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ZHURONG GLOBAL LIMITED

著融環球有限公司

*(Incorporated in the British Virgin Islands
with limited liability)*

CHANCO INTERNATIONAL GROUP LIMITED

卓高國際集團有限公司
(Incorporated in the Cayman Islands with limited liability)

(Stock code: 264)

JOINT ANNOUNCEMENT

- (1) CLOSE OF UNCONDITIONAL MANDATORY CASH OFFER AND ACCEPTANCE LEVEL;**
 - (2) APPOINTMENT AND RESIGNATION OF DIRECTORS;**
 - (3) CHANGE OF COMPOSITION OF AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE;**
 - (4) CHANGE OF CHIEF EXECUTIVE OFFICER;**
 - (5) CHANGE OF COMPANY SECRETARY;**
- AND**
- (6) CHANGE OF AUTHORISED REPRESENTATIVES**

References are made to the announcements jointly issued by Zhurong Global Limited (the “**Offeror**”) and Chanco International Group Limited (the “**Company**”) on 12 November 2015 and 2 December 2015 respectively and the composite offer and response document (the “**Composite Document**”) dated 2 December 2015 and jointly issued by the Offeror and the Company in relation to, among others, the agreement for the sale and purchase of shares in the Company and the unconditional mandatory cash offer by China International Capital Corporation Hong Kong Securities Limited and Southwest Securities (HK) Capital Limited on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Capitalised terms used herein shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

CLOSE OF THE OFFER AND ACCEPTANCE LEVEL

The Offeror and the Company jointly announce that the Offer was closed on Wednesday, 23 December 2015. The Offer has not been revised or extended by the Offeror.

As at 4:00 p.m. on Wednesday, 23 December 2015, being the latest time and date for acceptance of the Offer, no acceptance of the Offer have been received.

Public float of the Company

Immediately before commencement of the Offer Period on 12 October 2015, the Offeror and parties acting in concert with it did not hold, control or direct over any Share or right over Shares. Immediately following Completion which took place on 2 November 2015, the Offeror and parties acting in concert with it were interested in 229,948,000 Shares, representing approximately 66.10% of the issued share capital of the Company. Taking into account the fact that no acceptances of the Offer have been received, immediately after the close of the Offer and as at the date of this joint announcement, (i) the Offeror and parties acting in concert with it are interested in 229,948,000 Shares, representing approximately 66.10% of the issued share capital of the Company; (ii) Green Parade and Mr. Pong are interested in an aggregate of 17,360,000 Shares, representing approximately 4.99% of the issued share capital of the Company; and (iii) 100,596,000 Shares, representing approximately 28.91% of the issued share capital of the Company, are held by the public (within the meaning of the Listing Rules), being in compliance with the minimum public float requirements under Rule 8.08(1)(a) of the Listing Rules.

Save for the Sale Shares, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any Share or right over Shares during the Offer Period. None of the Offeror and the parties acting in concert with it has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period.

APPOINTMENT OF DIRECTORS

The Board announces that Mr. Wu David Hang and Mr. Hou Jian have been appointed as executive Directors and Mr. Wong Yik Chung John, Mr Ernst Rudolf Zimmermann and Mr. Ng Man Fai, Matthew have been appointed as independent non-executive Directors, all with effect from 23 December 2015. The biographies of the new Directors are set out below:

Mr. Wu David Hang (“**Mr. Wu**”), aged 53, has been appointed as an executive Director, chairman of the Board, chief executive officer and authorized representative of the Company with effect from 23 December 2015. He is a vice president of overseas business development of 中弘卓業集團有限公司 (Zhonghong Zhuoye Group Company Limited*), which is controlling shareholder of Zhonghong and holds approximately 34.51% of the issued shares of Zhonghong. Prior to this, he was an investment banker, with a focus on cross-border transactions in Asia markets, especially in China market for many years. From 1996 to 2004, Mr. Wu served as a vice president of the Corporate Finance and Investment Banking group at Citigroup. From 2004 to 2007, Mr. Wu worked as a principal at Marco Polo Partners in New York. From 2007 to 2009, he worked at China Power Development Corp. New York, a

renewable energy development firm, as one of the founding members. From 2009 to 2015, Mr. Wu served as a managing director of Herakles Capital International, a New York based investment banking firm. Mr. Wu obtained his MBA degree from University of District of Columbia, USA and his Bachelor of Science degree from University of Electronic Science and Technology of China.

