

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents (as defined herein), make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

**If you are in any doubt** as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed dealer in securities, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sunway International Holdings Limited (the “Company”), you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Dealings in the Shares and the Rights Shares may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “12. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Rights Shares on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or, under contingent situation, such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.



**SUNWAY INTERNATIONAL HOLDINGS LIMITED**

**新威國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 58)**

**RIGHTS ISSUE ON THE BASIS OF  
ONE (1) RIGHTS SHARE FOR  
EVERY TWO (2) EXISTING SHARES IN ISSUE  
AND HELD ON THE RECORD DATE**

**Financial adviser to the Company**



**KINGSTON CORPORATE FINANCE**

**Underwriters to the Rights Issue**



**KINGSTON SECURITIES**

**BUSINESS CENTURY  
INVESTMENTS LIMITED**

Capitalized terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 7 August 2018. The procedures for acceptance and payment for the Rights Shares are set out in the paragraph headed “Procedures for acceptance and payment or transfer” on pages 24 and 28 of this Prospectus.

If any of the Underwriters terminate the Underwriting Agreement in accordance with the provisions as set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus, or the conditions of the Rights Issue as set out in the section headed “Conditions of the Underwriting Agreement” in this Prospectus are not fulfilled or waived (as appropriate), the Rights Issue will not proceed. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Friday, 13 July 2018 and that dealings in Shares have taken place while the conditions to which the Underwriting Agreement is subject remain unfulfilled or waived (as appropriate). Any Shareholders or other persons dealing in Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled or waived (as appropriate) (which is expected to be 4:00 p.m. on Monday, 13 August 2018), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

\* *for identification purpose only*

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## DEFINITIONS

*In this Prospectus, unless the context requires otherwise, the following expressions shall have the following meanings:*

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 28 June 2018 in relation to the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“AUD”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors
“Business Century”	Business Century Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is legally owned by Ms. Xie, which is interested in 109,472,833 Shares, representing approximately 17.54% of the issued Shares and a Substantial Shareholder of the Company as at the Latest Practicable Date
“Business Day(s)”	any day(s) (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Bye-Laws”	the existing bye-laws of the Company and “Bye-Law” shall be construed accordingly
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

## DEFINITIONS

“Company”	Sunway International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Excess Application Form(s)”	the excess application form(s) issued to the Qualifying Shareholders in connection with the Rights Issue
“GEM”	GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who is/are independent of the Company and its connected persons
“Irrevocable Undertakings”	the conditional irrevocable undertakings dated 28 June 2018 given by Business Century and Ms. Xie in favour of the Company and Kingston Securities as described in the section headed “The Irrevocable Undertakings” in the “Letter from the Board” of this Prospectus
“Kingston Securities”	Kingston Securities Limited, a corporation licensed to carry on business in Type 1 (dealing in securities) regulated activity under the SFO, being one of the Underwriters to the Rights Issue pursuant to the Underwriting Agreement
“Last Trading Day”	28 June 2018, being the last trading day of Shares on the Stock Exchange prior to the release of the Announcement and the date of entering into of the Underwriting Agreement
“Latest Practicable Date”	19 July 2018, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	the latest time for acceptance for the Rights Shares at 4:00 p.m. on Tuesday, 7 August 2018 or such other time as may be agreed between the Company and the Underwriters

## DEFINITIONS

“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m. on Monday, 13 August 2018, being the fourth Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriters
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange
“Ms. Xie”	Ms. Xie Guilin, who is the ultimate beneficial owner of Business Century
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on enquiry to be made or legal advice to be obtained, consider it necessary or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) outside of Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	this document containing details of the Rights Issue despatched to the Qualifying Shareholders
“Prospectus Documents”	this Prospectus, the Provisional Allotment Letter and the Excess Application Form issued by the Company

## DEFINITIONS

“Prospectus Posting Date”	Tuesday, 24 July 2018 or such later date as may be agreed between the Underwriters and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Non-Qualifying Shareholder(s))
“Provisional Allotment Letter(s)”	the provisional allotment letter(s) issued to the Qualifying Shareholders in connection with the Rights Issue
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Monday, 23 July 2018, or such other date as may be agreed between the Company and the Underwriters for determining entitlements to the Rights Issue
“Registrar”	Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrar of the Company
“Rights Issue”	the issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	a total of 312,068,162 Share(s) to be allotted and issued under the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 (each) in the share capital of the Company
“Share Options”	the 26,780,000 outstanding share options of the Company to subscribe for 26,780,000 Shares at the exercise price of HK\$1.682 per Share granted pursuant to the Share Option Scheme and “Share Option” shall be construed accordingly
“Share Option Scheme”	the share option scheme of the Company adopted on 17 June 2016
“Shareholder(s)”	the holder(s) of the issued Shares

## DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$0.188 per Rights Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriters”	Kingston Securities and Business Century
“Underwriting Agreement”	the underwriting agreement dated 28 June 2018 entered into between the Company and the Underwriters in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	all the Rights Shares, other than those to be taken up by Business Century under the Irrevocable Undertakings, being 257,331,746 Rights Shares, underwritten by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement
“Untaken Shares”	those (if any) of the Underwritten Shares for which duly completed Provisional Allotment Letters and Excess Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time for Acceptance
“%”	per cent.

<b>EXPECTED TIMETABLE</b>
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*The expected timetable for the Rights Issue is set below:*

<b>Event</b>	<b>Time 2018</b>
First day of dealing in nil-paid Rights Shares .....	9:00 a.m. on Thursday, 26 July
Latest time for splitting of nil-paid Rights Shares .....	4:30 p.m. on Monday, 30 July
Last day of dealings in nil-paid Rights Shares.....	4:00 p.m. on Thursday, 2 August
Latest time for acceptance and payment for Rights Shares and application and payment for excess Rights Shares .....	4:00 p.m. on Tuesday, 7 August
Latest time for the termination of the Underwriting Agreement and the Rights Issue becomes unconditional.....	4:00 p.m. on Monday, 13 August
Announcement of the results of the Rights Issue .....	Friday, 17 August
Despatch of refund cheques if the Rights Issue does not proceed and in respect of wholly or partially unsuccessful application(s) for excess Rights Shares.....	Monday, 20 August
Despatch of share certificates for fully-paid Rights Shares .....	Monday, 20 August
Expected first day of dealings in fully-paid Rights Shares .....	9:00 a.m. on Tuesday, 21 August

*All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.*



<b>EXPECTED TIMETABLE</b>
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**EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE**

The Latest Time for Acceptance will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
  - a “black” rainstorm warning signal
- (i) in force in Hong Kong between 9:00 a.m. and 12:00 noon on that day and no longer in force after 12:00 noon on that day, the date of the Latest Time for Acceptance shall be extended to 5:00 p.m. on the same day; or
- (ii) in force in Hong Kong between 12:00 noon and 4:00 p.m. on that day, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those tropical cyclone warning signal no. 8 or above or “black” rainstorm warning signal in force between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates mentioned in the above “EXPECTED TIMETABLE” may be affected. An announcement will be made by the Company as soon as practicable.

## TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (1) in the absolute opinion of any Underwriters, the success of the Rights Issue would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of any Underwriters, materially and adversely affect the business, or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any Underwriters, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of any Underwriters is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) any change in the circumstances of the Company or any member of the Group occurs which in the absolute opinion of any Underwriters shall adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not *ejusdem generis* with any of the foregoing; or

## TERMINATION OF THE UNDERWRITING AGREEMENT

- (6) any matter occurs which, had it arisen or been discovered immediately before the date of this Prospectus and not having been disclosed in this Prospectus, would have constituted, in the absolute opinion of any Underwriters, a material omission in the context of the Rights Issue; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business Days occurs, excluding any halt or suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise,

any Underwriters shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Each Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of such Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representation, warranties or undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of such Underwriter.

Any such notice shall be served by an Underwriter prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriters, the obligations of all parties under the Underwriting Agreement, save in respect of any right or liability accrued before such termination, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.



**SUNWAY INTERNATIONAL HOLDINGS LIMITED**

**新威國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 58)**

*Executive Directors:*

Mr. Leung Chi Fai  
Mr. Li Chongyang  
Ms. Qi Jiao

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Directors:*

Mr. Huang Weidong (*Chairman*)  
Mr. Liu Chenli

*Head Office and principal place of  
business in Hong Kong:*

Unit 1902  
Cheung Kong Center  
2 Queen's Road Central  
Central, Hong Kong

*Independent non-executive Directors:*

Mr. Cong Yongjian  
Mr. Lam Kai Yeung  
Dr. Lam Huen Sum

24 July 2018

*To the Qualifying Shareholders and, for information purposes only, the Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF  
ONE (1) RIGHTS SHARE FOR EVERY  
TWO (2) EXISTING SHARES  
IN ISSUE AND HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement in relation to, among other things, the Rights Issue.

On 28 June 2018 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriters with respect to the Rights Issue.

\* for identification purpose only

## LETTER FROM THE BOARD

The Company will implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date by issuing 312,068,162 Rights Shares at the Subscription Price of HK\$0.188 per Rights Share.

Business Century has irrevocably undertaken to the Company and Kingston Securities to accept its provisional allotments being 54,736,416 Right Shares under the Rights Issue, to which it will be entitled to under the terms of the Rights Issue.

The Rights Issue (excluding the Rights Shares subject to the Irrevocable Undertakings) is fully underwritten by the Underwriters.

The purpose of this Prospectus is to provide the Shareholders, among other things, (i) further details about the Rights Issue including the procedures for acceptance and payment of the Rights Shares; (ii) the financial information of the Group; and (iii) the general information of the Group.

### RIGHTS ISSUE

#### Issue statistics

Basis of Rights Issue:	One (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date
Subscription Price:	HK\$0.188 per Rights Share
Number of Shares in issue as at the date of the Announcement:	624,136,324 Shares
Number of Rights Shares:	312,068,162 Rights Shares
Number of Rights Shares underwritten by the Underwriters:	257,331,746 Rights Shares
Aggregate nominal value of the Rights Shares:	Approximately HK\$31.21 million
Number of Shares in issue upon completion of the Rights Issue:	936,204,486 Shares
Amount to be raised before expenses:	Approximately HK\$58.67 million
Estimated net proceeds from the Rights Issue:	Approximately HK\$54.83 million
Right of excess applications:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

## LETTER FROM THE BOARD

As at the Latest Practicable Date, there were outstanding Share Options granted by the Company under the Share Option Scheme which entitled the holders of the Share Options to subscribe for a total of 26,780,000 new Shares during the period from 22 June 2016 to 21 June 2026 at the exercise price of HK\$1.682 per Share.

