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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares with par value of HK\$0.0025 each in the share capital of the Company be consolidated into one (1) Consolidated Share with par value of HK\$0.05 each.

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000 divided into 4,000,000,000 Existing Shares with par value of HK\$0.0025 each, of which 1,680,000,000 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued, allotted or repurchased from the date of this announcement to the date of the EGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$10,000,000 divided into 200,000,000 Consolidated Shares with par value of HK\$0.05 each, of which 84,000,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. The Circular containing, among other matters, further details of the Share Consolidation together with a notice convening the EGM is expected to be despatched to the Shareholders on or before Thursday, 23 January 2025.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the fulfilment of the conditions set out in the section headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

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Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000 divided into 4,000,000,000 Existing Shares with par value of HK\$0.0025 each, of which 1,680,000,000 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued, allotted or repurchased from the date of this announcement to the date of the EGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$10,000,000 divided into 200,000,000 Consolidated Shares with par value of HK\$0.05 each, of which 84,000,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Save as disclosed above, as at the date of this announcement, the Company does not have any other outstanding derivatives, options, warrants, conversion rights, securities in issue, convertible securities or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions above had been fulfilled.

Subject to the fulfilment of the above conditions, the Share Consolidation is expected to become effective on Friday, 14 February 2025, being the second Business Day immediately following the date of the EGM.

Application for Listing of the Consolidated Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Friday, 14 February 2025, Shareholders may, during the period from Friday, 14 February 2025 to Monday, 24 March 2025 (both days inclusive), submit share certificates for the Existing Shares (in yellow colour) to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, during business hours, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares (in red colour). Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may be allowed by the Stock Exchange from time to time) for each share certificate for the Existing Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Thursday, 20 March 2025, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will remain valid and effective as documents of title to the Consolidated Shares on the basis of every twenty (20) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in red colour in order to distinguish them from the share certificates for the Existing Shares which are in yellow colour.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint Aristo Securities Limited as the agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in June 2024 has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

The Shares are currently traded on the Stock Exchange in the board lot size of 4,000 Existing Shares. Based on the closing price of HK\$0.056 per Existing Share (equivalent to the theoretical closing price of HK\$1.12 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 4,000 Existing Shares is HK\$224; and (ii) the value per board lot of 4,000 Consolidated Shares would be HK\$4,480 on the assumption that the Share Consolidation becomes effective.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation will increase the board lot value of the Existing Shares, thereby enabling the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares and an increase in the net asset value per Share, the Board believes that the Share Consolidation will enhance the corporate image of the Company so as to make investing in the Shares more attractive to a broader range of prospective investors, and therefore further broaden the shareholder base of the Company.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not, by itself, alter the underlying assets, business operation, management or financial position of the Group or the proportionate interests or rights of the Shareholders. Accordingly, the Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in a change in the relative rights of the Shareholders.

In view of the above, the Board considers that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, save for the Share Consolidation, the Company has no intention to carry out other corporate actions or arrangements, in the next 12 months, which may have an effect of undermining or negating the intended purpose of the Share Consolidation.

The Company does not have any other concrete plan or arrangement to conduct any other fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to meet its operational needs or support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation, which is subject to the results of the EGM and the fulfilment of the conditions to the Share Consolidation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Time and date <i>(Hong Kong time)</i>
Expected date of despatch of Circular, the notice of the EGM and the form of proxy of the EGM.	on or before Thursday, 23 January 2025
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Monday, 10 February 2025
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	Tuesday, 11 February 2025 to Wednesday, 12 February 2025
Latest date and time for lodging the proxy forms for the EGM.	10:30 a.m. on Monday, 10 February 2025
Record date for EGM	Wednesday, 12 February 2025
Expected date and time of the EGM	10:30 a.m. on Wednesday, 12 February 2025
Publication of announcement of poll results of the EGM	Wednesday, 12 February 2025

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement and therefore the dates are tentative only.

Effective date of the Share Consolidation. Friday, 14 February 2025

First day of free exchange of existing share
certificates for new share certificates of
the Consolidated Shares Friday, 14 February 2025

Dealings in the Consolidated Shares
commence 9:00 a.m. on Friday, 14 February 2025

Original counter for trading in the Existing
Shares in board lots of 4,000 Existing
Shares (in the form of existing share
certificates) temporarily closes 9:00 a.m. on Friday, 14 February 2025

Temporary counter for trading in
the Consolidated Shares in board lots of
200 Consolidated Shares (in the form of
existing share certificates) opens 9:00 a.m. on Friday, 14 February 2025

Original counter for trading in the
Consolidated Shares in board lots of
4,000 Consolidated Shares (in the form of
new share certificates for the Consolidated
Shares) re-opens 9:00 a.m. on Friday, 28 February 2025

Parallel trading in the Consolidated Shares
(in the form of new share certificates for
the Consolidated Shares and existing share
certificates) commences 9:00 a.m. on Friday, 28 February 2025

Designated broker starts to stand in
the market to provide matching services
for the sale and purchase of odd lots of
the Consolidated Shares 9:00 a.m. on Friday, 28 February 2025

Designated broker ceases to stand in
the market to provide matching services
for sale and purchase of odd lots of
the Consolidated Shares 4:00 p.m. on Thursday, 20 March 2025

Temporary counter for trading Consolidated
Shares in board lots of 200 Consolidated
Shares (in the form of existing share
certificates) closes4:10 p.m. on Thursday, 20 March 2025

Parallel trading in Consolidated Shares
(in the form of new share certificates
for the Consolidated Shares and existing
share certificates) ends4:10 p.m. on Thursday, 20 March 2025

Last date and time for free exchange of
existing share certificates for new share
certificates of the Consolidated SharesMonday, 24 March 2025

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, among other things, approve the Share Consolidation. The Circular containing, among other matters, further details of the Share Consolidation together with a notice convening the EGM is expected to be despatched to the Shareholders on or before Thursday, 23 January 2025.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation and no Shareholders are required to abstain from voting at the EGM.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the fulfilment of the conditions set out in the section headed "Conditions of the Share Consolidation" in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Board"	the board of Directors
"Business Day(s)"	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
"CCASS"	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system

“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation and the notice of the EGM
“Company”	Sam Woo Construction Group Limited (三和建築集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 3822)
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$0.05 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation and the matters contemplated thereunder
“Existing Share(s)”	ordinary share(s) of HK\$0.0025 each in the existing share capital of the Company before the Share Consolidation becomes effective
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited of 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s) as the case may be
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares of par value of HK\$0.0025 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.05
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 17 January 2025

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. Lau Pui Shan; the independent non-executive directors of the Company are Mr. Chu Tak Sum, Mr. Ip Tin Chee, Arnold and Mr. Pang Tat Choi, Paul.