As at the date of this announcement, Mr. Wu has not entered into any service contract with the Company in relation to his appointment as an executive Director. Mr. Wu is not appointed for a specific term but he is subject to retirement by rotation and re-election in accordance with the memorandum (the “**Memorandum**”) and articles of association (the “**Articles**”) of the Company. Mr. Wu will be entitled to receive a director’s fee to be determined by the Board and the remuneration committee of the Company (the “**Remuneration Committee**”) with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Mr. Hou Jian (“**Mr. Hou**”), aged 29, has been appointed as an executive Director and authorized representative of the Company with effect from 23 December 2015. He graduated from Inner Mongolia Finance and Economics College with a bachelor of arts degree in public affairs administration. He served as an accounting clerk at 北京中弘投資有限公司, a wholly-owned subsidiary of Zhonghong from October 2009 to March 2010. He served as an accountant for Zhonghong from March 2010 to May 2011 and a fund manager for Zhonghong from June 2011 to February 2015. Since 5 February 2015, he has been serving as a senior fund manager for Zhonghong.

As at the date of this announcement, Mr. Hou has not entered into any service contract with the Company in relation to his appointment as an executive Director. Mr. Hou is not appointed for a specific term but he is subject to retirement by rotation and re-election in accordance with the Memorandum and the Articles. Mr. Hou will be entitled to receive a director’s fee to be determined by the Board and the Remuneration Committee with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Mr. Wong Yik Chung John (“**Mr. Wong**”), aged 48, has been appointed as an independent non-executive Director of the Company with effect from 23 December 2015. He graduated from the University of Melbourne in 1991 with a bachelor’s degree in economics (majoring in economics and securities law). Mr. Wong is a member of The Institute of Chartered Accountants Australia (ICAA) and a member of the Hong Kong Institute of Certified Public Accounts. He has worked in the several international accountant firms for around 10 years since his graduation namely PricewaterhouseCoopers (Hong Kong) in 1992, Arthur Anderson (Hong Kong and Shanghai) from 1993 to 1995, PricewaterhouseCoopers (Beijing) from 1995 to 1996, Ernst & Young (Hong Kong) from 1996 to 1998 and Deloitte from 2000 to 2003. He specialises in listing audits (primarily for companies in mainland China seeking to be listed overseas) and financial advisory business for listed companies, including mergers and acquisitions and restructuring. He founded a finance and IT subcontracting company in 2003, and disposed of such business to TMF Group, a leading service subcontracting consortium in Europe, in 2008. Subsequently, he also founded several fund management companies including 顯德投資管理有限公司 (Vantage Capital Ltd.). In 2015, he left the position of managing partner, and served as a company consultant of Vantage Capital Ltd., focusing on risks control and corporate strategies. Over the past three years, he served as directors

for the following companies listed on (i) the New York Stock Exchange, namely General Steel Holdings, Incorporation (stock code: GSI:NYSE), (ii) the Singapore Stock Exchange, namely CDW Holdings Limited, (stock code: CDW:SP), (iii) the Shenzhen Stock Exchange, namely Western Securities Co., Ltd. (stock code: 2673), and (iv) the Stock Exchange, namely EcoGreen International Group Limited (stock code: 2341), Biosino Bio-Technology and Science Incorporation (stock code: 8247), Perfect Optronics Limited (stock code: 8311), Long Ji Tai He Holding Limited (stock code: 1281), Golden Resources Development International Limited (stock code: 677) and Beijing North Star Company Limited (stock code: 588). He is currently serving as independent non-executive directors for the following companies which are listed on the Hong Kong Stock Exchange, namely EcoGreen International Group Limited (stock code: 2341), Biosino Bio-Technology and Science Incorporation (stock code: 8247), Perfect Optronics Limited (stock code: 8311) and Long Ji Tai He Holding Limited (stock code: 1281).