As at the Latest Practicable Date, the Company also has convertible notes with an aggregate principal amount of HK\$30 million. Based on the opinions obtained from the legal advisers to the Company, in view of the ongoing legal proceedings involving such convertible notes, the Company maintains the position that all such convertible notes of the Company, save already redeemed or converted, are null and void and are not capable of converting into Shares. Hence, there will be no adjustment to such convertible notes upon the completion of the Rights Issue. For further information on the legal proceedings, please refer to paragraphs (b) and (e) under the section headed “6. Litigation” in appendix III to this Prospectus.

Save as disclosed above, there are no other derivatives, outstanding convertible securities, options or warrants of the Company in issue which confer any right to subscribe for, convert or exchange into the Shares as at the Latest Practicable Date.

Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the date of the completion of the Rights Issue, the 312,068,162 Rights Shares represent 50% of the Company’s issued share capital as at the Latest Practicable Date and will represent approximately 33.33% of the Company’s issued share capital as enlarged by the allotment and issue of the Rights Shares.

### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares in issue and held by the Qualifying Shareholders on the Record Date at the Subscription Price.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by lodging a duly completed Provisional Allotment Letter and a cheque or a banker’s cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and this Prospectus, for information purposes only, to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

## LETTER FROM THE BOARD

Shareholders with their Shares held by a nominee (or which are held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:30 p.m. on Monday, 16 July 2018.

### Subscription Price

The Subscription Price for the Rights Shares is HK\$0.188 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 9.18% to the closing price of HK\$0.207 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 15.09% to the average closing price of HK\$0.2214 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 6.47% to the theoretical ex-entitlement price of approximately HK\$0.201 based on the closing price of HK\$0.207 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a discount of approximately 77.16% to the audited total equity attributable to owners of the Company of approximately HK\$0.823 per Share as at 31 December 2017 (which is calculated based on the total equity attributable to the owners of the Company as at 31 December 2017 of approximately HK\$513.93 million and 624,136,324 Shares in issue as at the Latest Practicable Date); and
- (e) a discount of approximately 10.48% to the closing price of HK\$0.21 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriters with reference to (a) the market price of the Shares prior to the Last Trading Day; (b) the capital needs and financial position of the Company; and (c) the prevailing market conditions of the capital market in Hong Kong. The Board considers the terms of the Rights Issue, including the Subscription Price which has been set at a reasonable discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company in the future, to be fair and reasonable and in the best interests of the Company and

## LETTER FROM THE BOARD

the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.176.

### **Dilution impact of the Rights Issue**

If all the Shareholders do not take up the Rights Shares to which they are entitled and the Underwriters take up all the Rights Shares, assuming that there is no change to the issued share capital of the Company from the Latest Practicable Date up to and including the completion date of the Rights Issue, as illustrated in the section headed “CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY” below, the percentage of shareholdings of the existing public Shareholders (i.e. excluding the shareholding interests of the Substantial Shareholders of the Company and the Directors) will be reduced from approximately 66.62% to approximately 44.41%, representing a dilution effect on the shareholding interests of approximately 33.33% as a result of the Rights Issue.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at the Latest Practicable Date, based on the register of members of the Company:

- (a) there were 569 Overseas Shareholders with registered addresses in Canada, Malaysia, Singapore, the United States of America, Indonesia and the PRC, representing approximately 0.50% of the issued share capital of the Company; and
- (b) the number and shareholdings of the Overseas Shareholders with registered addresses in Canada, Singapore and the United States of America (the “**Specified Territories**”) are as follows:

<b>Specified Territories</b>	<b>Number of registered Shareholders</b>	<b>Number of Shares held</b>	<b>Approximate percentage of shareholding in the issued share capital of the Company as at the Latest Practicable Date</b>
Canada	2	20,500	0.0033%
Singapore	553	3,047,405	0.4883%
United States of America	3	2,500	0.0004%

*Note:* Percentages in this table are rounded up to four decimal points.



## LETTER FROM THE BOARD

In accordance with Rule 13.36(2)(a) of the Listing Rules (including notes 1 and 2 thereto), the Company has made enquiries with its legal advisers to assist and enable the Board to consider whether it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders, on account of either the legal restriction under the laws of the relevant place or requirements of the relevant regulatory body or stock exchange in that place.

Based on the advice given by the Company's legal advisers with respect to legal restrictions under the laws of Canada or requirements of the relevant regulatory body or stock exchange in Canada, the Rights Issue cannot be extended to Shareholders in Canada without complying with the securities regulatory requirements in Canada which includes filing the Prospectus Documents and other required documents with the Canadian securities regulators.

Based on the advice given by the Company's legal advisers with respects to legal restrictions under the laws of Singapore or requirements of the relevant regulatory body or stock exchange in Singapore, the Rights Issue cannot be extended to shareholders in Singapore without complying with the prospectus requirements under the Securities and Futures Act, Chapter 289 (the "SFA") in Singapore. Based on enquiry made to the Company's legal advisers, the review of a prospectus in light of the prospectus requirements under the SFA is a costly and lengthy process.

Based on the advice given by the Company's legal advisers with respect to legal restrictions under the laws of the United States of America (the "USA") or requirements of the relevant regulatory body or stock exchange in the USA, the Rights Issue cannot be extended to Shareholders in the USA without registering the Rights Shares with the Securities and Exchange Commission in the USA and complying with an extensive set of ongoing reporting, filing and disclosure obligations.

According to the advice obtained from the Company's legal advisers with respect to legal restrictions under the laws or requirements of the relevant regulatory body or stock exchange, the extension of the Rights Issue to the Overseas Shareholders with registered addresses in the Specified Territories would, in the absence of compliance with relevant registration requirements for the Prospectus Documents and/or regulatory or filing requirements and/or other formalities in these jurisdictions, be unlawful or impracticable.

In view of (a) the percentages of shareholdings of the Overseas Shareholders in each of the Specified Territories being insignificant and represent less than approximately 0.5% of the total issued share capital of the Company as at the Latest Practicable Date; (b) the legal restrictions and the requirements of the relevant regulatory body or stock exchange in the Specified Territories; and (c) the time and costs involved in complying with the legal restrictions and regulatory requirements if the Rights Issue were to be extended to the Overseas Shareholders in the Specified Territories, the Board considers that the extension of the Rights Issue to the Overseas Shareholders with registered addresses in the Specified Territories would outweigh the possible benefits to the Overseas Shareholders and the Company. As such, the Board considers that it would be necessary and expedient to exclude the Overseas Shareholders with registered addresses in the Specified Territories from the Rights Issue and accordingly the Overseas Shareholders with registered addresses in the Specified Territories will be regarded as Non-Qualifying Shareholders in relation to the Rights Issue.

## LETTER FROM THE BOARD

Based on the advice obtained from the Company's legal advisers with respect to legal restrictions under the laws or requirements of the relevant regulatory body or stock exchange, the Rights Issue is being extended to the Overseas Shareholders with registered addresses in the PRC, Indonesia and Malaysia respectively as (a) there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the relevant jurisdiction; or (b) the Rights Issue meets the relevant exemption requirements under the relevant jurisdictions so that it would be exempt from obtaining approval or recognition from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions; or (c) the potential costs for complying with the exemption requirements under the applicable laws and regulations of the relevant jurisdictions are minimal. Accordingly, the Rights Issue will be extended to the Overseas Shareholders having registered addresses in the PRC, Indonesia and Malaysia, respectively and such Overseas Shareholders are being regarded as Qualifying Shareholders. The Prospectus Documents will be sent to each of the Overseas Shareholders having registered addresses in the PRC, Indonesia and Malaysia, respectively.

The Company will send the Prospectus Documents containing, among other things, details of the Rights Issue, to the Qualifying Shareholders on Tuesday, 24 July 2018. The Company will send the Overseas Letter together with this Prospectus to the Non-Qualifying Shareholders for information purposes only, but no Provisional Allotment Letter and Excess Application Form will be sent to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day for dealing in the nil-paid Rights Shares. If a premium (net of expenses) can be obtained, the net proceeds of such sale, less expenses, will be paid pro rata to the Non-Qualifying Shareholders in Hong Kong dollars as soon as practicable except that the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders will be taken up by excess application or by the Underwriters pursuant to the terms of the Underwriting Agreement.

Non-qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.

### **Ranking of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid, with a record date which falls on or after the date of allotment of the Rights Shares in their fully-paid form.

### **Share certificates and refund cheques for the Rights Issue**

Subject to the fulfilment or waiver (as appropriate) of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on Monday, 20 August 2018 by ordinary post to the allottees, at their own risks, to their registered addresses.

## **LETTER FROM THE BOARD**

Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on Monday, 20 August 2018 by ordinary post to the applicants, at their own risks, to their registered addresses.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for (a) any unsold entitlements of the Non-Qualifying Shareholders; (b) any fractions of Rights Shares; and (c) any Rights Shares provisionally allotted but not accepted.

Application for excess Rights Shares can be made only by duly completing and signing an Excess Application Form (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a pro-rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to the Rights Shares subscribed through applications by Provisional Allotment Letters or the existing number of Shares held by Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

Shareholders with their Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

### **Fractions of the Rights Shares**

Fractional entitlements to the Rights Shares will be disregarded and not be issued to the Qualifying Shareholders. Any fractional entitlements to the Rights Shares will be aggregated and will be made available for excess application by the Qualifying Shareholders under the Excess Application Forms.

## LETTER FROM THE BOARD

### **Application for listing of the Rights Shares**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both the nil-paid Rights Shares and the fully-paid Rights Shares will be traded in board lots of 20,000 Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated by the Underwriters prior to the Latest Time for Termination in accordance with its terms. Please refer to the paragraph headed “Conditions of the Underwriting Agreement” under the section headed “The Underwriting Agreement” for details of the conditions of the Underwriting Agreement. In the event that the conditions of the Rights Issue are not satisfied or waived (as appropriate) in whole by the Latest Time for Termination, then the Rights Issue will not proceed.

## LETTER FROM THE BOARD

### THE UNDERWRITING AGREEMENT

The Rights Issue (excluding the Rights Shares subject to Irrevocable Undertakings) is fully underwritten by the Underwriters. On 28 June 2018 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriters in respect of the Rights Issue. Details of the Underwriting Agreement are set out below:

- Date: 28 June 2018 (after trading hours)
- Parties:
- (a) the Company
  - (b) Business Century (as the first Underwriter)
  - (c) Kingston Securities (as the second Underwriter)

The purpose of the Company in engaging Business Century as one of the Underwriters in the Rights Issue is to gain the support from the existing single largest Shareholder and to reduce the costs of the Company in the Rights Issue as Business Century agreed not to charge any underwriting commission pursuant to the Underwriting Agreement. Business Century agreed to underwrite up to 115,000,000 Untaken Shares (the “**Business Century Portion**”).

