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SAM WOO HOLDINGS LIMITED

三和集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

(1) PROPOSED SHARE CONSOLIDATION AND (2) PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KINGSTON SECURITIES LTD.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.05 each.

The Share Consolidation is subject to the Shareholders' approval at the SGM at which no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing further details of the Share Consolidation and the notice of the SGM are expected to be dispatched to the Shareholders on 29 August 2012.

THE PLACING

After the trading hours on 14 August 2012, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place a maximum of 600,000,000 new Existing Shares (in the event that the Placing takes place before the Share Consolidation becoming effective) or 120,000,000 new Consolidated Shares (in the event that the Placing takes place after the Share Consolidation becoming effective), on a best effort basis, to not less than six Places at the Placing Price.

* *For identification purpose only*

A maximum of 600,000,000 (120,000,000) Placing Shares under the Placing represent approximately 19.87% (19.87%) of the Company's existing issued share capital as at the date of this announcement and approximately 16.57% (16.57%) of its issued share capital as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$6,000,000 (HK\$6,000,000).

The Placing Price of HK\$0.05 (HK\$0.25) represents a discount of approximately 18.03% (18.03%) to the benchmarked closing price of HK\$0.061 per Existing Share (HK\$0.305 per Consolidated Share), which is the higher of (i) the closing price of HK\$0.061 per Existing Share (HK\$0.305 per Consolidated Share) as quoted on the Stock Exchange on the Last Trading Date; and (ii) the average closing price of HK\$0.0596 per Existing Share (HK\$0.298 per Consolidated Share) as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Date.

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.

On the assumption that all the Placing Shares are successfully placed, the gross proceeds from the Placing will be approximately HK\$30,000,000 and the net proceeds from the Placing will be approximately HK\$29,000,000.

Shareholders and potential investors should note that the Placing Agreement is subject to conditions to be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares. For the avoidance of doubt, the Placing and the Share Consolidation are not inter-conditional.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.05 each. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares of HK\$0.01 each, of which 3,020,000,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or purchase any Existing Shares prior thereto, the authorised share

capital of the Company shall become HK\$100,000,000 divided into 2,000,000,000 Consolidated Shares of HK\$0.05 each, of which 604,000,000 Consolidated Shares will have been allotted and issued as fully paid or credited as fully paid.

The Consolidated Shares will be identical in all respects and rank pari passu in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof 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 to which the Shareholders may be entitled.

Dealings of the Consolidated Shares

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on Stock Exchange, 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 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Conditions of the Share Consolidation

The Share Consolidation is conditional on:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and the permission to deal in, the Consolidated Shares in issue; and
- (iii) the compliance with the relevant procedures and requirements under the Listing Rules and Bermuda Law to effect the Share Consolidation.

Listing Application

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

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 issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the recent trading price of the Existing Shares, the Board proposes to implement the Share Consolidation. The Share Consolidation will increase the nominal value of the Shares of the Company, and is expected to bring about a corresponding increase in

the trading price of the Consolidated Shares and enable the Company to comply with the trading requirements under the Listing Rules. Accordingly, the Board is of the view that the Share Consolidation is in the interest of the Company and the Shareholders as a whole.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, 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 dispatched to the Shareholders in relation to the Share Consolidation.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, Shareholders may, on or after 17 September 2012 until 4:00 p.m. on 26 October 2012 (both days inclusive), submit share certificates for Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of five (5) Existing Shares for one (1) Consolidated Share). Thereafter, certificates of Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each certificate issued or cancelled, whichever the number of certificates is higher. Existing certificates for the Existing Shares will remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purpose.

Expected timetable

Set out below is the expected timetable for the implementation of the Share Consolidation:

Dispatch of circular with notice of SGM.	Wednesday, 29 August 2012
Latest time for lodging forms of proxy for the SGM	4:00 p.m. on Wednesday, 12 September 2012
Date of SGM	3:00 p.m. on Friday, 14 September 2012
Publication of announcement of the result of the SGM in respect of the approval of the Share Consolidation	Friday, 14 September 2012
Effective date of the Share Consolidation	Monday, 17 September 2012
Dealing in Consolidated Shares commences	9:00 a.m. on Monday, 17 September 2012
First day for free exchange of existing share certificates for new share certificates.	Monday, 17 September 2012

Original counter for trading in Existing Shares in board lots of
10,000 Existing Shares temporarily closes 9:00 a.m. on
Monday, 17 September 2012

