

CHUN WO ANNOUNCES 2006/07 ANNUAL RESULTS

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NET PROFIT SURGED 768% TO HK\$479,555,000**Highlights**

- Turnover up by 55.1% to HK\$4,034,066,000
- Net profit increased by 767.7% to HK\$479,555,000
- Earnings per share were 64.5 HK cents
- The Directors proposed payment of a final dividend of 2.75 HK cents per share and a special final dividend of 3.25 HK cents per share

(Hong Kong, 22 July 2007) – **Chun Wo Holdings Limited** (“Chun Wo” or “the Group”) (stock code: 711) today announced its annual results for the year ended 31 March 2007.

During the year under review, the Group recorded a turnover of HK\$4,034,066,000, an increase of 55.1% over that of last year. Profit attributable to shareholders surged by 767.7% to approximately HK\$479,555,000. The growth in turnover and profit was mainly attributable to the satisfactory sales of the property development project “No. 8 Clear Water Bay Road”. Earnings per share were HK 64.5 cents, against HK7.6 cents last year.

The Board of Directors proposed payment of a final dividend of 2.75 HK cents and a special final dividend of 3.25 HK cents per share. Including the interim dividend paid during the year, total dividend for the year ended 31 March 2007 is 10 HK cents per share.

Mr. Pang Kam Chun, Chairman of Chun Wo, said, “Guided by our business diversification strategy, we have successfully ventured into the property development business, which has brought us outstanding results and healthy growth in the past year. Hence, we were able to achieve record high in both our turnover and net profit.”

Business Review*Construction*

The Group focused on selective and prestigious projects during the year, especially those that required advanced technical skills and a higher level of industry know-how and expertise. The Group believes focusing in these kinds of projects will help enhance profit margins and achieve growth in the niche and technically demanding projects area.

Property Development & Property Investment

With strong capabilities and experience in construction, the Group has diversified its business to cover also property development and property investment. The efforts it made during the year under review had been highly effective. In addition to selling a substantial number of units of its flagship residential property project in Hong Kong – “No. 8 Clear Water Bay Road” – during the year, the remaining premium units on uppermost floors of the project have been packaged as “Sky House No. 8” and marketing has commenced subsequent to the financial year end.

In Mainland China, pre-sale of Phase 1A comprising six residential towers of the Group’s flagship development project in Shijiazhuang, Hebei Province, attracted overwhelming response in the end of 2006. This affirmed the effectiveness of the Group’s strategy to focus on property development in the PRC. The pre-sale of Shijiazhuang project Phase 1B, comprising a total of eight residential towers, will begin in the second half of 2007. This residential-cum-commercial development project with a total gross floor area of approximately 400,000 square meters is being developed in phases. Phases 1A and 1B are scheduled for completion by the end of 2007 and 2008 respectively.

As for the residential development project with shopping complex in Yangzhou, Jiangsu Province, construction works had commenced in the second quarter of 2006 and pre-sale will take place in late 2007. The project comprises 6 blocks of residential buildings and a shopping complex.

Furthermore, the Group commenced development of two property projects at sites acquired earlier in Yixing, Jiangsu Province, one near the city center and the other in the suburb. The first project is a serviced apartment/hotel development with a 3-storey retail arcade and its construction had commenced in the first quarter of 2007. The latter project will be a low-density development with town houses and low-rise apartments complemented by scenic lake views. The project is in its planning and design stage.

The comprehensive development project “Saigon Pearl” in Ho Chi Minh City, Vietnam, pursued by the Group’s joint venture there progressed on schedule. The project is situated along the Saigon River with gross floor area of around 400,000 square meters, comprising 8 blocks of apartment, a clubhouse, 2 office towers and a large-scale shopping mall. Phase 1 of Saigon Pearl, comprising 4 blocks of apartment, has been substantially sold in pre-sale by the end of the financial year

The Group’s investment properties at “Grandeur Terrace” in Tin Shui Wai, “Infinity 8” in Choi Hung and “Elite Plaza” in Zhongshan, Mainland China, all brought in stable income for the Group.

Future Plans

Riding on the demand for housing fuelled by the booming economy, rising household income and rapid urbanization in the PRC, the Group will actively pursue property development projects with potential. The Group will continue to focus on second and third tier cities and expects its Shijiazhuang project to bring in progressive income in the coming years.

Apart from focusing on the PRC, Chun Wo will remain open to potential property development opportunities in Hong Kong, Macau and Vietnam. The Group will continue to join hands with other established property developers in future projects, and on the other hand, seek development opportunities from private land owners. The Group's flagship property project in Hong Kong – "No. 8 Clear Water Bay Road" – recorded excellent sales, which evidenced the synergies of the Group's property development and construction capabilities. "Sky House No. 8" has achieved a record high area selling price of HK\$12,250 per square feet in June 2007, being the highest ever price per square feet in the district. In Vietnam, on the other hand, Chun Wo's first property development project "Saigon Pearl" is progressing well with construction of phase I to be completed by end of 2007. The whole project is scheduled to be completed by 2010.

As for the construction sector, in the 2007/08 Budget, the Government earmarked an average of \$29 billion a year for infrastructure projects over the next few years. The Group is confident in both public and private sector demand for quality construction work in the coming years.

Outside Hong Kong, rapid development of Macau into a gaming and leisure center has brought tremendous opportunities to the construction sector in the building of casinos, hotels and other infrastructure projects. Armed with the successful involvement in the Venetian Macau, the Group will bid for other building and construction projects in Macau. In other parts of Asia, the Group is eyeing on railway and track-work transportation projects in Thailand, and high-rise building construction projects in Dubai and Abu Dhabi.

Mr. Clement Kwok, Managing Director of Chun Wo, said, "Chun Wo's strategy for the construction business is to focus on projects requiring advanced technical skills and a higher level of industry know-how and expertise. We believe that our construction experience will enable us to explore other profitable property development opportunities in the region. Thus, we will continue to ride on our experience and resources in construction operations to support the growth of our property development business."

“In the long term, the Group is committed to diversifying its business and extending market reach with prudence to achieve sustainable growth and enhance business performance.”

Mr. Pang concluded.

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ABOUT CHUN WO HOLDINGS LIMITED

Chun Wo was founded in 1968 and listed on the Main Board of the Hong Kong Stock Exchange in 1993. It is a renowned construction company in Hong Kong in building construction, civil engineering, foundations, electrical and mechanical engineering, railway and transport engineering, maintenance engineering and interior design engineering. Apart from developing its core construction business, Chun Wo has been diversifying its business into property development, property investments, property management and security services in recent years. Construction and development projects of the Group are widely distributed in Hong Kong, Mainland China, Macau, Taiwan and Vietnam. Its signature projects included the Hong Kong International Airport Skyplaza, the KCR East Rail and West Rail and No. 8 Clear Water Bay Road.

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