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## **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 RIGHTS SHARE FOR EVERY TWO EXISTING SHARES IN ISSUE AND HELD ON THE RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS**

**Financial adviser to the Company**



**KINGSTON CORPORATE FINANCE**

**Underwriter to the Rights Issue**



**KINGSTON SECURITIES**

#### **RIGHTS ISSUE**

On 13 November 2018 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter with respect to the Rights Issue.

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 not less than 312,068,162 Rights Shares (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 324,008,162 Rights Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date), at the Subscription Price of HK\$0.13 per Rights Share.

The Rights Issue will only be available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. 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.

The gross proceeds from the Rights Issue will be not less than approximately HK\$41 million (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than approximately HK\$42 million (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date). The net proceeds from the Rights Issue after deducting all relevant expenses are estimated to be not less than approximately HK\$38 million (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than approximately HK\$40 million (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date). Details of the use of proceeds are set out in the section headed “Reasons for the Rights Issue and use of proceeds” in this announcement.

## **THE UNDERWRITING AGREEMENT AND THE IRREVOCABLE UNDERTAKING**

The Underwriter has agreed pursuant to the Underwriting Agreement to underwrite the Underwritten Shares on a fully underwritten basis in an aggregate of not less than 151,751,746 Rights Shares at the Subscription Price (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 162,241,746 Rights Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date), being the total number of Rights Shares under the Rights Issue excluding the Rights Shares subject to the Irrevocable Undertakings.

The Company will pay to Kingston Securities an underwriting commission of 2.5% of the Subscription Price in respect of the maximum number of the Underwritten Shares to be underwritten by Kingston Securities. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this announcement.

Business Century and Ms. Xie have provided irrevocable undertakings to the Company and Kingston Securities, among other things, to subscribe, and/or procure its nominee(s) to subscribe, for a maximum of 161,766,416 Rights Shares through acceptance of the provisional entitlement in respect of the Shares beneficially held by Business Century and by way of application for excess Rights Shares provisionally allotted to Qualifying Shareholders but not accepted. Details of such undertaking are set out in the section headed “The Irrevocable Undertakings” in this announcement.

## **IMPLICATIONS UNDER THE LISTING RULES**

Given that the Rights Issue will increase the issued share capital and the market capitalisation of the Company by not more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 7.19A of the Listing Rules.

## **GENERAL**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. The Company will despatch the Prospectus Documents to each Qualifying Shareholder and the Prospectus to each Non-Qualifying Shareholder (if any), for their information only, on or about Thursday, 6 December 2018.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS 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 Underwriter 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 announcement 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 are expected to be dealt in on an ex-rights basis from Tuesday, 27 November 2018. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 10 December 2018 to Monday, 17 December 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 from the date of this announcement 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 Friday, 28 December 2018), and any dealings in the Rights Shares in their nil-paid form from Monday, 10 December 2018 to Monday, 17 December 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.**

## **POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS**

As a result of the Rights Issue, it is expected that the exercise prices, and/or the number of Shares, of the outstanding Share Options will be adjusted in accordance with the terms and conditions of the Share Option Scheme. The Company will engage the Company’s auditors, Zhonghui ANDA CPA Limited, to review and determine the relevant adjustments and make further announcements on the appropriate adjustments and the date they are expected to take effect in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 29 November 2018 to Wednesday, 5 December 2018 (both dates inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

## **THE RIGHTS ISSUE**

On 13 November 2018 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter with respect to the Rights Issue.

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 not less than 312,068,162 Rights Shares (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 324,008,162 Rights Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date), at the Subscription Price of HK\$0.13 per Rights Share.

The Rights Issue (excluding the Rights Shares subject to the Irrevocable Undertakings) is fully underwritten by the Underwriter. No controlling Shareholder (as defined under the Listing Rules) or Substantial Shareholder of the Company acts as an underwriter of the Rights Issue.