Temporary counter for trading in Consolidated Shares
in board lots of 2,000 Consolidated Shares
(in the form of existing share certificates) opens 9:00 a.m. on
Monday, 17 September 2012

Original counter for trading in Consolidated Shares
in board lots of 10,000 Consolidated Shares
(in the form of new share certificates) re-opens. 9:00 a.m. on
Wednesday, 3 October 2012

Parallel trading in Consolidated Shares in the form
of new share certificates and existing share
certificates commences 9:00 a.m. on
Wednesday, 3 October 2012

Designated broker starts to stand in the market to provide
matching services for odd lots of Consolidated Shares Wednesday, 3 October 2012

Temporary counter for trading in Consolidated Shares
in board lots of 2,000 Consolidated Shares
(in the form of existing share certificates) closes. 4:00 p.m. on
Wednesday, 24 October 2012

Parallel trading in Consolidated Shares in the form of
new share certificates and existing share certificates ends. 4:00 p.m. on
Wednesday, 24 October 2012

Designated broker ceases to stand in the market to provide
matching services for odd lots of Consolidated Shares 4:00 p.m. on
Wednesday, 24 October 2012

Last day for free exchange of existing share certificates
for new share certificates Friday, 26 October 2012

SGM and circular

The Share Consolidation is subject to the Shareholders' approval at the SGM at which no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing further details of the Share Consolidation and the notice of the SGM are expected to be dispatched to the Shareholders on 29 August 2012.

THE PLACING

On 14 August 2012 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis basis,

600,000,000 new Existing Shares (in the event that the Placing takes place before the Share Consolidation becoming effective) or 120,000,000 new Consolidated Shares (in the event that the Placing takes place after the Share Consolidation becoming effective) to not less than six Placees at a price of HK\$0.05 per Existing Share (in the event that the Placing takes place before the Share Consolidation becoming effective) or HK\$0.25 per Consolidated Share (in the event that the Placing takes place after the Share Consolidation becoming effective).

As the Placing may take place before or after the Share Consolidation becoming effective, and the number of the Placing Shares and the Placing Price will be adjusted accordingly for the effect of the Share Consolidation, brackets (“(“and”)”) are used in this announcement to illustrate the corresponding adjustments in the event that the Placing takes place after the Share Consolidation becoming effective.

Details of the Placing Agreement are as follows:

The Placing Agreement

Date

14 August 2012 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed with the Company to place to a maximum of 600,000,000 (120,000,000) Placing Shares on a best effort basis and will receive a placing commission of 2.5% of the aggregate amount equal to the Placing Price multiplied by the actual number of the Placing Shares being placed.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquires, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules). As at the date of this announcement, the connected persons (as defined in the Listing Rules) of the holding company of the Placing Agent are interested in an aggregate of 40,720,000 Existing Shares, representing approximately 1.35% of the Company’s existing issued share capital as at the date of this announcement.

Placees

The Placing Agent agreed to place the Placing Shares on a best effort basis to not fewer than six Placees (who will be independent professional, institutional or other investor), who and whose ultimate beneficial owner(s) will not be connected persons (as defined in the Listing Rules) of the Company. It is not expected that any individual Placee will become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the

Placing. If any of the Placees becomes a substantial Shareholder (as defined in the Listing Rules) after the completion of the Placing, further announcement will be made by the Company.

Placing Shares

600,000,000 (120,000,000) Placing Shares, representing approximately 19.87% (19.87%) of the Company's existing issued share capital as at the date of this announcement and approximately 16.57% (16.57%) of its issued share capital as enlarged by the Placing Shares.

The Placing Shares will be issued under the general mandate to allot, issue and deal with Shares granted to the Board by resolution of the Shareholders passed at the Company's annual general meeting held on 3 August 2011 subject to the limit of up to 20% of the then issued share capital of the Company as at the date of such annual general meeting. Accordingly, the issue of the Placing Shares is not subject to approval of the Shareholders. Under the general mandate, the Company is authorized to issue up to 604,000,000 Existing Shares (120,800,000 Consolidated Shares). Up to the date of this announcement, no Shares have been issued under the general mandate.

The Placing Shares will rank upon issue, pari passu in all respect with the Existing Shares or the Consolidated Shares (as the case may be) in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.05 (HK\$0.25) represents a discount of approximately 18.03% (18.03%) to the benchmarked closing price of HK\$0.061 per Existing Share (HK\$0.305 per Consolidated Share), which is the higher of (i) the closing price of HK\$0.061 per Existing Share (HK\$0.305 per Consolidated Share) as quoted on the Stock Exchange on the Last Trading Date; and (ii) the average closing price of approximately HK\$0.0596 per Existing Share (HK\$0.298 per Consolidated Share) as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Date.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the performance of the Shares and the current market conditions. The Board considers that the terms of the Placing Agreement are fair and reasonable, on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole.