- Number of Rights Shares to be underwritten:
- The Underwriters have conditionally and severally agreed pursuant to the Underwriting Agreement to underwrite the Underwritten Rights Shares on a fully underwritten basis in an aggregate of 257,331,746 Rights Shares at the Subscription Price, being the total number of Rights Shares under the Rights Issue excluding the Rights Shares subject to the Irrevocable Undertakings.

The Underwriters will subscribe or procure subscribers to take up the Untaken Shares on the following basis:

- (a) firstly, out of all the Untaken Shares, Business Century shall take up the Business Century Portion; and
- (b) if there is any balance of the Untaken Shares after deducting the Business Century Portion, Kingston Securities shall take up and/or procure subscribers to take up the balance of the Untaken Shares.

## LETTER FROM THE BOARD

Fee and commission: No underwriting commission is payable by the Company to Business Century pursuant to the Underwriting Agreement. The Company will pay to Kingston Securities an underwriting commission of 2.5% of the Subscription Price on the maximum number of the Underwritten Shares to be underwritten by Kingston Securities as at the date of the Underwriting Agreement.

The commission rate was determined after arm's length negotiation between the Company and Kingston Securities by reference to, among other things, the size of the Rights Issue, the underwriting risk bearing at the time of signing the Underwriting Agreement, the current and expected market condition and the prevailing market rate for the underwriting commission of comparable transaction. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement, including the commission rate, are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Kingston Securities is a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the SFO. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Kingston Securities and its ultimate beneficial owners are Independent Third Parties. The Company engaged Kingston Securities, which was an underwriter to a fund-raising activity of the Company in 2016, as the other Underwriter, as the Company considered that it would be more efficient and cost-effective to appoint an underwriter which has an understanding towards the Company. As such, the Company did not approach other securities house after Kingston Securities and Business Century agreed to be the Underwriters.

Under the Underwriting Agreement, in the event of Kingston Securities being called upon to subscribe for or procure subscribers for the Untaken Shares:

- (a) each of the subscribers of the Untaken Shares procured by it shall be an Independent Third Party and shall not together with any party acting in concert with it in the Company to exceed 19.99% of the voting rights of the Company upon completion of the Rights Issue;
- (b) the Company is able to satisfy its public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue; and

## LETTER FROM THE BOARD

- (c) Kingston Securities shall not subscribe for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.99% of the voting rights of the Company upon completion of the Rights Issue; or any breach of any applicable laws and regulations (including but without limitation the Company Ordinance).

As at the date of the Underwriting Agreement and the Latest Practicable Date, Kingston Securities does not hold any Shares on its own account. As at the Latest Practicable Date, Kingston Securities has no intention to become a Substantial Shareholder of the Company immediately upon completion of the Rights Issue, save for being obliged to take up any Untaken Shares under the Underwriting Agreement and subject to results of acceptances under the Rights Issue. In the event Kingston Securities as one of the Underwriters is required to take up the Untaken Shares, it shall, depending on factors including the then market price of the Shares, subscribe or procure subscription in respect of the Untaken Shares.

### **Conditions of the Underwriting Agreement**

The obligations of the Underwriters as specified under the Underwriting Agreement are conditional upon the following conditions being fulfilled or waived (as appropriate):

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) in accordance with section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies Ordinance and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, for information purposes only, on or before the Prospectus Posting Date;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (d) the Underwriting Agreement not being terminated by any of the Underwriters pursuant to the terms thereof prior to the Latest Time for Termination;
- (e) the compliance with and performance by the Company of all the undertakings and obligations under the terms of the Underwriting Agreement; and
- (f) the compliance with and performance of all the undertakings and obligations of Business Century and Ms. Xie under the Irrevocable Undertakings.

## LETTER FROM THE BOARD

The conditions precedent set out in paragraphs (a) to (c) above are incapable of being waived by the Underwriters or the Company. The condition precedent set out in paragraph (e) above can only be waived by the Underwriters; and the conditions precedent set out in paragraphs (d) and (f) above can only be waived by Kingston Securities.

If the conditions precedent set out in the above paragraphs are not satisfied in whole or in part at the respective time and dates specified therein (or such other time as the Underwriters may agree with the Company (as permitted under the relevant legal and regulatory requirements)) or waived (as appropriate), the Underwriting Agreement shall terminate and no party will have any claim against the other party for costs, damages, compensation or otherwise (save for any rights or obligations which have accrued under the Underwriting Agreement prior to such termination), and the Rights Issue will not proceed. The Irrevocable Undertakings given by Business Century and Ms. Xie shall lapse upon the termination of the Underwriting Agreement.

Up to the Latest Practicable Date, none of the conditions above has been fulfilled.

### **Termination of the Underwriting Agreement**

If, prior to the Latest Time for Termination:

- (a) in the absolute opinion of any Underwriters, the success of the Rights Issue would be materially and adversely affected by:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of any Underwriters, materially and adversely affect the business, or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
  - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any Underwriters, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of any Underwriters is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or



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- (c) any change in the circumstances of the Company or any member of the Group occurs which in the absolute opinion of any Underwriters shall adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not *ejusdem generis* with any of the foregoing; or
- (f) any matter occurs which, had it arisen or been discovered immediately before the date of this Prospectus and not having been disclosed in this Prospectus, would have constituted, in the absolute opinion of any Underwriters, a material omission in the context of the Rights Issue; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business Days occurs, excluding any halt or suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (h) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise,

any Underwriters shall be entitled by notice in writing to the Company and the other Underwriter, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Each Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of such Underwriter; or
- (b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representation, warranties or undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of such Underwriter.

Any such notice shall be served by an Underwriter prior to the Latest Time for Termination.

## LETTER FROM THE BOARD

**If any Underwriter terminates or rescind the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made if the Underwriting Agreement is terminated or rescinded.**

### **THE IRREVOCABLE UNDERTAKINGS**

Business Century and Ms. Xie have executed the Irrevocable Undertakings dated 28 June 2018 in favour of the Company and Kingston Securities, pursuant to which subject to the satisfaction of the conditions of the Rights Issue (other than the condition relating to the performance of all the undertakings and obligation of Business Century and Ms. Xie under the Irrevocable Undertakings as described in the sub-section headed “Conditions of the Rights Issue” in this Prospectus, Business Century and Ms. Xie have provided Irrevocable Undertakings to the Company and Kingston Securities, among other things, (a) to accept and to procure acceptance of, respectively, the provisional allotments of 54,736,416 Right Shares under the Rights Issue, to which Business Century will be entitled to pursuant to the terms of the Rights Issue; (b) not to sell, transfer or otherwise dispose of, and procure Business Century not to sell, transfer or otherwise dispose of, respectively, any Shares held by Business Century in any manner before the completion or lapse of the Rights Issue; and (c) to remain, and procure Business Century to remain, respectively, as the beneficial owners of the Shares comprising its current shareholding in the Company up to and including the Record Date.

As at the Latest Practicable Date, save for Business Century, the Board has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

### **PROCEDURES FOR ACCEPTANCE AND PAYMENT OR TRANSFER**

#### **Provisional Allotment Letter — acceptance, payment and transfer**

A Provisional Allotment Letter is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If the Qualifying Shareholders wish to exercise their rights to subscribe for all the Rights Shares provisionally allotted to them as specified in the Provisional Allotment Letter, they must lodge the Provisional Allotment Letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong by no later than 4:00 p.m. on Tuesday, 7 August 2018 (or such later time and/or date as mentioned in the paragraph headed “Effect of bad weather on the Latest Time for Acceptance” in the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or banker’s cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**Sunway International Holdings Limited — Rights Issue Account**” and crossed “**Account Payee Only**”.

It should be noted that unless the Provisional Allotment Letter, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Tuesday, 7 August 2018, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be

## LETTER FROM THE BOARD

deemed to have been declined and will be cancelled. The Company may (at its sole discretion) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions in the Provisional Allotment Letter.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer a part of their rights to subscribe for the Rights Shares provisionally allotted to them under the Provisional Allotment Letter or to transfer all of their rights to subscribe for the Rights Shares provisionally allotted to them under the Provisional Allotment Letter to more than one person, the entire and original Provisional Allotment Letter must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 30 July 2018 to the Registrar, who will cancel the original Provisional Allotment Letter and issue new Provisional Allotment Letters in the denominations required. New Provisional Allotment Letters will be available for collection at the Registrar during normal business hours on the second Business Day after the surrender of the original Provisional Allotment Letters.

Qualifying Shareholders who wish to transfer their rights to subscribe for Rights Shares and the investors to whom the rights to subscribe for the Rights Shares are being transferred should note that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares.

The Provisional Allotment Letter contains the full information regarding the procedures to be followed if the Qualifying Shareholders wish to accept only part of their provisional allotment or if they wish to renounce all or part of their provisional allotment.

All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any Provisional Allotment Letter in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for the Rights Shares, underpaid application will be rejected. In the event of overpaid application, a refund cheque will be made out to you.

Completion and return of the Provisional Allotment Letter together with a cheque or cashier's order in payment for the Rights Shares will constitute a warranty by the subscriber that the cheque or cashier's order will be honoured on first presentation. If the conditions of the Rights Issue are not fulfilled or waived (as appropriate), the application monies will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant), through ordinary post at the risk of the applicant(s) to the applicant's address specified in the register of members of the Company or the transfer form on or before Monday, 20 August 2018.

If the Underwriters exercise the right to terminate its obligations under the Underwriting Agreement before 4:00 p.m. on Monday, 13 August 2018, monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered addresses at the risk of such applicants on or before Monday, 20 August 2018.

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Save as described under the paragraph headed “Rights of Overseas Shareholders” above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself/themselves before subscribing for the allotted Rights Shares or excess Rights Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith.

Completion and return of the Provisional Allotment Letter together with a cheque or cashier’s order in payment for the Rights Shares will constitute a representation and warranty from the subscriber to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the Provisional Allotment Letter and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representation and warranty. If you are in doubt as to your position, you should consult your own professional advisers.

The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

No receipt will be issued in respect of any application monies received.

### **Excess Application Form — application for excess Rights Shares**

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed Excess Application Form in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 7 August 2018 (or such later time and/or date as mentioned in the paragraph headed “Effect of bad weather on the Latest Time for Acceptance” in the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “**Sunway International Holdings Limited — Excess Application Account**” and crossed “**Account Payee Only**”.

