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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF EQUIPMENT

On 22 August 2017, a wholly owned subsidiary of the Company as seller, entered into the Agreements to dispose of the Equipment at a total consideration of EUR3,090,000 (equivalent to approximately HK\$28 million) to the Purchaser.

As one or more of the applicable percentage ratios in relation to the Transactions contemplated under the Agreements are more than 5% but less than 25%, the Transactions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are required to be disclosed by way of this announcement.

THE AGREEMENTS

Date	:	22 August 2017
Parties	:	(1) the Seller, a wholly-owned subsidiary of the Company (2) the Purchaser
Equipment	:	a batch of foundation related machinery and equipment as specified under the Agreements
Consideration	:	EUR3,090,000 in aggregate (equivalent to approximately HK\$28 million)
Payment Terms	:	the Consideration of the Equipment shall be paid in full after delivery which should be within one month upon signing these Agreements

The Directors confirm that the Consideration was determined after arm's length negotiations between the Parties by reference to the market value of similar type of equipment.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE AGREEMENTS

The Equipment was intended to be deployed in construction projects undertaken by the Group. Due to the slowdown in the construction industry in Hong Kong as a result of a large backlog in funding approval for public works as discussed in the last annual report of the Company, the utilisation of the Equipment was not as expected. As enquired by the Purchaser who intends to re-sale the Equipment to its overseas customers, the Directors consider that the Group should take this opportunity to dispose of the Equipment to free up more working capital for its operation.

The Directors are of the view that the Agreements are made on normal commercial terms which are fair and reasonable. The Directors also believe that the disposal of the Equipment is in the interest of the Group and the shareholders of the Company as a whole.

GENERAL INFORMATION

The Group is principally engaged in the provision of foundation works and ancillary services.

The Seller is principally engaged in the leasing of machinery and equipment in Hong Kong.

To the best knowledge of the Directors, the Purchaser is a distributor of industrial machinery and equipment.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in relation to the transactions contemplated under the Agreements are more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

“Agreements”	the agreements dated 22 August 2017 by the Seller to dispose of the Equipment to the Purchaser
“Board”	the board of Directors
“Company”	Sam Woo Construction Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Consideration”	the aggregate consideration for the purchase of the Equipment pursuant to the Agreements
“Director(s)”	the director(s) of the Company
“Equipment”	a batch of foundation related machinery and equipment as specified under the Agreements
“EUR”	the lawful currency of the Euro Zone
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Seller and the Purchaser
“percentage ratio”	has the meaning ascribed to this term under the Listing Rules, as application to a transaction
“Purchaser”	a distributor of industrial machinery and equipment, an independent third party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Agreements

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

Hong Kong, 22 August 2017

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.

Note: For the purpose of this announcement, amounts denominated in EUR have been translated into HK\$ for the purpose of illustration only at the exchange rate of EUR1.00 = HK\$9.2.