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SAM WOO CONSTRUCTION GROUP LIMITED

三和建築集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 3822)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

UOBKayHian

大華繼显

UOB Kay Hian (Hong Kong) Limited

THE PLACING

On 2 July 2015 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, aggregate maximum of 20,000,000 Placing Shares to Placees who and whose ultimate beneficial owners will be third parties independent of the Company and not connected with the Company and its connected persons.

A maximum of 20,000,000 Placing Shares under the Placing represent approximately 5.0% of the existing issued share capital of the Company of 400,000,000 Shares as at the date of this announcement and approximately 4.76% of the then issued share capital of 420,000,000 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$200,000.

The Placing Price of HK\$3.01 represents a discount of approximately 19.7% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$3.75 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$3.114 for the last 5 trading days prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be approximately HK\$60.2 million. The maximum net proceeds from the Placing will amount to approximately HK\$58 million which is intended to be used for working capital of the Group. The maximum net price raised per Share upon the completion of the Placing will be approximately HK\$2.9 per Share.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

2 July 2015 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place a maximum of 20,000,000 Placing Shares on a best effort basis and will receive a placing commission of 3.0% on the gross proceeds of the actual number of Placing Shares being placed. Having considered the Placing Price and the terms of the Placing, the Directors are of the view that the placing commission of 3.0% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares to Placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of and not connected with the Company, connected persons of the Company and any of the Directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

Based on the information provided by the Placing Agent, the Placing Agent will place the Placing Shares to four Placees, details of which are as follows:

1. Asian Opportunities Absolute Return Master Fund Limited, an open-end investment company incorporated in the Cayman Islands with limited liability and it did not hold any Share as at the date of the Placing Agreement.

2. Asian Equity Special Opportunities Portfolio Master Fund Limited, an open-end investment company incorporated in the Cayman Islands with limited liability, held 21,926,000 Shares as at the date of the Placing Agreement.
3. Able Gear Investment Limited, an investment company incorporated in the British Virgin Islands. As at the date of the Placing Agreement, Able Gear Investment Limited did not hold any Share.
4. Ng Man Chi, an individual professional investor and an independent third party to the Company, held 2,500,000 Shares as at the date of the Placing Agreement.

The Placing Agent shall ensure that none of the Placees will be allotted with Placing Shares to the extent that any Placee (together with parties acting in concert with him/her/it) will hold 10% or more of the voting rights of the Company as a result of the Placing.

Number of Placing Shares

The 20,000,000 Placing Shares under the Placing represent approximately 5.0% of the existing issued share capital of the Company of 400,000,000 Shares as at the date of this announcement and approximately 4.76% of the then issued share capital of 420,000,000 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$200,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$3.01 represents a discount of approximately 19.7% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$3.75 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$3.114 for the last 5 trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolutions of the Shareholders passed on 15 September 2014 subject to the limit up to 20% of the issued share capital of the Company upon completion of the Share Offer and the Capitalisation Issue (as respectively defined in the prospectus of the Company dated 29 September 2014). Under the General Mandate, the Company is authorized to issue up to 80,000,000 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Condition of the Placing Agreement

Completion of the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in all of the Placing Shares.

If the above condition is not satisfied on or before 16 July 2015 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the others.

Termination of the Placing

Under the Placing Agreement:

- (1) the Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:
 - (a) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
 - (b) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
 - (c) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or

- (d) any statement contained in the announcements, circulars, financial reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the final results of the Company for the year ended 31 March 2015 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing;
- (2) the Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the above paragraphs, all liabilities of the parties thereto hereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion of the Placing will take place within four Business Days after the fulfillment of the condition set out in the Placing Agreement or such other date as may be agreed between the Company and the Placing Agent.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the provision of foundation works, including the construction of bored piles, rock socketed H-piles and excavation and lateral support works; and ancillary services, including site investigation and removal of installed piles.

In view of the current market, the Directors consider that the Placing represents a good opportunity for the Company to raise additional capital to enhance its capital base and broaden its shareholders' base.

The Directors consider that the terms of the Placing Agreement, which were arrived at after arm's length negotiations between the Company and the Placing Agent, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds from the Placing will be approximately HK\$60.2 million. The maximum net proceeds from the Placing will amount to approximately HK\$58 million which is intended to be used for working capital of the Group. The maximum net proceeds raised per Share upon the completion of the Placing will be approximately HK\$2.9 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activities in the past twelve months before the date of this announcement:

Date of announcement or document	Fund raising activities	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
Prospectus dated 29 September 2014 and announcement dated 18 May 2015	Placing and Public Offer (as defined in the prospectus of the Company dated 29 September 2014)	HK\$117 million	approximately 90% or approximately HK\$105 million – to acquire and/or partly finance the expansion of the Group's fleet of machinery and equipment, including but not limited to crawler cranes, oscillators, reverse circulation drills and other foundation related equipment and ancillaries from Asian and/or European machinery suppliers; and approximately 10% or approximately HK\$12 million – to be used as general working capital of the Group.	not yet utilised and will be used as intended

Save as disclosed above, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

Shareholders	As at the date this announcement		Upon completion of the Placing	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Actiease Assets Limited (<i>Note 1</i>)	300,000,000	75.00	300,000,000	71.43
Public				
Placees	24,426,000	6.11	44,426,000	10.58
Other public Shareholders	75,574,000	18.89	75,574,000	17.99
Total	400,000,000	100.00	420,000,000	100.00

Note: 300,000,000 shares were held by Actiease Assets Limited, a company wholly owned by Silver Bright Holdings Limited. Silver Bright Holdings Limited is 100% held by Managecorp Limited as trustee of a unit trust, of which issued units are 100% held by Nautilus Trustees Asia Limited as trustee of a discretionary trust set up by Mr. Lau Chun Ming.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

TERMS AND DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and public holiday), on which licensed banks in Hong Kong are generally open for business in Hong Kong
“Company”	Sam Woo Construction Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Completion Date”	the date of completion of the Placing

“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders by the written resolution(s) of the shareholders of the Company on 15 September 2014 to allot, issue and deal with up to 20% of the issued share capital of the Company upon completion of the Share Offer and the Capitalisation Issue (as respectively defined in the prospectus of the Company dated 29 September 2014)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 20,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	UOB Kay Hian (Hong Kong) Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 2 July 2015 in relation to the Placing
“Placing Price”	HK\$3.01 per Placing Share
“Placing Share(s)”	a maximum of 20,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	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
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Sam Woo Construction Group Limited
Lau Chun Ming
Chairman

Hong Kong, 2 July 2015

As at the date of this announcement, the executive directors of the Company are Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So; the independent non-executive directors of the Company are Professor Wong Sue Cheun, Roderick, Mr. Chu Tak Sum and Mr. Ip Tin Chee, Arnold.