes then outstanding.
- Events of default: Any Noteholder may give notice to the Company that the Convertible Notes are immediately due and repayable if:
- (i) the Company fails to pay the principal amount when due or the Company fails to pay interest (if any), premium (if any) on the Convertible Notes when due; or

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- (ii) the Company defaults in performance or observance or compliance with any of its other obligations set out in the conditions of the Convertible Notes and such default continues for the period of 14 days next following the service by any Noteholder on the Company of notice specifying brief details of such default and requiring such default to be remedied; or
- (iii) an order of a court of competent jurisdiction is made or an effective resolution is passed for winding-up or dissolution of the Company or the Company disposes of all or substantially all of its assets otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reorganization; or
- (iv) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company; or
- (v) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Company and is not discharged within three days thereof; or
- (vi) the Company becomes insolvent or is unable to pay its debts as they mature; or
- (vii) proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganization or insolvency law and such proceedings shall not have been discharged or stayed within a period of 21 days.

Completion of issue and subscription of Convertible Notes

Completion is to take place within three Business Days after the conditions precedent stated in above section headed "Conditions Precedent" have been fulfilled or such later time and date as the Company and the Subscriber may agree in writing.

3. REASONS FOR THE ISSUE OF THE CONVERTIBLE NOTES

The Directors consider that the issue of the Convertible Notes represents an opportunity for the Company to raise additional fund for external expansion of the business scope of the Group through acquisition of additional business activities that can diversify the source of revenue of the Group and create operating synergies for the Group. As mentioned in the annual report of the Company for the year ended 31 December 2014, the Group will continue to strive for business growth and seize opportunities in order to maximize returns for the Shareholders. Reference is also made to the announcement of the Company dated 3

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August 2015 in respect of the entering into of a memorandum of understanding relating to the acquisition of interest in the SPV which will in turn own an interest in Forbes Global and the Fund House respectively. It is intended that the net proceeds will be applied as part of funding for the SPV Acquisition. The Board believes that the SPV Acquisition will bring a new synergy to the business of the Group by extending the Group's business to fund of funds and other asset management sub-sectors through the globally respected brand names including Forbes Global. As the SPV Acquisition would require an extensive amount of capital, the issue of the Convertible Notes will provide the Company with funding as well as an opportunity for the Group; and if the conversion rights attaching to the Convertible Notes are exercised, strengthen its capital base and form a synergistic alliance with the Subscriber who would become a substantial shareholder of the Company subsequent to the exercise of the conversion rights in full in the area of assets management in PRC and Hong Kong.

The Directors are of opinion that the terms of the Convertible Notes, which were arrived at after arm's length negotiations between the Company and the Subscriber, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. USE OF PROCEEDS

Assuming the aggregate principal amount of the Convertible Notes is HK\$232,551,000, the net proceeds (after deducting estimated expenses but without taking into account the Ticking Fee) from the issue of the Convertible Notes is expected to be not more than HK\$230,551,000 and the net price per Conversion Share is approximately HK\$1.19. It is intended that the net proceeds will be applied as part of funding for the SPV Acquisition.

As at the Latest Practicable Date, the Company is carrying out the relevant due diligence exercise concerning the SPV Acquisition.

As mentioned in the Company's announcement dated 3 August 2015, the Company currently intends to enter into a definitive formal agreement concerning the SPV Acquisition by no later than 30 September 2015 (or such other date as mutually agreed between the Company and the vendor of the SPV Acquisition). Since it is intended that the net proceeds will be applied as part of the funding for the SPV Acquisition, the Company currently expects the completion date for the SPV Acquisition will fall around the Long Stop Date or a few days after the Long Stop Date.

As Completion will only take place following the SPV Acquisition (in light that the Convertible Notes are secured by the Share Charge(s)), in case the SPV Acquisition fails to complete, the Convertible Notes will not be issued.

LETTER FROM THE BOARD

5. EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has raised a total amount of approximately HK\$162,138,000 through the following fund raising activities in the past twelve months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Approximate net proceeds	Intended use of proceeds	Actual use of proceeds
10 December 2014	Issue of US\$20 million guaranteed secured notes due 2018	Not more than US\$19,179,000 (equivalent to approximately HK\$148,638,000)	For its residential property development projects and as general working capital	For its residential property and hotel development projects and as general working capital
27 May 2015	Placing of warrants under specific mandate	Approximately HK\$13.5 million (after deducting related placing commissions and other related expenses)	Repayment of interest expenses	Repayment of interest expenses

6. EFFECT ON SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company had 1,506,437,504 Shares in issue. Under the warrants issued on 5 March 2014 and 13 July 2015, the total number of new shares which may be issued under the warrants are 792,591 Shares and 263,800,000 Shares respectively and the Company has adopted a share option scheme on 2 September 2013 and granted share options to certain Directors and employees of the Company to subscribe for a total of 77,812,266 Shares pursuant to such share option scheme on 5 November 2013. Save as disclosed herein, as at the Latest Practicable Date, there were no other outstanding options, warrants, derivatives, or other securities which carried rights to subscribe for or convertible into Shares.

LETTER FROM THE BOARD

For illustration purpose only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the full conversion of the Convertible Notes at the initial Conversion Price.