It should be noted that unless the duly completed and signed Excess Application Form, together with the appropriate remittance, have been lodged with the Registrar by 4:00 p.m. on Tuesday, 7 August 2018 (or such later time and/or date as mentioned in the paragraph headed “Effect of bad weather on the Latest Time for Acceptance” in the section headed “Expected

## LETTER FROM THE BOARD

Timetable” in this Prospectus) by a Qualifying Shareholder, the Excess Application Form will be rejected. It should also be noted that the lodging of the Excess Application Form does not assure the Qualifying Shareholder of being allocated any Rights Shares in excess of those of his/her/its provisional allotments.

All cheques or banker’s cashier orders will be presented for payment immediately following receipt and all interest earned on such application monies (if any) will be retained for the benefit of the Company. Completion and return of the Excess Application Form together with a cheque or banker’s cashier order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker’s cashier order will be honoured on first presentation. Without prejudice to its other rights of the Company in respect thereof, the Company reserves the right to reject any Excess Application Form in respect of which the accompanying cheque or banker’s cashier order is dishonoured on first presentation. Qualifying Shareholder shall pay the exact amount payable upon application for the excess Rights Shares, and underpaid application will be rejected. In the event of overpaid application, a refund cheque will be made out to the Qualifying Shareholder only if the overpaid amount is HK\$100 or above. No receipt will be issued in respect of any Excess Application Form or any application monies received.

The Company will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them by way of announcement. An announcement of results of acceptance of and excess applications for the Rights Issue will be published on Friday, 17 August 2018.

Where the number of excess Rights Shares applied for under one Excess Application Form is larger than the total number of Rights Shares being offered under the Rights Issue, such application (other than from a nominee company) would be treated as invalid and be rejected. For the avoidance of doubt, this restriction will not be applied to all nominees companies including HKSCC Nominees Limited. If no excess Rights Shares are allotted to a Qualifying Shareholder, a refund cheque for the full amount in respect of the excess application will be posted to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Monday, 20 August 2018. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, a refund cheque for the surplus application monies will also be posted to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Monday, 20 August 2018. One share certificate will be issued for all Rights Shares in fully-paid form accepted by each applicant, except HKSCC Nominees Limited.

Completion and return of the Excess Application Form will constitute a representation and warranty by the applicant to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the Excess Application Form and any applications made for excess Rights Shares, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. If you are in doubt as to your position, you should consult your own professional advisers. The Company

## LETTER FROM THE BOARD

reserves the right to refuse to accept any application for the excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any jurisdiction.

The Excess Application Form is for use only by the Qualifying Shareholder(s) to whom it is addressed and is not transferable. All documents, including refund cheques (if any), will be despatched by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar.

If the Underwriters exercise the right to terminate its obligation under the Underwriting Agreement prior to the Latest Time for Termination and/or if any of the conditions of the Rights Issue are not fulfilled by the respective dates specified in the paragraph headed “Conditions of the Rights Issue” in this Prospectus, the remittance received in respect of relevant application for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post at the risk of such applicants to their registered addresses by the Registrar on or before Monday, 20 August 2018.

### CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structures of the Company before and after the completion of the Rights Issue:

	(I) As at the Latest Practicable Date		(II) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(III) Immediately upon completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders (other than Business Century) under the Rights Issue	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
<b>Shareholders</b>						
Business Century <sup>(Note 1)</sup>	109,472,833	17.54	164,209,249	17.54	279,209,249	29.82
Everun Oil Co., Limited <sup>(Note 2)</sup>	86,581,000	13.87	129,871,500	13.87	86,581,000	9.25
Mr. Huang Weidong <sup>(Note 3)</sup>	7,204,000	1.15	10,806,000	1.15	7,204,000	0.77
Mr. Li Chongyang <sup>(Note 3)</sup>	4,610,000	0.74	6,915,000	0.74	4,610,000	0.49
Mr. Leung Chi Fai <sup>(Note 3)</sup>	424,000	0.07	636,000	0.07	424,000	0.05
Mr. Cong Yongjian <sup>(Note 3)</sup>	75,000	0.01	112,500	0.01	75,000	0.01
Kingston Securities <sup>(Note 4)</sup>	—	—	—	—	142,331,746	15.20
Other public Shareholders <sup>(Note 5)</sup>	415,769,491	66.62	623,654,237	66.62	415,769,491	44.41
<b>Total</b>	<b>624,136,324</b>	<b>100.00</b>	<b>936,204,486</b>	<b>100.00</b>	<b>936,204,486</b>	<b>100.00</b>

## LETTER FROM THE BOARD

*Notes:*

1. Business Century is wholly owned by Ms. Xie, who is the sister-in-law of Mr. Huang Weidong, a non-executive Director and the chairman of the Board. Business Century is a Substantial Shareholder of the Company.
2. Everun Oil Co., Limited, a Substantial Shareholder of the Company, is wholly-owned by Mr. Chen Jingan.
3. Mr. Huang Weidong, Mr. Li Chongyang, Mr. Leung Chi Fai, Mr. Cong Yongjian, Ms. Qi Jiao, Mr. Liu Chenli and Mr. Lam Kai Yeung are Directors.
4. As at the Latest Practicable Date, Kingston Securities does not hold any Shares.
5. Other public Shareholders include the Overseas Shareholders with registered addresses in Canada, Malaysia, Singapore, Indonesia, the USA and the PRC.
6. Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

### REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in manufacturing and trading of pre-stressed steel bar, pre-stressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products and provision of financial services.

As stated in the annual report of the Company for the year ended 31 December 2017, cash and cash equivalents of the Group were approximately HK\$77.1 million as at 31 December 2017 (the “**Cash Balance of 31 December 2017 of the Group**”). For the five months ended 31 May 2018, the Group recorded unaudited cash outflows of approximately HK\$51.4 million for (a) general working capital; (b) repurchase of Shares; (c) purchase of fixed assets; (d) investment in securities; and (e) granting of loans.

The net proceeds of the Company from the placing of new shares under general mandate (the “**Placing Proceeds**”) which was completed in October 2017 (the “**Placing**”) had been fully utilised as the refundable earnest money paid to the vendor on 12 October 2017 and 17 October 2017 respectively in a proposed acquisition as at the date of the Announcement. The Cash Balance of 31 December 2017 of the Group therefore does not include the Placing Proceeds. Save for the Placing, the Company has not conducted other fund-raising activities in the past 12 months immediately preceding the date of the Announcement. Save for the Rights Issue, the Company does not have any plans to conduct other fund-raising activities in the coming 12 months immediately following the date of the Announcement.

### Funding needs for general working capital of the Group

The gross proceeds from the Rights Issue will be approximately HK\$58.67 million. The net proceeds from the Rights Issue after deducting all relevant expenses are estimated to be approximately HK\$54.83 million.

## LETTER FROM THE BOARD

The expected working capital requirement for the Group for the next 12 months will be approximately HK\$68 million whereas the Group's unaudited cash and cash equivalents as at 31 May 2018 was approximately HK\$25.78 million. As such, the Group will have a shortfall in the working capital requirement of approximately HK\$42.22 million. The estimated cash outflow of the Group (excluding non-Hong Kong subsidiaries) of approximately HK\$56 million comprising (a) salaries and allowances of approximately HK\$14.53 million; (b) rent and management fees of approximately HK\$5.65 million; (c) travelling and entertainment expenses of approximately HK\$3.60 million; (d) motor vehicles expenses of approximately HK\$1.80 million; (e) telecom, system costs and computer expenses of approximately HK\$2.40 million; (f) legal and professional fees of approximately HK\$15.75 million; (g) donations of approximately HK\$1.92 million; (h) purchase of fixed assets of approximately HK\$2.40 million; (i) utilities and cleaning expenses of approximately HK\$0.24 million; (j) consultancy fees of HK\$2.16 million; and (k) other administrative expenses of HK\$5.55 million. Therefore, the Group intends to apply the entire net proceeds from the Rights Issue as the general working capital.

As at the Latest Practicable Date, subject to completion of the Rights Issue, the Board does not envisage future funding needs for financial service businesses in the upcoming 12 months.

### **Other fund-raising alternatives**

Apart from the Rights Issue, the Directors have also considered other financing methods, such as open offer, placing, bank borrowing and debt financing, in order to meet its financing requirement arising from the development of the Group.

As regards to an open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market. In respect of placing of new shares, it is a common market practice to conduct such activity on a best-effort basis and accordingly the amount to be raised would be uncertain and subject to the then market conditions. In addition, for placement of new Shares, it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company on an equitable basis.

In respect of debt financing, the Directors have also considered bank borrowings or debt financing. However, the use of bank borrowing or debt financing (i) may create additional interest burden to the Group, which would adversely affect the Group's performance and (ii) provision of pledged assets may be required by the borrowers; and (iii) the Group may be subject to, including but not limited to, lengthy due diligence and negotiations with banks or financial institutions and the prevailing market condition.

Having considered the above factors, the Directors consider that raising funds by way of the Rights Issue is a better option for the Company as it represents an opportunity for the Company to broaden its Shareholder and capital base thereby increasing the liquidity of the Shares. In addition, while the Rights Issue enables the Company to enhance its financial position, it will also give the Qualifying Shareholders the opportunity to maintain their



## LETTER FROM THE BOARD

respective pro-rata shareholding interests in the Company and to continue to participate in the potential future development of the Group at the same time. Hence, the Directors are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.

### **Fund-raising activities of the Company in the past 12 months prior to the date of the Announcement**

Save as disclosed in this Prospectus and apart from the equity fund-raising activity mentioned below, the Company has not raised any fund by issuing equity securities during the 12 months immediately prior to the date of the Announcement.

<b>Date of initial announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the Last Trading Day</b>
18 September 2017	Placing of new Shares under general mandate	Approximately HK\$100 million	For the proposed acquisition of the entire issued share capital of a company which in turn is interested in 51% of the equity interest in a company in the PRC which is principally engaged in the business of supplying piped gas to residential households, commercial and industrial users and certain refueling stations in certain districts of the PRC (the “ <b>Proposed Acquisition</b> ”)	The entire proceeds were used as refundable earnest money paid to the vendor on 12 October 2017 and 17 October 2017 respectively in the Proposed Acquisition. There was no balance left from such proceeds.

Save for the above, the Company had not conducted any other fund-raising exercise in the past 12 months immediately preceding the date of the Announcement.

### **POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS**

As at the Latest Practicable Date, the Company had outstanding Share Options issued under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 2,678,000 Shares (subject to adjustment). As a result of the Rights Issue, there may be adjustments to the exercise price(s) and/or the number of Shares to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme. The Company has appointed its auditor, ZHONGHUI ANDA CPA Limited to certify in writing the adjustments to the Share Options and that such adjustments are in accordance with the terms and conditions of the Share Option Scheme with reference to the Listing Rules. Further announcement(s) will be made by the Company in relation thereof as and when appropriate.

