



俊和發展集團
CHUN WO DEVELOPMENT HOLDINGS LIMITED

[For Immediate Release]

CHUN WO INTRODUCES NEW SHAREHOLDER WITH PRC PRESENCE

**STRIVES TO EXPAND BUSINESS IN THE PRC AND OVERSEAS
BUILDS CHUN WO INTO AN ACCLAIMED CONTRACTOR AND DEVELOPER THROUGHOUT ASIA**

(Hong Kong, 6 November 2014) — **Chun Wo Development Holdings Limited (“Chun Wo” or “the Group”) (stock code: 00711)** has announced that the controlling shareholder, with shares directly and indirectly held by the members of the Pang family, has entered into an agreement regarding the sale of 510,000,000 shares at HK\$1.099 per sale share to China New Way Investment Limited (“China New Way”) at a total consideration of HK\$560,490,000 on 10 September 2014. The sale shares represent approximately 46.70% of the issued share capital of the Group as at 20 October 2014. Riding on Chun Wo’s listing status in Hong Kong, China New Way is to exert its best efforts to grow the Group’s two core businesses in the construction and property development sectors in the PRC leveraging the network and resources of China New Way in Mainland China.

China New Way is wholly-owned by New Way International Investment Holdings Limited (“New Way International”), which is in turn owned by Mr. Zhang Xiaoliang, Mr. Wei Judong, Ms. Yang Weizhi and Huinong Financial Holdings Limited (“Huinong Financial”) with each of those four parties holding 25% equity interest. Huinong Financial is a subsidiary of Beijing Huinong Capital Corporation (北京惠農資本管理有限公司), which works with many of China’s top financial institutions, government departments, state-owned enterprises (“SOE”) closely, especially those involved with construction and infrastructure work.

Mr. Xu Jianhua, the sole director of China New Way and New Way International, has more than 10 years of human resources management experience and corporate management experience in the science and technology industry. He was a director of several listed companies in Hong Kong and Shanghai.

Mr. Dominic Pang, Chairman of Chun Wo, said, “The proposed introduction of China New Way as the future controlling shareholder in Chun Wo will create a win-win outcome for the sustainable development of both corporations. While the Pang family remains the second largest shareholder owning around 10% of Chun Wo’s shareholdings after the transaction completion, this partnership will not only diversify the Group’s shareholding base, but will also enrich Chun Wo’s professional management team through China New Way’s strong management experience in the PRC. While opening a new chapter at Chun Wo, we will capitalize this opportunity to grow our construction and property development businesses outside Hong Kong, where our firm roots, and build Chun Wo into an acclaimed contractor and developer throughout Asia.”

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Chun Wo will issue 100 million new shares and three year convertible bonds with a principal amount of \$84.266 million to China New Way. Immediately after the completion of the subscription of new shares but before conversion of the convertible bonds, China New Way will hold 51.18% of the issued share capital of Chun Wo as enlarged by the allotment and issue of the subscription shares. The Pang family stake in Chun Wo will be reduced to 10.39%.

In addition, Chun Wo has also proposed group restructuring involving separation of the existing redevelopment project in Cheung Sha Wan of Hong Kong from other operations of listed company. This project is to be transferred into a private company. By distribution in specie of the shares in this private company to Chun Wo shareholders and the subsequent Privateco Offer, this provides an alternative to Chun Wo's independent shareholders to realise all or part of their shareholdings in this private company in cash at HK\$0.181 per Privateco Share. Following the sale and purchase completion, the subscription completion and the distribution in specie, China New Way is obliged to make the Listco Offer which is an unconditional mandatory cash general offer at HK\$1.099 per Offer Share to acquire all shares other than those already owned by it. The combined result of the Privateco Offer and the Listco Offer will provide an opportunity for Chun Wo's independent shareholders to realise their investment in Chun Wo at a combined price up to HK\$1.28 (if they opt to accept both the Privateco Offer and the Listco Offer).