Mr. Wong has entered into a letter of appointment with the Company dated 23 December 2015 in relation to his appointment as an independent non-executive Director for a term of one year with effect from 23 December 2015. Such appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Wong is entitled to an annual director's fee of HK\$144,000. Such remuneration is covered in Mr. Wong's letter of appointment with the Company. The remuneration of Mr. Wong is determined by the Board and the Remuneration Committee with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Mr. Ernst Rudolf Zimmermann (“Mr. Zimmermann”), aged 66, has been appointed as an independent non-executive Director of the Company with effect from 23 December 2015. He has more than 40 years of business experience in the international hospitality industry, especially in the Greater China region.

Mr. Zimmermann is currently the president and chief executive officer of AVA Hospitality, a hotel management services company providing specialized China-related hospitality management and consultancy services and giving independent professional advice on design brief on hotel component to hotel investors and operators. Mr. Zimmermann now serves as the senior vice president of Swiss-Belhotel International, an international hotel management company offering unique fusion of Swiss hospitality management in all aspects of the hotel, serviced apartments and club. He is also an associate of Global Strategic Associates, LLC, an independent, privately-owned international advisory firm in New York, the United States of America. Mr. Zimmermann is currently an independent non-executive director of Forebase International Holdings Limited, which is listed on the Stock Exchange (stock code: 2310).

Mr. Zimmermann started his hospitality career first in Stadl-Paura, Austria in 1962 and received hospitality training in Gmunden, Austria. Before relocating to Hong Kong as a restaurant manager in Furama Hotel in 1974, he worked in a number of food and beverage positions across various Western Europe countries, including England, Switzerland, Italy, Bermuda and so on. Mr. Zimmermann continued his hotel business in a Holiday Inn Group (now known as InterContinental Hotels Group) for subsequent years in senior managerial and executive positions for the development of the hotel chain throughout the Asia Pacific region, including, Hong Kong, Thailand and the PRC; and later on, with extensive years of experience in the hospitality field, Mr. Zimmermann established his own hotel management

business, namely, Zenith Hotels International Limited, providing hotel management services and technical assistance to hotel owners, developing more than 20 hotel properties throughout the PRC and South-East Asia. More recently, Mr. Zimmermann served as the vice president within the ACCOR Hotel Group China to re-position new Sofitel Luxury Hotel in the PRC; and being the senior vice president in the New World Hotels Group to help promote its new hotel brand in the PRC. In previous years, Mr. Zimmermann also held consultative positions in certain companies in the PRC and Hong Kong.

Mr. Zimmermann has entered into a letter of appointment with the Company dated 23 December 2015 in relation to his appointment as an independent non-executive Director for a term of one year with effect from 23 December 2015. Such appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Zimmermann is entitled to an annual director's fee of HK\$180,000. Such remuneration is covered in Mr. Zimmermann's letter of appointment with the Company. The remuneration of Mr. Zimmermann is determined by the Board and the Remuneration Committee with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Mr. Ng Man Fai, Matthew (“Mr. Ng”), aged 48, has been appointed as an independent non-executive Director of the Company with effect from 23 December 2015. He is a member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants and a provisional member of the Institute of Certified Public Accountants of Singapore. He is also an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries, and an associate member/certified tax adviser of The Taxation Institute of Hong Kong. Mr. Ng holds a Master of Accountancy from Charles Sturt University, Australia, and a Bachelor of Business Administration from the University of East Asia, Macau. Mr. Ng has over 25 years working experience in audit and accounting, gained from international firms and companies listed on the Stock Exchange. From 2012 to 2015, he served as an independent non-executive director of China Investment Fund Company Limited, which is listed on the Stock Exchange (stock code: 612). He is currently a deputy financial controller of Burwill Holdings Limited, which is listed on the Stock Exchange (stock code: 24).

Mr. Ng has entered into a letter of appointment with the Company dated 23 December 2015 in relation to his appointment as an independent non-executive Director for a term of one year with effect from 23 December 2015. Such appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Ng is entitled to an annual director's fee of HK\$144,000. Such remuneration is covered in Mr. Ng's letter of appointment with the Company. The remuneration of Mr. Ng is determined by the Board and the Remuneration Committee with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Save as disclosed above:

- (i) each of the new Directors has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years;

- (ii) as at the date of this joint announcement, each of the new Directors does not have any interest in the Shares (within the meaning of Part XV of the SFO);
- (iii) each of the new Directors (i) does not hold any other position in the Company or its subsidiaries; and (ii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules); and
- (iv) there is no other information in relation to the appointment of the new Directors that is required to be disclosed nor are/were they involved in any of the matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there is no other matter that needs to be brought to the attention of the Shareholders.