## LETTER FROM THE BOARD

### WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Please refer to the paragraphs headed “Conditions of the Underwriting Agreement” and “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement” in this Prospectus for details of the conditions and grounds of termination of the Underwriting Agreement, respectively. Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Friday, 13 July 2018. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 26 July 2018 to Thursday, 2 August 2018 (both days inclusive).

Any Shareholder or potential investor who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as appropriate) (which is expected to be on Monday, 13 August 2018), and any dealings in the Rights Shares in their nil-paid form from Thursday, 26 July 2018 to Thursday, 2 August 2018 (both days inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

By Order of the Board  
**Sunway International Holdings Limited**  
**Leung Chi Fai**  
*Executive Director and Company Secretary*

## 1. THREE-YEAR FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the year ended 31 December 2015, the year ended 31 December 2016 and the year ended 31 December 2017, including the notes thereto, are disclosed on pages 29 to 128 of the annual report 2015 published on 28 April 2016, pages 31 to 110 of the annual report 2016 published on 27 April 2017 and pages 38 to 112 of the annual report 2017 published on 26 April 2018, respectively, which are published on both the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company (<http://www.irasia.com/listco/hk/sunway/index.htm>).

Please refer to the hyperlinks as stated below:

Annual report 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0428/LTN201604281600.pdf>

Annual report 2016:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0427/LTN20170427876.pdf>

Annual report 2017:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0426/LTN201804261144.PDF>

## 2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 June 2018, being latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding borrowings of HK\$44,150,000 comprising (i) secured bank borrowings HK\$41,067,000; (ii) amount due to a non-controlling shareholder of HK\$83,000; and (iii) bond of HK\$3,000,000.

The secured bank borrowings were secured by:

- (i) Certain buildings of HK\$40,273,000;
- (ii) Certain prepaid land lease payments of HK\$24,076,000;
- (iii) Certain plant and machinery of HK\$3,358,000;
- (iv) Certain buildings held by a related company of a subsidiary;
- (v) Personal guarantee executed by a subsidiary's directors and shareholders; and
- (vi) Corporate guarantee executed by related companies of a subsidiary.

The amount due to a non-controlling shareholder is unsecured, interest free and repayable on demand. The bond is unsecured, interest bearing at a fixed rate of 7.5% per annum and mature in 2025.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables, the Group did not have any outstanding bank overdraft, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance creditors, debentures, mortgages, charges, finance lease, hire purchases commitments, which were either guaranteed, unguaranteed, secured or unsecured guarantees or other material contingent liabilities at the close of business of 30 June 2018.

The directors are not aware of any material changes in the Group's indebtedness and contingent liabilities since the close of business of 30 June 2018 up to and including the Latest Practicable Date except for the litigation proceedings filed by a holder of the Company's convertible notes against the Company on 3 February 2016 as set out in note 6(c) in the section headed "6. Litigation" in Appendix III to this Prospectus.

For the purpose of the above statement of indebtedness, foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 30 June 2018.

### **3. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the Group's internal resources, cash flow from the operations and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its present requirements that is, for at least the next 12 months from the date of this Prospectus in the absence of unforeseen circumstances.

### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, the date to which the latest published audited financial statements of the Group were made up.

### **5. BUSINESSES ACQUIRED AFTER 31 DECEMBER 2017**

No business (which would be consolidated into the financial statements of the Group) was acquired, agreed to be acquired or proposed to be acquired by the Group after 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up.

### **6. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The Group has set up a China-based subsidiary ("深圳大灣股權基金管理有限公司") in 2017, in order to register as private-equity investment manager of Asset Management Association of China ("AMAC"), preparing for launching the clear energy fund partnering with professional parties with sufficient experience in clear energy industry.

The size of the clear energy fund is approximately RMB5 billion (equivalent to approximately HK\$5.9 billion and the investment scope of the fund is clear energy projects in China or other countries. The status of the fund is at the stage of negotiation.

The Group has invested approximately RMB\$10 million (equivalent to approximately HK\$11.80 million) as share capital of 深圳大灣股權基金管理有限公司, in order to register for the position of “Investment Fund Manager” in Asset Management Association of China (“AMAC”).

The Company has entered into a memorandum of understanding with 深圳中科安正生物科技有限公司 (Shenzhen Zhongke Anzheng Biological Science and Technology Company Limited), an associated company of 中國科學院深圳先進技術研究院 (Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences), in relation to the possible cooperation in establishing in the PRC a fund management company and an investment fund investing in synthetic bio-engineering industry. 中國科學院深圳先進技術研究院 (Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences) has outstanding research achievements in the field of synthetic biology. As at the Latest Practicable Date, this possible cooperation is subject to further negotiations.

Sunway New Energy Industry Group Limited, a direct wholly-owned subsidiary of the Company, has entered into a memorandum of understanding (as supplemented) in relation to the possible acquisition of the entire issued share capital of Sino New Energy International Limited (中國超燃能源國際有限公司) (the “Target”), subject to the entering into of the formal agreement. The Target owns 51% of the equity interest in 陝西燃超能源科技有限公司 (Shaanxi Ranchao Energy Technology Company Limited\*) (“Shaanxi Ranchao”), a Sino-foreign equity joint venture company established in the PRC, and the other 49% of the equity interest in Shaanxi Ranchao is owned by 自貢市翠瑾商貿有限公司, a company incorporated in the PRC. Shaanxi Ranchao is principally engaged in the business of supplying piped gas to residential households, commercial and industrial users in certain districts in the PRC and certain refueling stations in those districts in the PRC. As at the Latest Practicable Date, this possible acquisition is under the due diligence process and formal agreement has not been entered into.

Golden Elements Limited, a direct wholly-owned subsidiary of the Company, has entered into a memorandum of understanding (as supplemented) with Gold State Enterprises Limited (the “JV Partner”) in relation to the possible setting up of a joint venture between Golden Elements Limited and the JV Partner for principally engaging in the development of land situated in Ho Chi Minh City and/or Hanoi, Vietnam, subject to the entering into of the formal joint venture agreement. As at the Latest Practicable Date, this possible joint venture is under the due diligence process.

**A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2017.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the audited consolidated net tangible assets of the Group as at 31 December 2017, adjusted as described below:

<b>Adjusted audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2017</b>	<b>Estimated net proceeds from the Rights Issue</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2017</b>
<i>HK\$'000</i> <i>(Note 1)</i>	<i>HK\$'000</i> <i>(Note 2)</i>	<i>HK\$'000</i>
<u>481,157</u>	<u>54,831</u>	<u>535,988</u>
		<i>HK\$</i>
Unaudited consolidated net tangible assets per share before completion of the Rights Issue <i>(Note 3)</i>		<u>0.75</u>
Unaudited pro forma adjusted consolidated net tangible assets per share immediately after completion of the Rights Issue <i>(Note 4)</i>		<u>0.56</u>

*Notes:*

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2017 are based on the audited consolidated net assets as extracted from the audited consolidated statement of financial position of the Group as at 31 December 2017 after deduction of intangible assets of approximately HK\$11,786,000 and goodwill of approximately HK\$20,982,000.
2. The estimated net proceeds from the Rights Issue are based on 312,068,162 Right Shares at the Subscription Price of HK\$0.188 each after deduction of the professional fees and other share issue related expenses payable by the Company of approximately HK\$3,838,000.
3. Based on 642,708,324 shares of the Company in issue as at 31 December 2017 as if the share consolidation on the basis of every ten issued shares consolidated into one share had been taken place at 31 December 2017 before completion of the Rights Issue.
4. Based on 954,776,486 shares of the Company, on which 312,068,162 Rights Shares were in issue as at the Latest Practicable Date, assuming that the Rights Issue had been completed on 31 December 2017.
5. No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2017.

*The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.*

**B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**



24 July 2018

The Board of Directors  
Sunway International Holdings Limited  
Unit 1902, 19/F., Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Sunway International Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets as at 31 December 2017 (“**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 and II-2 of the prospectus issued by the Company dated 24 July 2018 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 and II-2.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 312,068,162 rights shares on the basis of one rights share for every two existing shares in issue and held on the record date (the “**Rights Issue**”) on the Group's net tangible assets as at 31 December 2017 as if the transaction had been taken place at 31 December 2017. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's consolidated financial statements as included in the annual report for the year ended 31 December 2017, on which an audit report has been published.



**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2017 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for the Rights Issue and Use of Proceeds" set out on page 29 of the Prospectus.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**ZHONGHUI ANDA CPA Limited**

*Certified Public Accountants*

**Sze Lin Tang**

Practising Certificate Number P03614

Hong Kong

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL OF THE COMPANY

The authorised and issued share capital of the Company (a) as at the Latest Practicable; and (b) immediately upon completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the completion date of the Rights Issue) are as follows:

### (a) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>10,000,000,000</u> Shares	<u>1,000,000,000.00</u>
<i>Issued and fully paid or credited as fully paid:</i>	
<u>624,136,324</u> Shares	<u>62,413,632.40</u>

### (b) Immediately upon completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the completion date of the Rights Issue)

<i>Authorised:</i>	<i>HK\$</i>
<u>10,000,000,000</u> Shares	<u>1,000,000,000.00</u>
<i>Issued and fully paid or credited as fully paid:</i>	
624,136,324 Shares in issue as at the Latest Practicable Date	62,413,632.40
<u>312,068,162</u> Rights Shares to be issued	<u>31,206,816.20</u>
Shares in issue and fully paid immediately upon completion of the Rights Issue	<u>93,620,448.60</u>
<u>936,204,486</u>	

As at the Latest Practicable Date, there were outstanding Share Options granted by the Company under the Share Option Scheme which entitled the holders of the Share Options to subscribe for a total of 26,780,000 new Shares during the period from 22 June 2016 to 21 June 2026 at the exercise price of HK\$1.682 per Share.

As at the Latest Practicable Date, the Company also has convertible notes with an aggregate principal amount of HK\$30 million. Based on the opinions obtained from the legal advisers to the Company, in view of the ongoing legal proceedings involving such convertible notes, the Company maintains the position that all such convertible notes of the Company, save already redeemed or converted, are null and void and are not capable of converting into Shares.

Save as disclosed above, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

Since 31 December 2017, the date on which the latest published audited accounts of the Group were made up, and up to the Latest Practicable Date, there had not been any new issue of Shares.

