



SAM WOO HOLDINGS LIMITED

三和集團有限公司*

(a company incorporated in Bermuda with limited liability)
(Stock code: 2322)

CONTINUING CONNECTED TRANSACTION LEASING OF PREMISES

The Board announces that the Company had entered into tenancy agreement with each of the Landlords on 1 August 2005 for leasing the Premises as director quarters.

Each of the Landlords is a private company owned by an association of one or more of Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka, Ms. Leung Lai So, each of whom a director of the Company, and Ms. Lau Pui Shan, a director of the Subsidiary. Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So together also have a 75% interests in the issued share capital of the Company. Accordingly, the transactions contemplated under the Tenancy Agreements constitute continuing connected transactions under Rule 14A.14 of the Listing Rules and are required to be disclosed by this announcement but are exempt from independent shareholders' approval pursuant to Rule 14A.34 of the Listing Rules.

DETAILS OF THE TENANCY AGREEMENT

The Board announces that the Company had entered into tenancy agreement with each of the Landlords on 1 August 2005 whereby the Company agreed to lease the Premises from the Landlords for use as director quarters.

The principal terms of the Tenancy Agreements are summarized as follows.

Landlords	
First Tenancy Agreement	: Long Ascent Development Limited
Second Tenancy Agreement	: Healthy World Investment Limited
Third Tenancy Agreement	: Cheer Wealth International Development Limited
Fourth Tenancy Agreement	: Cheer Profit International Enterprise Limited
Fifth Tenancy Agreement	: East Ascent Enterprise Limited
Tenant	: Sam Woo Holdings Limited
Premises	
First Tenancy Agreement	: Flat C, 16/F, Block 2 and Private Carparking Space No. 61, Parc Palais, 18 Wylie Road, Ho Man Tin, Kowloon, Hong Kong with gross floor area of approximately 1,762 sq. ft.
Second Tenancy Agreement	: Flat C, 15/F, Block 2 and Private Carparking Space No. 60, Parc Palais, 18 Wylie Road, Ho Man Tin, Kowloon, Hong Kong with gross floor area of approximately 1,762 sq. ft.
Third Tenancy Agreement	: Flat A, 29/F, Block 1, Parc Palais, 18 Wylie Road, Ho Man Tin, Kowloon, Hong Kong with gross floor area of approximately 2,656 sq. ft.
Fourth Tenancy Agreement	: Carparking Space No. 63, Parc Palais, 18 Wylie Road, Ho Man Tin, Kowloon, Hong Kong
Fifth Tenancy Agreement	: Carparking Space No. 62, Parc Palais, 18 Wylie Road, Ho Man Tin, Kowloon, Hong Kong
Lease term	: Twenty four (24) calendar months commencing from 1 April 2005 and ending on 31 March 2007 (both day inclusive)
Rent	
First Tenancy Agreement	: HK\$43,000 per month payable in cash
Second Tenancy Agreement	: HK\$43,000 per month payable in cash
Third Tenancy Agreement	: HK\$66,000 per month payable in cash
Fourth Tenancy Agreement	: HK\$3,000 per month payable in cash
Fifth Tenancy Agreement	: HK\$3,000 per month payable in cash
Annual rent payable	: HK\$1,896,000
Aggregate rent payable	: HK\$3,792,000
Management fee, rates and government rent	: To be paid by the Landlords
Termination	: Terminable by tenant after first twelve months of tenancy with one month's written notice or payment of one month's rent in lieu of notice

PRINCIPAL ACTIVITIES OF THE GROUP AND THE LANDLORD

The principal activity of the Company is investment holding and the principal activities of the Group are foundation works, leasing of machinery and equipment for foundation works and trading of machinery and equipment. The principal activity of the Landlords is property investment.

REASON FOR THE TRANSACTION

The Board had earlier conducted a review of the Company's policy on remuneration of directors and, having consulted the Company's remuneration committee, resolved to include the provision of quarters in the remuneration packages of certain Directors.

The Company had negotiated with the Landlords on an arm's length basis with reference to open market rent of transactions in comparable properties in the area and decided to enter into the Continuing Connected Transactions.

The Directors (including the independent non-executive directors) are of the opinion that the terms and conditions of the Tenancy Agreements are on normal commercial terms, fair, reasonable and in the interests of the Company and the Group and its shareholders as a whole and are entered into in the ordinary and usual course of business on an arm's length basis with reference to fair market rent.

The rent under the Tenancy Agreements is to be paid from the Group's internal resources.

THE CONTINUING CONNECTED TRANSACTION

Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka, Ms. Leung Lai So, each a director of the Company, and Ms. Lau Pui Shan, a director of the Subsidiary, have the following interests in the Landlords:

Landlords	Shareholdings
Long Ascent Development Limited	: Lau Chun Ming 50% Lau Chun Kwok 49% Leung Lai So 1%
Healthy World Investment Limited	: Lau Chun Ming 50% Lau Chun Ka 50%
Cheer Wealth International Development Limited	: Lau Chun Ming 50% Leung Lai So 25% Lau Pui Shan 25%
Cheer Profit International Enterprise Limited	: Lau Chun Ming 50% Leung Lai So 25% Lau Pui Shan 25%
East Ascent Enterprise Limited	: Lau Chun Ming 50% Leung Lai So 25% Lau Pui Shan 25%

Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So together also have a 75% interests in the issued share capital of the Company. Each of the Landlords is therefore a connected person as defined under Rule 14A.11 of the Listing Rules and accordingly, the transactions contemplated under the Tenancy Agreements constitute continuing connected transactions under Rule 14A.14 of the Listing Rules.

The annual rent payable under the Tenancy Agreements, being HK\$1,896,000, falls between 0.1% and 2.5% of the total assets of the Company as reported in its latest annual report and the total market capitalization of the Company and is also less than the threshold amount of HK\$10,000,000. In accordance with Rule 14A.34 of the Listing Rules, the Continuing Connected Transactions are required to be disclosed by this announcement and in the Company's next published annual report, but are exempt from independent shareholders' approval.

DEFINITIONS

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

"Board"	the board of directors of the Company
"Company"	Sam Woo Holdings Limited
"Continuing Connected Transactions"	the transactions contemplated under the Tenancy Agreements
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary"	Sam Woo Bore Pile Foundation Limited
"Tenancy Agreements"	the tenancy agreements all dated 1 August 2005 between the each of the Landlords and the Company

By Order of the Board
Sam Woo Holdings Limited
CHAN Sun Kwong
Company Secretary

Hong Kong, 2 August 2005

* For identification purpose only

As at the date of this announcement, the Board comprises Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka, Ms. Leung Lai So, Mr. Hsu Kam Yee, Simon and Mr. Chan Sun Kwong as executive directors, Mr. Chiu Kam Kun, Eric as non-executive director and Dr. Lee Peng Fei, Allen, Professor Wong Sue Cheun, Roderick and Mr. Chan Wai Dune as independent non-executive directors.