The Company would like to extend its welcome to the new Directors to the Board.

RESIGNATION OF DIRECTORS

The Board announces that Mr. Lee Wing Yin (“**Mr. Lee**”) and Mr. Ngan Man Ho (“**Mr. Ngan**”) resigned as executive Directors; and Mr. Lung Hung Cheuk (“**Mr. Lung**”), Mr. Leung Ka Tin (“**Mr. Leung**”) and Mr. Li Wai Ming (“**Mr. Li**”) resigned as independent non-executive Directors, all with effect after the close of the Offer on 23 December 2015.

Each of the resigned Directors has confirmed to the Board that he has no disagreement with the Board and that there are no other matters in relation to his resignation that need to be brought to the attention of the Shareholders. The Board would like to extend its sincere gratitude and appreciation to the resigned Directors for their valuable contribution towards the Company during their tenure of office.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board announces that:

- (i) Mr. Wong has been appointed as the chairman of the Remuneration Committee; and Mr. Wu, Mr. Zimmermann and Mr. Ng have been appointed as members of the Remuneration Committee. Mr. Lung has resigned as chairman of the Remuneration Committee; and Mr. Leung and Mr. Li have resigned as members of the Remuneration Committee;
- (ii) Mr. Wu has been appointed as the chairman of the nomination committee (the “**Nomination Committee**”) of the Company; and Mr. Wong, Mr. Zimmermann and Mr. Ng have been appointed as members of the Nomination Committee. Mr. Leung has resigned as chairman of the Nomination Committee; and Mr. Lung and Mr. Li have resigned as members of the Nomination Committee; and
- (iii) Mr. Ng has been appointed as the chairman of the audit committee (the “**Audit Committee**”) of the Company; and Mr. Wong and Mr. Zimmermann have been appointed as members of the Audit Committee. Mr. Li has resigned as chairman of the Audit Committee; and Mr. Lung and Mr. Leung have resigned as members of the Audit Committee,

all with effect from 23 December 2015.

CHANGE OF CHIEF EXECUTIVE OFFICER

Mr. Lee has resigned as chief executive officer of the Company with effect from 23 December 2015 and Mr. Wu has been appointed in his stead.

CHANGE OF COMPANY SECRETARY

Mr. Lee has resigned as company secretary of the Company with effect from 23 December 2015 and Ms. Leung Pui Ki has been appointed in his stead with effect from 23 December 2015.

Ms. Leung Pui Ki (“**Ms. Leung**”), has been appointed as the company secretary with effect from 23 December 2015. Ms. Leung graduated from the University of Hertfordshire in the United Kingdom with a Bachelor degree in Business Administration. She is an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom and an associate member of the Hong Kong Institute of Chartered Secretaries. Ms. Leung has over 15 years of experience in the company secretarial field.

CHANGE OF AUTHORISED REPRESENTATIVES

Mr. Lee and Mr. Ngan ceased to be authorised representatives of the Company with effect from 23 December 2015, and Mr. Wu and Mr. Hou have been appointed in their stead.

By order of the board of
Zhurong Global Limited
Jia Dai
Director

By order of the Board
Chanco International Group Limited
Mr. Wu David Hang
Director

Hong Kong, 23 December 2015

As at the date of this joint announcement, the Board comprises two executive Directors, namely Mr. Wu David Hang and Mr. Hou Jian; and three independent non-executive Directors, namely Mr. Wong Yik Chung John, Mr. Ernst Rudolf Zimmermann and Mr. Ng Man Fai, Matthew.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of the Offeror comprises one director, namely Ms. Jia Dai and the board of directors of Zhonghong comprises seven directors, namely Mr. Wang Yonghong, Mr. Cui Wei, Mr. Jin Jie, Mr. Liu Zuming, Mr. Lin Yingshi, Mr. Li Yaping and Mr. Lan Qingxin.

The director of the Offeror and the directors of Zhonghong jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Group, Green Parade and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, Green Parade and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

** For identification purposes only*