



SAM WOO HOLDINGS LIMITED

三和集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 2322)

CONTINUING CONNECTED TRANSACTION VESSEL CHARTER AGREEMENTS

The Board announces that a wholly-owned subsidiary of the Company had entered into the First Charter Agreement and the Second Charter Agreement with the Vessel Owner on 25th January, 2005 whereby the Subsidiary agreed to hire the First Barge and the Second Barge from the Vessel Owner for a period of twelve months at a monthly charter fee of HK\$250,000 and HK\$100,000 respective.

The Vessel Owner is a company jointly owned by Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So, whom are also directors and beneficiary owner of 0.16%, 7.66%, 7.66% and 60.16%, respectively, of the issued share capital of the Company. The Vessel Owner is therefore a connected person as defined under Rule 14A.11 of the Listing Rules and accordingly, the transactions contemplated under the First Charter Agreement and the Second Charter Agreement will constitute a continuing connected transaction under Rule 14A.14 of the Listing Rules and are required to be disclosed by this announcement. The total charter fee payable under the First Charter Agreement and the Second Charter Agreement, being HK\$4,200,000, falls between 0.1% and 2.5% of the total assets of the Company as reported in its latest interim report and between 2.5% and 25% of 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 Transaction is required to be disclosed by this announcement and in the Company's next published annual report, but is exempt from independent shareholders' approval. Details of the Continuing Connected Transaction will be included in the Company's next published annual report.

DETAILS OF THE FIRST CHARTER AGREEMENT AND THE SECOND CHARTER AGREEMENT

The Board announces that a wholly-owned subsidiary of the Company had entered into the First Charter Agreement and the Second Charter Agreement with the Vessel Owner on 25th January, 2005 whereby the Subsidiary agreed to hire the Crane Barge and the Split Hopper Barge from the Owner for a period of twelve months at a monthly charter fee of HK\$250,000 and HK\$100,000 respective.

The principal terms of the First Charter Agreement and Second Charter Agreement are summarized below.

Owner	:	Sam Woo Ship Building Limited
Charterer	:	Sam Woo Bore Pile Foundation Limited
Subject of charter	:	
First Charter Agreement	:	A Non-Merchandised Class IV Crane Barge
Second Charter Agreement	:	A Non-Merchandised Class II Split Hopper Barge
Charter period	:	12 months commencing from a day in January 2005 as to be advised by the Charterer
Charter fee	:	
First Charter Agreement	:	HK\$250,000 per month
Second Charter Agreement	:	HK\$100,000 per month
Total charter fee payable	:	HK\$4,200,000
Termination:	:	Early termination by the Charterer by giving one month's written notice.

PRINCIPAL ACTIVITIES OF THE SUBSIDIARY, THE GROUP AND THE VESSEL OWNER

The principal activities of the Subsidiary and the Group are foundation works, leasing of machinery and equipment for foundation works and trading of machinery and equipment. The principal activities of the Vessel Owner are leasing and trading of vessels and provision of marine engineering services.

THE CONTINUING CONNECTED TRANSACTION

The Vessel Owner is a company jointly owned by Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So, whom are also directors and beneficiary owner of 0.16%, 7.66%, 7.66% and 60.16%, respectively, of the issued share capital of the Company. The Vessel Owner is therefore a connected person as defined under Rule 14A.11 of the Listing Rules and accordingly, the transactions contemplated under the First Charter Agreement and the Second Charter Agreement will constitute a continuing connected transaction under Rule 14A.14 of the Listing Rules.

The total charter fee payable under the First Charter Agreement and the Second Charter Agreement, being HK\$4,200,000, falls between 0.1% and 2.5% of the total assets of the Company as reported in its latest interim report and between 2.5% and 25% of 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 Transaction is required to be disclosed by this announcement and in the Company's next published annual report, but is exempt from independent shareholders' approval.

REASON FOR THE TRANSACTION

The Subsidiary had recently contracted a construction project for marine piling works, which involves the construction of an underwater seawall of continuous bore piles as part of the Central Reclamation Phase III project of the Territory Development Department. The duration of the construction contract is approximately 13 months commencing from 23 November 2004 and the Subsidiary requires the use of certain barges as working platforms in the harbour and to carry out certain of the contract works. The Vessel Owner has in its possession certain barges that fit the working requirement of the Subsidiary. The Subsidiary had negotiated with the Vessel Owner on an arm's length basis with reference to fair market charter rate and decided to enter into the Continuing Connected Transaction.

The Directors (including the independent non-executive directors) are of the opinion that the terms and conditions of the First Charter Agreement and the Second Charter Agreement 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 charter rate.

The charter fee under the Continuing Connected Transaction is to be paid from the Group's internal resources.

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 Transaction"	the transactions contemplated under the First Charter Agreement and the Second Charter Agreement
"Crane Barge"	the subject of charter of the First Charter Agreement
"Directors"	the directors of the Company
"First Charter Agreement"	the crane barge charter agreement dated 25th January, 2005 between the Vessel Owner and the Subsidiary
"Group"	The Company and its subsidiaries
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Second Charter Agreement"	the split hopper barge charter agreement dated 25th January, 2005 between the Vessel Owner and the Subsidiary
"Split Hopper Barge"	the subject of charter under the Second Charter Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary"	Sam Woo Bore Pile Foundation Limited
"Vessel Owner"	Sam Woo Ship Building Limited

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

Hong Kong, 31 January 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.