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CHUN WO DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00711)

DISPOSAL OF CONVERTIBLE BONDS BY THE CONTROLLING SHAREHOLDER

The board of directors (the “**Board**” or “**Director(s)**”) of Chun Wo Development Holdings Limited (the “**Company**”) announces that the Board has been informed by China New Way Investment Limited (“**China New Way**”), the controlling shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company which contracted to sell the convertible bonds due 2017 of the Company (the “**Convertible Bonds**”) in the principal amount of HK\$42,133,000 (the “**Disposal**”) to China City Construction (International) Co., Limited (“**China City Construction**”) on 5 February 2015. The Convertible Bonds are convertible into shares of the Company at the conversion price of HK\$0.463 (subject to adjustments) per share.

China New Way understands that China City Construction is a wholly-owned subsidiary of 中國城市建設控股集團有限公司 (transliterated as China City Construction Holding Group Co., Limited). To the best of the knowledge, information and belief of the Directors of the Company, China City Construction is a third party independent of the Company and its connected persons (as defined in the Listing Rules). Immediately after the completion of the Disposal, China New Way will continue to be interested in 740,544,830 shares of the Company, representing approximately 62.04% of the issued share capital of the Company. Following the completion of the Disposal, each of China New Way and China City Construction will be interested in the principal amount of HK\$42,133,000 of the Convertible Bonds, which represent 91,000,000 underlying shares of the Company or approximately 6.62% of the enlarged issued share capital of the Company if the Convertible Bonds are fully converted.

By Order of the Board

Xu Jianhua
Co-Chairman

Pang Yat Ting, Dominic
Co-Chairman

Hong Kong, 5 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.