The net proceeds raised per Placing Share upon the completion of the Placing will be approximately HK\$0.0483 (HK\$0.2417). The aggregate nominal value of the Placing Shares under the Placing is approximately HK\$6,000,000.

Conditions of the Placing

Completion is conditional upon (a) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in the Placing Shares; (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

If the conditions precedent are not fulfilled in whole or in part by the Placing Agent prior to 5:00 p.m. on 14 November 2012 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 thereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Termination and force majeure of the Placing

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the date of Completion, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which would, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation to suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the date of Completion:

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) any suspension in the trading on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the any announcements or circulars relating to the Placing; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

Completion of the Placing

Completion will take place within four business days after the fulfillment of the conditions as set out in the Placing Agreement or such later date to be agreed between the Company and the Placing Agent in writing.

Listing

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

Reasons for and benefit of the Placing and use of proceeds

The Directors are of the view that the Placing represents an opportunity to broaden the Shareholders' base and strengthen the financial position of the Company. The Directors consider that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds from the Placing will be approximately HK\$30,000,000. The estimated net proceeds from the Placing, after deducting the related placing fee, professional fees and all other related expenses incurred in connection with the Placing which will be borne by the Company, are expected to be approximately HK\$29,000,000. The Company intends to apply the net proceeds for general working capital purposes of which approximately 50% for the partial repayment of the Group's borrowings and approximately 50% for other general working capital purposes such as payments of administrative costs and other business operation costs.

Equity fund raising activities of the Company in the past 12 months

The Company has not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

Effects on the shareholding structure

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full) are set out as below:

	As at the date of this announcement		Upon completion of the Placing (assuming taking place before Share Consolidation becoming effective)		Upon completion of the Placing (assuming taking place after Share Consolidation becoming effective)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Superb Smart Limited (<i>Note</i>)	1,700,000,000	56.29	1,700,000,000	46.96	340,000,000	46.96
Placees	—	—	600,000,000	16.57	120,000,000	16.57
Other public Shareholders	<u>1,320,000,000</u>	<u>43.71</u>	<u>1,320,000,000</u>	<u>36.47</u>	<u>264,000,000</u>	<u>36.47</u>
	<u>3,020,000,000</u>	<u>100</u>	<u>3,620,000,000</u>	<u>100</u>	<u>724,000,000</u>	<u>100</u>

Note: Superb Smart Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Ms. Zheng Juhua, the Chairman and an executive Director of the Company.

GENERAL

The Company is an investment holding company and, through its subsidiaries, is engaged in the vessel chartering business.

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which may confer any right to subscribe for convert or exchange into Shares of the Company.

Shareholders and potential investors should note that the Placing Agreement is subject to conditions to be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares. For the avoidance of doubt, the Placing and the Share Consolidation are not inter-conditional.

DEFINITIONS

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:

“Board”	the board of Directors;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Sam Woo Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange;

“Completion”	completion of the Placing in accordance with the Placing Agreement;
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company upon Share Consolidation becoming effective;
“Director(s)”	director(s) of the board of the Company;
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company as at the date of this announcement;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	Hong Kong Special Administrative Region of PRC;
“Last Trading Date”	14 August 2012, being the date of the Placing Agreement which is a business day;
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange;
“Placee(s)”	any professional, 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 a maximum of 600,000,000 Existing Shares or 120,000,000 Consolidated Shares (as the case may be) pursuant to the terms of the Placing Agreement;
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the conditional placing agreement dated 14 August 2012 entered into between the Company and the Placing Agent in relation to the Placing;
“Placing Price”	HK\$0.05 per Existing Share or HK\$0.25 per Consolidated Share (as the case may be) under the Placing Agreement;
“Placing Share(s)”	a maximum of 600,000,000 Existing Share or 120,000,000 Consolidated Shares (as the case may be) to be placed pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China;

“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation;
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case may be;
“Share Consolidation”	the proposed consolidation of every five (5) Existing Shares into one (1) Consolidated Share;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By Order of the Board
Sam Woo Holdings Limited
Zheng Juhua
Chairman

Hong Kong, 14 August 2012

As at the date of this announcement, the executive Directors are Ms. Zheng Juhua, Mr. Chan Chi Yuen and Mr. Chen Shaohua; the independent non-executive Directors are Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth.