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CHUN WO DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00711)

PROPOSED CHANGE OF AUDITORS AND PROPOSED AMENDMENT TO THE BYE-LAWS

PROPOSED CHANGE OF AUDITORS

The Board announces that Deloitte has tendered its resignation as auditors of the Company with effect from 13 February 2015 and the Board proposes to appoint Ernst & Young as auditors of the Company to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company, subject to the appointment being approved by the Shareholders by passing an ordinary resolution at the SGM.

Deloitte has confirmed that there are no matters connected with its resignation which it considered should be brought to the attention of the holders of securities of the Company. Moreover, the Board is not aware of any other matters in relation to the change of the auditors that need to be brought to the attention of the holders of the securities of the Company.

PROPOSED AMENDMENT TO THE BYE-LAWS

The Board proposes to amend the Bye-laws that authorizes the Directors to fill any casual vacancy in the office of auditors until the conclusion of the next annual general meeting of the Company instead of convening a special general meeting to fill the casual vacancy for administrative convenience in the future. The Proposed Bye-laws Amendment is subject to the approval of the Shareholders by passing a special resolution at the SGM.

A circular containing further details of the Proposed Appointment and Proposed Bye-laws Amendment, together with a notice of SGM will be despatched to the Shareholders as soon as practicable.

PROPOSED CHANGE OF AUDITORS

The board of directors (the “**Board**” or the “**Directors**”) of Chun Wo Development Holdings Limited (the “**Company**”) announces that Messrs. Deloitte Touche Tohmatsu (“**Deloitte**”) has tendered its resignation as the auditors of the Company with effect from 13 February 2015. As recommended by the audit committee of the Company, the Board proposes to appoint Ernst & Young (“**Ernst & Young**”) as the auditors of the Company (the “**Proposed Appointment**”) to fill the casual vacancy following the resignation of Deloitte and to hold office until the conclusion of the next annual general meeting of the Company, subject to the appointment being approved by the shareholders of the Company (the “**Shareholders**”) by passing an ordinary resolution at a special general meeting (the “**SGM**”).

The Board noted that Deloitte has been the auditors of the Company since 1993. Following the recent changes in the controlling shareholders of the Company and the composition of the Board, the Board has continuously reviewed the corporate governance practices implemented by the Company to ensure that it is aligned to the strategic direction of the Company and its subsidiaries going forward. For the purpose of maintaining good corporate governance practice, the Board considers that the Company’s auditors should be considered for rotation after an appropriate period of time. In addition, a rotation of auditors will help enhance the independence of the auditors in providing the independent professional services. After due consideration, the Board wishes to change the auditors of the Company for the year ending 31 March 2015.

Deloitte has confirmed in its letter of resignation that there are no matters connected with its resignation which it considered should be brought to the attention of the holders of securities of the Company. Moreover, the Board is not aware of any other matters in relation to the change of the auditors that need to be brought to the attention of the holders of the securities of the Company. Deloitte has also confirmed that it has not commenced any audit work of the Company for the financial year ending 31 March 2015.

The Board would like to take this opportunity to express its gratitude to Deloitte for its professional services and support to the Company in the past.

PROPOSED AMENDMENT TO THE BYE-LAWS

The Board proposes to amend the bye-laws of the Company (the “**Bye-laws**”) (the “**Proposed Bye-laws Amendment**”) that authorizes the Directors to fill any casual vacancy in the office of auditors until the conclusion of the next annual general meeting of the Company instead of convening a special general meeting to fill the casual vacancy for administrative convenience in the future. The Proposed Bye-laws Amendment is subject to the approval of the Shareholders by passing a special resolution at the SGM.

GENERAL

A circular containing further details of the Proposed Appointment and Proposed Bye-laws Amendment, together with a notice of SGM will be despatched to the Shareholders as soon as practicable.

By Order of the Board

CHUN WO DEVELOPMENT HOLDINGS LIMITED

Xu Jianhua	Pang Yat Ting, Dominic
<i>Co-Chairman</i>	<i>Co-Chairman</i>

Hong Kong, 13 February 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Xu Jianhua, Mr. Pang Yat Bond, Derrick and Mr. Kwok Yuk Chiu, Clement, the non-executive Directors of the Company are Mr. Pang Yat Ting, Dominic, Mr. Zhang Xiaoliang and Mr. Chow Wing Kin, Anthony SBS, JP, and the independent non-executive Directors of the Company are Mr. Chan Stephen Yin Wai, Mr. Kwan Ringo Cheukkai and Mr. Wu William Wai Leung.