Following completion of the transactions, the Group will continue operating in construction and property development, its two major business segments, as well as other sectors including property investment, security and property management services. It will also gradually develop the construction work and property development business in the PRC and other countries while maintaining its listing on the Main Board of the Hong Kong Stock Exchange.

Chun Wo Development Holdings Limited (Stock code: 00711)

Chun Wo was founded in 1968 and listed on the Main Board of the Hong Kong Stock Exchange in 1993. Apart from developing its core property development and construction businesses, Chun Wo has been diversifying its business into property investment, property management and security services in recent years. The projects are widely distributed in Hong Kong, Mainland China, Macau, Vietnam and the United Arab Emirates. Possessing the expertise required for large-scale integrated construction projects, the Group is capable of undertaking a wide range of activities which include civil engineering, building construction, foundation works, tunnel boring machine ("TBM") technology, fitting out and interior design, electrical and mechanical engineering, track-work engineering and maintenance works. Its signature projects included the Central-Wan Chai Bypass, Guangzhou-Shenzhen-Hong Kong Express Rail Link and MTRC projects for the South Island Line and Shatin to Central Link. Chun Wo has also seized opportunities involving property development in the PRC, with presence in Shijiazhuang, Hebei Province; Shanwei, Guangdong Province; Yangzhou, Jiangsu Province and Shenyang, Liaoning Province.

China New Way Investment Limited

China New Way is a company incorporated in Hong Kong which is wholly-owned by New Way International Investment Holdings Limited, which is in turn owned by each of Mr. Zhang Xiaoliang, Mr. Wei Judong, Ms. Yang Weizhi and Huinong Financial Holdings Ltd. with each holding 25% equity interest. Mr. Xu Jianhua is the sole director of both China New Way and New Way International.

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	(i) As at 20 Oct 2014		(ii) Immediately upon Sale and Purchase Completion		(iii) Immediately upon Subscription Completion assuming no conversion of the Convertible Bonds		(iv) Immediately upon the conversion of the whole of the principal amount of the Convertible Bonds by the China New Way (Note 1)	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
GT Winners Limited	610,042,884	55.86	100,042,884 (Note 2)	9.16	100,042,884	8.39	100,042,884	7.28
Mr. Pang Yat Ting, Dominic (Note 3)	5,680,000	0.52	5,680,000	0.52	5,680,000	0.48	5,680,000	0.42
Madam Li Wai Hang, Christina (Note 3)	10,880,875	1.00	10,880,875	1.00	10,880,875	0.91	10,880,875	0.79
Mr. Pang Yat Bond, Derrick (Note 3)	7,326,000	0.67	7,326,000	0.67	7,326,000	0.61	7,326,000	0.53
GT Winners Limited and parties acting in concert with it	633,929,759	58.05	123,929,759	11.35	123,929,759	10.39	123,929,759	9.02
China New Way and parties acting in concert with it	—	—	510,000,000	46.70	610,000,000	51.18	792,000,000	57.64
Other Shareholders	458,099,817	41.95	458,099,817	41.95	458,099,817	38.43	458,099,817	33.34
Total	<u>1,092,029,576</u>	<u>100.00</u>	<u>1,092,029,576</u>	<u>100.00</u>	<u>1,192,029,576</u>	<u>100.00</u>	<u>1,374,029,576</u>	<u>100.00</u>

Notes:

1. Pursuant to the terms of the convertible bonds, no exercise of conversion rights attaching to the convertible bonds is allowed if immediately following the conversion, the Group will be unable to meet the public float requirement under the Listing Rules.
2. Upon sale and purchase completion, GT Winners Limited will directly and beneficially continue to hold 100,042,884 shares in Chun Wo.
3. Mr. Pang Yat Ting, Dominic, Madam Li Wai Hang, Christina and Mr. Pang Yat Bond, Derrick are the parties acting in concert with GT Winner Limited.