Shareholders	As at the Latest Practicable Date		Immediately after the full conversion of the Convertible Notes at the initial Conversion Price	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
	Full Dragon Group Limited (<i>Note 1</i>)	938,309,250	62.29	938,309,250
The Subscriber	0	0	193,792,500	11.40
Public				
Other public Shareholders	<u>568,128,254</u>	<u>37.71</u>	<u>568,128,254</u>	<u>33.41</u>
Total	<u><u>1,506,437,504</u></u>	<u><u>100.00</u></u>	<u><u>1,700,230,004</u></u>	<u><u>100.00</u></u>

Note:

1. The entire issued share capital of Full Dragon Group Limited is owned by the Guarantor. 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, to a subsidiary of Central Huijin Investment Limited, details of which were disclosed in the announcement of the Company dated 4 May 2015.

7. APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee for the listing of and permission to deal in the Conversion Shares. No application will be made for the listing of the Convertible Notes.

8. LISTING RULES IMPLICATIONS

The Guarantor, a substantial shareholder of the Company, has agreed to guarantee the performance of the Company under the Convertible Notes. The Guarantor has also agreed to pay the Ticking Fee if Completion does not take place for any reasons. The provision of financial assistance, including the proposed payment of Ticking Fee and the guarantee, by the Guarantor to the Company constitutes financial assistance received by the Company from a connected person. As the provision of financial assistance is on normal commercial terms or better and no security over the assets of the Group will be granted in respect thereof, the provision of financial assistance is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

LETTER FROM THE BOARD

9. GENERAL

Information of the Company

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

Information of the Subscriber

The Subscriber is a company incorporated in Hong Kong, and principally engaged in trust business. Its ultimate controlling shareholder is China Taiping Insurance Group Co. (“**China Taiping**”). China Taiping is a PRC state-owned financial and insurance group, and is currently the longest standing national brand in China’s insurance industry. Its business covers life insurance, general insurance, pension plans, reinsurance, securities brokerage, asset management and non-financial investment, and its operations has presence in many countries and regions including the PRC, Hong Kong, Macau, Europe, Oceania, East Asia and Southeast Asia.

Information of the Guarantor

As at the Latest Practicable Date, the Guarantor is interested in 938,309,250 Shares, representing approximately 62.29% of the issued share capital of the Company.

10. SGM

The SGM will be convened and held at Room 4101, 41/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on Tuesday, 29 September 2015 at 3 p.m. at which ordinary resolution will be proposed for the purpose of considering and, if thought fit, pass the requisite resolution(s) to approve, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Convertible Notes and the Specific Mandate for the allotment and issue of the Conversion Shares. To the best knowledge of the Directors, save for the Guarantor and his associate, none of the Shareholders has a material interest in the transactions contemplated under the Subscription Agreement as at the Latest Practicable Date. Accordingly, save for the Guarantor and his associate, none of the Shareholders will be required to abstain from voting at the SGM in respect of the resolution(s) relating to the Subscription Agreement and the Specific Mandate.

As at the Latest Practicable Date, the Guarantor, being the owner of the entire issued share capital of Full Dragon Group Limited, is indirectly interested in 938,309,250 Shares.

A notice convening the SGM is set out on pages 18 to 19 of this circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

The ordinary resolution to approve the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Convertible Notes and the Specific Mandate for the allotment and issue of the Conversion Shares at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

11. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

12. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that the Subscription Agreement and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend that all Shareholders should vote in favour of the resolution proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Convertible Notes and the Specific Mandate for the allotment and issue of the Conversion Shares.

Yours faithfully,
For and on behalf of the Board of
Cheung Wo International Holdings Limited
JIN LEI
Chairman

NOTICE OF THE SGM



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)

NOTICE IS HEREBY GIVEN that the special general meeting (the “**SGM**”) of Cheung Wo International Holdings Limited (the “**Company**”) will be held at Room 4101, 41/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on Tuesday, 29 September 2015 at 3 p.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the subscription agreement (the “**Subscription Agreement**”) dated 12 August 2015 entered into among the Company as issuer, Taiping Trustees Limited as subscriber (the “**Subscriber**”) and Mr. Cheng Keung Fai as the guarantor in relation to the issue by the Company and the subscription by the Subscriber of the convertible notes (the “**Convertible Notes**”) in the principal amount of US\$30,000,000 (equivalent to approximately HK\$232,551,000), which may be converted into a maximum of 193,792,500 ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Conversion Share(s)**”) at the conversion price of HK\$1.20 per Conversion Share (subject to adjustment) and the transactions contemplated thereunder, (a copy of the Subscription Agreement marked “A” has been produced to the Meeting and initialled by the chairman of the Meeting for the purpose of identification) be and is hereby approved, ratified and confirmed;
- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the Conversion Shares, the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate (the “**Specific Mandate**”) to allot, issue, credited as fully paid, the Conversion Shares to the Subscriber pursuant to the Subscription Agreement, provided that the Specific Mandate shall be in addition to and shall not prejudice nor revoke the general mandate proposed to be granted to the Directors by the shareholders of the Company in the annual general meeting of the Company held on 11 June 2015 or such other general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution; and
- (c) all other transactions contemplated under the Subscription Agreement be and are hereby approved and the Directors be and are authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such

* For identification purpose only

NOTICE OF THE SGM

other things and to take all such actions the Directors consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement, the issue of the Convertible Notes and the allotment and issue of the Conversion Shares and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

By order of the Board
Cheung Wo International Holdings Limited
JIN LEI
Chairman

Hong Kong, 10 September 2015

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
Room 4101
41st Floor
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed herewith. Whether or not you intend to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, then one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. All the resolutions are to be voted by way of poll.

As at the date hereof, the Board comprises six Directors, of which the executive Directors of the Company are Mr. Jin Lei (Chairman), Ms. Law Kee, Alice (Chief Executive Officer) and Mr. Hui Wai Lee, Willy; and the independent non-executive Directors are Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chiu Sin Nang Kenny.