All Shares in issue rank pari passu in all respects with each other including rights to dividends, voting and return of capital.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors

##### (i) Directors' interests in the Company

As at the Latest Practicable Date, the interests of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers of the Listing Rules were as follows:

Name of Director	Capacity	Number of Shares or underlying Shares held	Approximate % of interest held
Mr. Huang Weidong	Beneficial owner	11,564,000	1.85
Mr. Leung Chi Fai	Beneficial owner	1,424,000	0.23
Mr. Li Chongyang	Beneficial owner	5,610,000	0.90
Ms. Qi Jiao	Beneficial owner	4,360,000	0.70
Mr. Cong Yongjian	Beneficial owner	1,075,000	0.17
Mr. Lam Kai Yeung	Beneficial owner	1,000,000	0.16
Mr. Liu Chenli	Beneficial owner	2,900,000	0.46

*Note:* The percentages are subject to rounding.

All interests stated above represent long positions.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange.

*(ii) Directors' interests in assets and contracts of the Company*

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to member of the Group since 31 December 2017, being the date to which the latest published audited accounts of the Group were made up.

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

*(iii) Directors' service contracts*

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with the Company or any other member of the Group which was not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

*(iv) Directors' interests in competing businesses*

As at the Latest Practicable Date, none of the Directors or their respective associates were interested in any business apart from the Group's businesses, which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group.

**(b) Substantial Shareholders**

As at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, the following persons (other than the Directors or chief executives of the Company) had interests or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Name	Capacity	Number of Shares or underlying Shares held	Approximate percentage (%) of interest held <sup>(Note 3)</sup>
Business Century <sup>(Note 1)</sup>	Beneficial owner	167,109,249 <sup>(Note 1)</sup>	17.85
Business Century	Underwriter	115,000,000 <sup>(Note 1)</sup>	12.28
Ms. Xie <sup>(Note 1)</sup>	Interest in controlled corporation	282,109,249 <sup>(Note 1)</sup>	30.13

Name	Capacity	Number of Shares or underlying Shares held	Approximate percentage (%) of interest held <sup>(Note 3)</sup>
Everun Oil Co., Limited <sup>(Note 2)</sup>	Beneficial owner	89,481,000 <sup>(Note 2)</sup>	14.34
Mr. Chen Jingan <sup>(Note 2)</sup>	Interest in controlled corporation	89,481,000 <sup>(Note 2)</sup>	14.34
Guotai Junan International Holdings Limited	Interest in controlled corporation	167,546,688	26.84
Guotai Junan Securities Co., Ltd	Interest in controlled corporation	167,546,688	26.84
Active Dynamic Limited <sup>(Note 4)</sup>	Interest in controlled corporation	142,331,746	15.20
Galaxy Sky Investments Limited <sup>(Note 4)</sup>	Interest in controlled corporation	142,331,746	15.20
Kingston Capital Asia Limited <sup>(Note 4)</sup>	Interest in controlled corporation	142,331,746	15.20
Kingston Financial Group Limited <sup>(Note 4)</sup>	Interest in controlled corporation	142,331,746	15.20
Mrs. Chu Yuet Wah <sup>(Note 4)</sup>	Interest in controlled corporation	142,331,746	15.20
Kingston Securities <sup>(Note 4)</sup>	Underwriter	142,331,746	15.20

*Notes:*

1. Business Century is wholly-owned by Ms. Xie. These Shares include the Rights Shares which Business Century is interested under the Irrevocable Undertaking and the Underwriting Agreement on the assumption of no acceptance by the Shareholders under the Rights Issue. Out of 167,109,249 Shares or underlying Shares held, there are 2,900,000 Share Options.
2. Everun Oil Co., Limited is wholly-owned by Mr. Chen Jingan. Out of 89,481,000 Shares or underlying Shares held, there are 2,900,000 Share Options.
3. The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.
4. These Shares are the Rights Shares which Kingston Securities is interested under the Underwriting Agreement on the assumption of no acceptance by the Shareholders under the Rights Issue. Kingston Securities is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 42.90% interest in Kingston Financial Group Limited. Mrs. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.
5. References are made to the announcements of the Company dated 23 June 2015, 26 October 2015 and 5 February 2016, respectively in respect of the convertible notes previously issued by the Company. As advised by the legal advisers to the Company, as far as the Company is concerned, all remaining convertible notes have become void and are not capable of converting into Shares.
6. The percentages are subject to rounding, if any.



All interests stated above represent long positions.

Other than disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, the Company had not been notified of any other interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

As at the Latest Practicable Date, save and except for information above, no other Director nor any parties acting in concert with any of them was interested in any Shares or any convertible securities, warrants, options or derivative in respect of Shares.

**4. CORPORATE INFORMATION****Board of Directors***Executive Directors*

Mr. Leung Chi Fai  
Flat F, 41st Floor, Block 4  
Belvedere Garden Phase 3  
625 Castle Peak Road  
Tsuen Wan, New Territories  
Hong Kong

Mr. Li Chongyang  
Flat D, 47/F, Tower 2  
The Belcher's  
89 Pok Fu Lam Road  
Pok Fu Lam  
Hong Kong

Ms. Qi Jiao  
G/F, 58E Lung Mei Tsuen  
Ting Kok Road  
Tai Po  
New Territories  
Hong Kong

*Non-executive Directors*

Mr. Huang Weidong (*Chairman*)  
Flat E, 5/F, Block 10  
City Garden  
233 Electric Road  
North Point  
Hong Kong

Mr. Liu Chenli  
1068 Xueyuan Avenue  
Shenzhen University Town  
Shenzhen  
PRC

*Independent non-executive Directors*

Mr. Cong Yongjian  
Room 5716,  
The Harbourview Place  
1 Austin Road West  
Tsim Sha Tsui  
Kowloon  
Hong Kong

Mr. Lam Kai Yeung  
Hse 160, The Sunrise Villa,  
Tai Wai New Village,  
Tai Wai  
Sha Tin  
Hong Kong

Dr. Lam Huen Sum  
Flat B, 4/F., Block 2, Harmony Garden  
28 Luen Yan Street, Tsuen Wan  
New Territories  
Hong Kong

*Audit Committee*

Mr. Lam Kai Yeung (*Committee Chairman*)  
Mr. Cong Yongjian  
Mr. Liu Chenli  
Dr. Lam Huen Sun

*Remuneration Committee*

Mr. Lam Kai Yeung (*Committee Chairman*)  
Mr. Huang Weidong  
Mr. Leung Chi Fai  
Mr. Cong Yongjian  
Mr. Liu Chenli  
Dr. Lam Huen Sun

*Nomination Committee*

Mr. Huang Weidong (*Committee Chairman*)  
Mr. Leung Chi Fai  
Mr. Cong Yongjian  
Mr. Lam Kai Yeung  
Mr. Liu Chenli  
Dr. Lam Huen Sun

**Registered office**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

**Head office and principal place of  
business in Hong Kong**

Unit 1902  
Cheung Kong Center  
2 Queen's Road Central  
Central  
Hong Kong

<b>Company secretary</b>	Mr. Leung Chi Fai
<b>Authorised representatives</b>	Mr. Leung Chi Fai Mr. Li Chongyang
<b>Legal advisers to the Company</b>	<i>As to Bermuda law:</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place, Central Hong Kong  <i>As to Hong Kong law:</i> Angelo Ho & Associates Unit 1405, 14/F Tower 1, Admiralty Centre 18 Harcourt Road Hong Kong
<b>Hong Kong branch share registrar and transfer office</b>	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
<b>Principal share registrar</b>	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM 11 Bermuda
<b>Auditors</b>	ZHONGHUI ANDA CPA Limited <i>Certified Public Accountants</i> Unit 701, 7/F., Citicorp Centre 18 Whitfield Road, Causeway Bay Hong Kong
<b>Principal bankers</b>	
<i>In Hong Kong:</i>	Bank of Communication Co., Ltd Hong Kong Branch G/F, 67-71 King's Road North Point Hong Kong  Dah Sing Bank Limited 34/F, Dah Sing Financial Centre 108 Gloucester Road, Wanchai Hong Kong

	Industrial Bank Co., Ltd Hong Kong Branch 39/F, ICBC Tower, Citibank Plaza 3 Garden Road Central Hong Kong
<b>Stock code</b>	58
<b>Website</b>	<a href="http://www.irasia.com/listco/hk/sunway/index.htm">http://www.irasia.com/listco/hk/sunway/index.htm</a>

## 5. PARTIES INVOLVED IN THE RIGHTS ISSUE

<b>The Company</b>	Sunway International Holdings Limited Unit 1902 Cheung Kong Center 2 Queen's Road Central Central Hong Kong
<b>Underwriters</b>	Business Century Investments Limited Vistra Corporate Services Centre Wickhams Cay II Road Town, Tortola British Virgin Islands  Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Hong Kong
<b>Financial adviser to the Company</b>	Kingston Corporate Finance Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Hong Kong
<b>Legal advisers to the Company</b>	<i>As to Hong Kong Law:</i> Angela Ho & Associates Unit 1405, 14/F Tower 1, Admiralty Centre 18 Harcourt Road Hong Kong

<b>Reporting accountants</b>	ZHONGHUI ANDA CPA Limited <i>Certified Public Accountants</i> Unit 701, 7/F., Citicorp Centre 18 Whitfield Road Causeway Bay Hong Kong
<b>Hong Kong branch share registrar and transfer office</b>	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong

## 6. LITIGATION

As at the Latest Practicable Date, the Group was involved in the following legal proceedings/investigation:

### **The Company/its subsidiary as the defendant**

- (a) Pursuant to a civil ruling dated 13 July 2016 issued by 廣東省珠海市香洲區人民法院 (Guangdong Zhuhai Xiangzhou People's Court)\* (the "**Xiangzhou People's Court**"), 70% equity interest of Zhuhai Hoston in Guangdong Hengjia was charged to 珠海市中小企業融資擔保有限公司 (Zhuhai Small & Medium Enterprises Financing Guarantee Co., Ltd) ("**Zhuhai Small & Medium Enterprises**") as security for the debt owned to Zhuhai Small & Medium Enterprises. In view of the full and final settlement of the claim by Zhuhai Small & Medium Enterprises, the management of Zhuhai Hoston will apply to the court to release the said charge.
- (b) References are made to the Company's announcements dated 5 February 2016, 14 March 2017 and 4 September 2017 in relation to an action commenced by Liu Qian (劉倩) ("**Ms. Liu**") as the plaintiff against the Company as the defendant in the Court of First Instance of the High Court of Hong Kong (the "**Court of First Instance**") on 3 February 2016 (the "**Action**"). On 13 March 2017, upon the application of Ms. Liu and after the substantive hearing of the application on 27 February 2017, the Court of First Instance entered summary judgment against the Company with damages to be assessed (the "**Summary Judgment**"). The Company filed an appeal against the Summary Judgment on 7 April 2017 (the "**Appeal**") and the substantive hearing of the Appeal was heard in the Court of Appeal of the High Court of Hong Kong (the "**Court of Appeal**") on 22 August 2017 with judgment reserved. On 1 September 2017, the Court of Appeal allowed the Appeal, set aside the Summary Judgment and granted the Company unconditional leave to defend the Action. There has been no progress in the Action since the Appeal.
- (c) References are made to the announcements of the Company dated 11 November 2016, 15 December 2017 and the Annual Report 2017 in relation to the civil complaints involving Zhuhai Hoston.

