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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)

VOLUNTARY ANNOUNCEMENT FINANCIAL ASSISTANCE FROM A CONNECTED PERSON

The Board announces that on 20 June 2022, the Company entered into the Loan Agreement with the Lender, pursuant to which the Lender agrees to grant the Loan to the Company. The Lender is owned by the executive directors of the Company and hence a connected person of the Company. As the Loan is received by the Company from a connected person on normal commercial terms or better and is not secured by the assets of the Group, it is a connected transaction fully exempted under Rule 14A.90 of the Listing Rules from reporting, announcement, shareholders' approval, annual review and all disclosure requirements.

This is an announcement made by Sam Woo Construction Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) on a voluntary basis to update the shareholders and investors of the Company about business of the Company.

Introduction

The board of directors of the Company (the “**Board**”) announces that on 20 June 2022, the Company entered into a loan agreement (the “**Loan Agreement**”) with Sam Woo Ship Building Limited (the “**Lender**”), pursuant to which the Lender agrees to grant a loan of HK\$100 million (the “**Loan**”) to the Company.

Loan Agreement

Principal terms of the Loan Agreement are as follows:

Date:	20 June 2022
Lender:	the Lender
Borrower:	the Company
Facility amount:	Term loan of HK\$100 million
Repayment date:	On or before 30 June 2024

Interest rate: 1-month HIBOR+1.85% per annum

Security: None

Purpose: Working capital of the Company

Reasons for and benefits of the Loan

As at 31 March 2022, the Group had a net cash position (after deducting bank loans). The Company believes that the Group's net cash together with its banking facilities would be sufficient to meet the current operating needs of its business. Nevertheless, the Loan will strengthen the Group's financial position and provide additional working capital for undertaking any new construction projects in the future. It also demonstrates the support of the executive directors of the Company to the Group, as well as their confidence towards the long term prospects of the Group's business.

The Board (excluding Mr. Lau Chun Ming, Ms. Leung Lai So, Mr. Lau Chun Kwok and Mr. Lau Chun Ka who are considered to have interest in the Loan but including all independent non-executive directors of the Company) is of the view that the Loan Agreement has been entered into after arm's length negotiations on normal commercial terms or better without any security over the assets of the Group, and is fair and reasonable and in the interest of the Company and its shareholders as a whole.

Implications under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")

The Lender is 100% owned by the executive directors of the Company, namely Mr. Lau Chun Ming, Ms. Leung Lai So, Mr. Lau Chun Kwok and Mr. Lau Chun Ka and hence a connected person of the Company. As the Loan is received by the Company on normal commercial terms or better and is not secured by the assets of the Group, it is a connected transaction fully exempted under Rule 14A.90 of the Listing Rules from reporting, announcement, shareholders' approval, annual review and all disclosure requirements.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 20 June 2022

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. Leung Lai So; the independent non-executive directors of the Company are Professor Wong Sue Cheun, Roderick, Mr. Chu Tak Sum and Mr. Ip Tin Chee, Arnold.