- (i) Zhuhai Hoston received civil rulings on 10 April 2017 and 12 April 2017 and was to assume responsibility for half of the outstanding personal loans of RMB1,000,000.00 and RMB3,500,000.00, owing by Wang Tian (王天) to Wu Min (吳敏) and Kou Jinshui (寇金水), respectively, and the respective interests thereon and the legal costs. Zhuhai Hoston has filed appeals against these civil rulings.

According to the civil rulings dated 24 October 2017 and 22 January 2018 on appeals respectively, the Zhuhai Intermediate People's Court revised the principal amount of the loan to RMB839,314.00 as owing by Wang Tian (王天) to Wu Min (吳敏) and RMB2,378,174.00 as owing to Kou Jinshui (寇金水). Apart from these alterations, the Zhuhai Intermediate People's Court did not allow the appeal and confirmed the aforementioned civil rulings dated 10 April 2017 and 12 April 2017.

- (ii) Upon the respective applications of Kou Jinshui (寇金水) and 珠海河川商貿有限公司 (Zhuhai Hechuan Commercial and Trade Co., Ltd.)\* (“**Zhuhai Hechuan**”), three bank accounts of Zhuhai Hoston and 70% equity interest of Zhuhai Hoston in 廣東恒佳建材股份有限公司 (Guangdong Hengjia Building Materials Co., Ltd)\* (“**Guangdong Hengjia**”) were suspended/impounded by the Xiangzhou People's Court pursuant to an execution order dated 27 December 2016.

Zhuhai Hoston received a civil ruling on 13 April 2017 in relation to disputes over private lending pursuant to a lending contract dated 6 April 2013 entered into between Zhuhai Hoston as the borrower and Zhuhai Hechuan as the lender, that the said lending has been fully settled by Zhuhai Hoston already and Zhuhai Hoston was not liable to any repayment of the loan and the respective interest thereon to Zhuhai Hechuan.

On 8 September 2017, Zhuhai Hechuan filed an appeal at the Zhuhai Intermedia People's Court. By a civil ruling on 22 January 2018, Zhuhai Intermediate People's Court allowed the appeal, reversed the aforementioned civil ruling dated 13 April 2017 and ordered that the case be remitted back to the Xiangzhou People's Court for a re-trial.

- (d) Reference is made to the announcement of the Company dated 15 December 2017 in relation to the outstanding claims against Zhuhai Hoston:

- (i) As of 20 November 2017, Zhuhai Hoston was indebted to Guangdong Hengjia for a total sum of RMB34,772,335.50 (the “**Guangdong Hengjia Debt**”).

Zhuhai Hoston received an execution order dated 21 November 2017 made by 陽江市江城區人民法院 (Yangjiang Jiangcheng People's Court)\* (“**Yangjiang Jiangcheng People's Court**”) on the application of Guangdong Hengjia to seize certain tools and equipment of Zhuhai Hoston (the “**Seized Tools and Equipment**”) for a period of 2 years as security for the debt owed by Zhuhai Hoston to Guangdong Hengjia.

Zhuhai Hoston received an auction notice dated 6 February 2018 issued by the Yangjiang Jiangcheng People's Court that the Seized Tools and Equipment would be listed for auction from 9 March 2018 to 10 March 2018. The Company was informed by Zhuhai Hoston that the Seized Tools and Equipment were not sold at the auction.

On 27 March 2018, Yangjiang Jiangcheng People's Court ordered that after Guangdong Hengjia has paid RMB50,000 and the respective valuation and enforcement fees, the Seized Tools and Equipment at the auction reserve price of RMB2,666,544 was applied to settle part of the Guangdong Hengjia Debt of RMB2,570,744 whereas Zhuhai Hoston was still liable for the remaining amount of the Guangdong Hengjia Debt. After applying the Seized Tools and Equipment as partial settlement, Zhuhai Hoston is indebted to Guangdong Hengjia for a total sum of RMB32,201,591.50.

- (ii) Upon the applications of 佛山市南海信通物資有限公司 (Foshan Nanhai Xintong Materials Co., Ltd) ("**Foshan Nanhai**"), a bank account of Zhuhai Hoston, certain tools and 70% equity interest of Zhuhai Hoston in Guangdong Hengjia were suspended, seized and impounded by 廣東省佛山市南海區人民法院 (Guangdong Foshan Intermediate People's Court)\* (the "**Foshan Intermediate People's Court**") pursuant to an execution order made on 4 August 2015, list of seized properties dated 12 August 2015 and an execution notice dated 17 August 2015 respectively.

By an assignment of loan executed between 陽江市博信商貿有限公司 (Yeungkong Boxin Trading Co., Ltd)\* ("**Yeungkong Boxin**") and Foshan Nanhai, Foshan Nanhai assigned a debt of RMB414,698.55 plus interests owed by Zhuhai Hoston to Yeungkong Boxin (the "**Assignment**"). In addition to a loan of RMB1,576,225.80 between Yeungkong Boxin as the lender and Zhuhai Hoston as the borrower, Zhuhai Hoston is indebted to Yeungkong Boxin for a total sum of RMB2,182,047.44.

Since Foshan Nanhai has not notified the Foshan Intermediate People's Court of the Assignment, the records of the Foshan Intermediate People's Court are still showing Foshan Nanhai as the creditor of Zhuhai Hoston. In view of the Assignment, the management of Zhuhai Hoston will apply to the court to update the records.

- (iii) By a civil mediation agreement dated 16 October 2017 entered into between Zhuhai Hoston and 特潤絲(天津)化學有限公司 (Terunsi (Tianjin) Chemical Co., Ltd)\* ("**Terunsi**") and endorsed by the Doumen People's Court, Zhuhai Hoston agreed to pay Terunsi a total sum of RMB71,400.00 as overdue trade payable and RMB793.00 as court fees. On the same date, Doumen People's Court issued a civil ruling against Zhuhai Hoston and ordered that an amount of RMB71,400.00 in a bank account held by Zhuhai Hoston be suspended for one year.



Terusi applied to the Yangjiang Jiangcheng People's Court to request for the Seized Tools and Equipment to settle the overdue trade payable. As disclosed in paragraph (d)(i) above, on 27 March 2018, the Yangjiang Jiangcheng People's Court confirmed the payment of RMB50,000 from Guangdong Hengjia to Terusi as full and final settlement of the claim.

#### **The Company/its subsidiary as the plaintiff**

- (e) By a Generally Indorsed Writ of Summons dated 23 June 2015 and Statement of Claim dated 18 August 2015 issued by the Company and First Billion Global Limited, a wholly-owned subsidiary of the Company (collectively, the "**Plaintiffs**") against Xiao Guang Kevin (蕭光) ("**Mr. Xiao**") and Wang Zhining (王志寧) ("**Mr. Wang**") (collectively, the "**Defendants**"), the vendor and the guarantor, respectively, all of whom are parties to a very substantial acquisition of the Company (the "**VSA**") as announced by the Company in its announcement dated 30 January 2014 and its circular dated 31 March 2014, the Plaintiffs claim that the Defendants have fundamentally breached the terms and conditions of the SPA (the "**SPA Legal Proceedings**"). Accordingly, the Plaintiffs are seeking to rescind the SPA under which, as part of the consideration price, certain convertible notes were issued by the Company to Mr. Xiao.

On 16 March 2017, the Plaintiffs filed an Amended Statement of Claim to the Court of First Instance adding Ms. Liu as a defendant to the SPA Legal Proceedings claiming, amongst other things, that Ms. Liu is a nominee of Mr. Wang and further claim against the Defendants for misrepresentation regarding the undisclosed guarantees given by Zhuhai Hoston in favour of 王天 (Wang Tian) referred to in paragraph (d) above which has led to the Group's involvement in such litigation.

Pursuant to the Order of the Court of First Instance dated 5 December 2017, the Plaintiffs filed and served on the Defendants their Further and Better Particulars of the Amended Statement of Claim on 9 January 2018. Upon counsel's advice, the Plaintiffs are considering to further amend the Amended Statement of Claim in order to, amongst other things, simplify their claims and to make clear their causes of action.

As at the Latest Practicable Date, there has been no progress since the Plaintiffs served their Further and Better Particulars of the Amended Statement of Claim and no judgment has been made by the Court.

- (f) On 30 July 2015, Zhuhai Hoston filed a report to 珠海市公安局 (Zhuhai Public Security Bureau)\* (the "**Bureau**") against Mr. Wang and Wang Tian (王天), the former directors of Zhuhai Hoston (collectively, the "**Former Directors**"), in respect of the possible commercial crimes (the "**Reported Case**") regarding the non-recoverable prepayments as disclosed in the announcement of the Company dated 14 October 2015.

\* for identification purposes only

On 20 June 2018, the Bureau considered that Mr. Wang did not commit any commercial crimes and therefore decided to withdraw the investigation against Mr. Wang.

- (g) On 29 February 2016, Zhuhai Hoston filed a lawsuit in the Xiangzhou People's Court against the Former Directors and 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)\*, the controlled company of the Former Directors (the “**Controlled Company**”), regarding the prepayment to a supplier of Zhuhai Hoston of RMB4,840,000 for the purchase of machinery. The sum was subsequently transferred to the Controlled Company based on the instructions of the Former Directors to the supplier. According to civil ruling from the Xiangzhou People's Court dated 30 May 2016, the lawsuit has been suspended pending for the investigation results of the Reported Case as the prepayment to the supplier is part of the subject matter of the Reported Case.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group.

\* *for identification purposes only*

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this Prospectus:

- (a) a placing agreement dated 26 April 2017 entered into between the Company and Guotai Junan Securities (Hong Kong) Limited and Easy One Securities Limited as the joint placing agents in relation to the placing of up to 872,880,000 new Shares of par value of HK\$0.01 each as placing shares at a placing price of HK\$0.086 per placing share under the general mandate of the Company;
- (b) a memorandum of understanding dated 5 May 2017 entered into between the Company and 深圳中科安正生物科技有限公司 (Shenzhen Zhongke Analysis Biological Science and Technology Company Limited\*) in respect of a possible co-operation in establishing in the PRC a fund management company and an investment fund investing in synthetic bio-engineering industry;
- (c) a memorandum of understanding dated 12 September 2017 entered into among Sunway New Energy Industry Group Limited (新威新能源產業集團有限公司), a direct wholly-owned subsidiary of the Company (“**Sunway New Energy**”), and Diving Lands International Gas Holdings Group Limited (神州國際燃氣控股集團有限公司) (“**DL**”) and Deng Chao (鄧超) (“**Deng**”) (the “**DL-MOU**”) in respect of a possible acquisition of Sino New Energy International Limited (中國超燃能源國際有限公司), a company incorporated in the British Virgin Islands with limited liability,

and its subsidiaries (the “**Target Group**”) pursuant to which a refundable earnest money of a sum of HK\$100,000,000 (the “**Refundable Earnest Money**”) was payable to DL;

- (d) a placing agreement dated 18 September 2017 entered into between the Company and Head & Shoulders Securities Limited as the placing agent in relation to the placing of up to 1,070,000,000 new Shares of par value of HK\$0.01 each as placing shares at a placing price of HK\$0.097 per placing share under the general mandate of the Company;
- (e) a supplemental agreement to the DL-MOU dated 10 October 2017 entered into among Sunway New Energy, DL and Deng in respect of the extension of the date for the payment of the Refundable Earnest Money;
- (f) a second supplemental agreement to the DL-MOU dated 25 April 2018 entered into among Sunway New Energy, DL and Deng in respect of the extension of the exclusivity period for carrying out the due diligence review of the Target Group for 3 months from 12 March 2018 to 11 June 2018;
- (g) a memorandum of understanding dated 16 October 2017 entered into between Golden Elements Limited, a direct wholly-owned subsidiary of the Company (“**Golden Elements**”), and Gold State Enterprises Limited (“**Golden State**”), (the “**Vietnam-MOU**”) in respect of the possible setting up of a joint venture company for principally engaging in the development of land situated in Ho Chi Minh City and/or Hanoi, Vietnam;
- (h) a memorandum of understanding dated 30 October 2017 entered into among Ever Vision Enterprises Limited 恆景企業有限公司, a direct wholly-owned subsidiary of the Company (“**Ever Vision**”); Sunshine Property Waterloo Pty Ltd, the entire issued share capital of which is owned, as to approximately 48.39% by Zong Family Investment Pty Ltd (acting as trustee for Zong Family Trust) (“**ZFI**”); approximately 8.39% by Ms. Ren Dandan (“**Ms. Ren**”); and approximately 3.22% by Mr. Wangyun (“**Sunshine Property**”); ZFI; Ms. Ren and Mr. Wangyun in respect of possible acquisition of an Australian company engaging in developing a piece of land in Australia into residential apartments and commercial units for sale and a possible joint venture with the shareholders of such company;
- (i) an acquisition agreement dated 21 November 2017 entered into between Ever Vision as the purchaser and ZFI as the vendor in respect of the acquisition of 175 shares in Sunshine Property for AUD2.8 million;
- (j) an acquisition agreement dated 21 November 2017 entered into between Ever Vision as the purchaser and Ms. Ren as the vendor in respect of the acquisition of 175 shares in Sunshine Property for AUD2.8 million;
- (k) a supplemental agreement to the Vietnam-MOU dated 23 April 2018 entered into between Golden Elements and Gold State in respect of the extension of time for the possible setting up of a joint venture company in Vietnam;

- (l) the Irrevocable Undertakings; and
- (m) the Underwriting Agreement.

## 8. PARTICULARS OF DIRECTORS

### Executive Directors

#### *Mr. Leung Chi Fai (“Mr. Leung”)*

Mr. Leung, aged 51, is the Finance Director and the Company Secretary of the Group. He joined the Group since 1996 and is responsible for the finance, accounting and corporate secretarial functions. Mr. Leung is a Fellow Member of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants.

#### *Mr. Li Chongyang (“Mr. Li”)*

Mr. Li, aged 46, graduated from Shanghai Maritime University (formerly known as 上海海運學院 (Shanghai Maritime Institute)) majoring in International Maritime and International Economics Law. Mr. Li has over 20 years of experience in corporate management and logistics management. Before joining the Company, Mr. Li was the vice president of shipping companies in Hong Kong and Singapore.

#### *Ms. Qi Jiao (“Ms. Qi”)*

Ms. Qi, aged 28, has completed her studies of Hospitality Administration and Business Management in Singapore in 2012. She worked as marketing director in corporations in PRC from 2013 to April 2015 and is experienced in marketing and strategic planning.

### Non-executive Directors

#### *Mr. Huang Weidong (“Mr. Huang”)*

Mr. Huang, aged 51, is the chairman of the Board. He graduated from Xiamen University with an Executive Master of Business Administration in 2013. Mr. Huang has been the chairman of the board of directors of Fujian Dongying Water & Electricity Construction Company Limited (福建東盈水電建設有限公司) in PRC since 2003. Mr. Huang has extensive experience in corporate management.

#### *Mr. Liu Chenli (“Mr. Liu”)*

Mr. Liu, aged 37, graduated from the University of Hong Kong with a degree of Doctor of Philosophy in 2011. Mr. Liu is a Professor of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences and specialized in Synthetic Biology Engineering Research.

**Independent non-executive Directors***Mr. Cong Yongjian (“Mr. Cong”)*

Mr. Cong, aged 43, received a degree of Master of Laws from the University of International Business and Economics in PRC as well as a degree of Master of Laws from Cornell University in the USA respectively. He is a trained attorney admitted in PRC and New York, the USA. He has over 15 years of legal practice experience representing in-house clients on various investment related issues.

Mr. Cong was a founding member of China Development Bank International Holdings Ltd (“CDBI”), where he served on the Investment Committee, also was in charge of fund formation department and legal/risk management department. At CDBI, He led a number of high profile transactions, i.e., US\$200 million equity investment to Alibaba Group as well as many privatization transactions.

Prior to joining CDBI, Mr. Cong was with J. P. Morgan and Standard Chartered, where he participated in a large number of merger and acquisitions transactions, private equity investments, real estate investments, mezzanine financings, and other special situations investments. Mr. Cong has substantial experience in investment and risk management.

*Mr. Lam Kai Yeung (“Mr. Lam”)*

Mr. Lam, aged 49, is a fellow of the Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants and Certified Dealmaker in China. Mr. Lam obtained a bachelor degree of accounting from Xiamen University in July 1990 and a master degree in business administration from Oxford Brookes University in the United Kingdom in July 2010. Mr. Lam is a licensed person for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under SFO.

Mr. Lam was an independent non-executive director of Northeast Tiger Pharmaceutical Company Limited (stock code: 8197), a company listed on GEM, from August 2008 to June 2015; an non-executive director of Ping Shan Tea Group Limited (stock code: 364), a company listed on the Main Board of the Stock Exchange, from December 2014 to May 2015.

Mr. Lam is an independent non-executive director of Starrise Media Holdings Limited (formerly known as Silverman Holdings Limited) (stock code: 1616), a company listed on the Main Board of the Stock Exchange, since June 2012; an executive director and chief executive officer of Hua Long Jin Kong Company Limited (formerly known as Highlight China IoT International Limited) (stock code: 1682), a company listed on the Main Board of the Stock Exchange, since August 2014; an independent non-executive director of Finsoft Financial Investment Holdings Limited (stock code: 8018), a company listed on GEM, since June 2015; an independent non-executive director of Holly Futures Co., Ltd. (stock code: 3678), a company listed on the Main Board of the Stock Exchange, since June 2015; an independent non-executive director of Kong Shum Union Property

Management (Holding) Limited (stock code: 8181), a company listed on the GEM of the Stock Exchange, since October 2015; an independent non-executive director of Kin Shing Holdings Limited (stock code: 1630), a company listed on the Main Board of the Stock Exchange, since May 2017.

*Dr. Lam Huen Sum (“Dr. Lam”)*

Dr. Lam, aged 38, was graduated from Hong Kong Baptist University with a bachelor’s degree in Arts, diploma in Education, master degree in Social Sciences and master of philosophy and the University of Hong Kong with a doctor of philosophy. Dr. Lam has been an Adjunct Professor at 山東濟南大學 (University of Jinan\*), a member of the Advisory Board of 澳門城市大學公開學院 (Open Institute, City University of Macau\*), a specialist in 香港學術及職業資歷評審局 (Hong Kong Council for Accreditation of Academic and Vocational Qualifications), a member of 戴麟趾爵士康樂基金委員會 (Sir David Trench Fund Committee of HKSAR), a Fellow and Executive Board Member/Accreditor of Medical and Health Board of International Industry and Professional Accreditation Association. Dr. Lam has been appointed by Hong Kong College of Technology, as an external examiner and a consultant since September 2016 and January 2017 respectively.

\* *for identification purposes only*

## 9. MISCELLANEOUS

- (i) The business address of all Directors is Unit 1902, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong.
- (ii) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and having its head office and principal business of business in Hong Kong at Unit 1902, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong.
- (iii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (iv) As at the Latest Practicable Date, save for the Irrevocable Undertakings, the Board had not received any information from any Shareholders of the Company of their intention to take up the Rights Shares to be provisionally allotted or offered to them under the Rights Issue.
- (v) The English text of this Prospectus shall prevail over the Chinese text in case of inconsistency.

## 10. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion or advice contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

ZHONGHUI ANDA CPA Limited has given, and has not withdrawn, its written consent to the issue of this Prospectus with the inclusion of its report, letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, ZHONGHUI ANDA CPA Limited did not have any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, ZHONGHUI ANDA CPA Limited did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2017, being the date to which the latest published audited accounts of the Group were made up.

## 11. EXPENSES

The expenses in connection with the Rights Issue including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges, registration and other related expenses, are estimated to amount to approximately HK\$3.84 million and are paid or payable by the Company.

## 12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “10. Expert and Consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take any responsibility for the contents of the Prospectus Documents.

## 13. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company at Unit 1902, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong during normal business hours on any weekday other than public holidays from the date of this Prospectus, up to and including the Latest Time for Acceptance:

- (a) the memorandum of association of the Company and the Bye-Laws;
- (b) the material contracts referred to in the section headed "7. Material Contracts" to this appendix;
- (c) the annual reports of the Company for the financial year ended 31 December 2015, 31 December 2016 and 31 December 2017, respectively;
- (d) the letter from the Board, the text of which is set out on pages 10 to 32 in this Prospectus;
- (e) the written consent of the expert referred to in the section headed "10. Expert and Consent" in this appendix;
- (f) the circular of the Company dated 10 May 2018 in respect of the consolidation of every ten existing shares of HK\$0.01 each in the capital of the Company into one consolidated share of HK\$0.10; and
- (g) this Prospectus.