Further details of the Rights Issue are set out below:

### **Rights 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\$0.13 per Rights Share
Number of Shares in issue as at the date of this announcement:	624,136,324 Shares
Number of Rights Shares:	Not less than 312,068,162 Rights Shares (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 324,008,162 Rights Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date)

Number of Rights Shares underwritten by the Underwriter:	Not less than 151,751,746 Rights Shares (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 162,241,746 Rights Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date)
Aggregate nominal value of the Rights Shares:	Not less than approximately HK\$31 million and not more than approximately HK\$32 million
Number of Shares in issue upon completion of the Rights Issue:	Not less than 936,204,486 Shares (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 972,024,486 Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date)
Amount to be raised before expenses:	Not less than approximately HK\$41 million (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than approximately HK\$42 million (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date)
Estimated net proceeds from the Rights Issue:	Not less than approximately HK\$38 million (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than approximately HK\$40 million (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date)
Right of excess applications:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

As at the date of this announcement, there are outstanding Share Options granted by the Company under the Share Option Scheme which entitle the holders of the Share Options to subscribe for a total of 23,880,000 new Shares during the period from 22 June 2016 to 21 June 2026 at the exercise price of HK\$1.682 per Share. Had such outstanding Share Options been exercised in full, an additional 23,880,000 Shares (entitled to 11,940,000 Rights Shares) would be issued for the period from the date of this announcement up to and including the Record Date.

As at the date of this announcement, the Company also has convertible notes with principal amount of HK\$30 million. For details of the convertible notes, please refer to the circular of the Company dated 31 March 2014. Based on the opinions obtained from the legal advisers of the Company, in view of the ongoing legal proceedings, the Company maintains the position that all remaining convertible notes of the Company are void and are not capable of converting into the Shares. Hence, there is no adjustment upon the completion of the Rights Issue. For details of the said legal proceedings, please refer to the announcements of the Company dated 5 February 2016, 14 March 2017 and 4 September 2017 and paragraph (b) of the section headed “Legal Proceedings” in the “Management discussion and analysis” in the interim report of the Company for the six months ended 30 June 2018.

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 date of this announcement.

Assuming there is no change in the issued share capital of the Company from the date of this announcement up to and including the Record Date, the 312,068,162 Rights Shares represent 50% of the Company’s issued share capital as at the date of this announcement and will represent approximately 33.3% of the Company’s issued share capital as enlarged by the allotment and issue of the Rights Shares.

The theoretical dilution effect of the Rights Issue calculated pursuant to Rule 7.27B of the Listing Rules was approximately 5.91%.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the 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.

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 Hong Kong branch of the Company's Registrar for registration no later than 4:30 p.m. on Wednesday, 28 November 2018.

### **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.

### **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.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal advice, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue to be despatched to the Qualifying Shareholders on the Prospectus Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any Provisional Allotment Letter and Excess Application Form 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 Underwriter pursuant to the terms of the Underwriting Agreement.

Based on the register of members of the Company as at the date of this announcement, there are an aggregate of approximately 566 Overseas Shareholders residing in Singapore, the PRC, Malaysia, Indonesia, Canada and the United States of America. In accordance with the Listing Rules, the Company will conduct enquiries regarding the feasibility to extend the Rights Issue to the Overseas Shareholders. Further information in this connection will be set out in the Prospectus.

**Overseas Shareholders should note that he/she/it/they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.**

### **The Subscription Price**

The Subscription Price for the Rights Shares is HK\$0.13 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 17.72% to the closing price of HK\$0.158 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 17.20% to the average closing price of HK\$0.157 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 12.75% to the theoretical ex-entitlement price of approximately HK\$0.149 based on the closing price of HK\$0.158 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (d) a discount of approximately 84.20% 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 date of this announcement).

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter 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 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\$0.12.

## **Status of 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 of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on Monday, 7 January 2019 by ordinary post to the allottees, at their own risks, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on Monday, 7 January 2019 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. The Company will also take steps to identify the applications for excess Rights Shares made by any Substantial Shareholder or its associates (together, the "**Relevant Shareholders**"), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders' applications for excess Rights Shares to the extent that the total number of excess Right Shares they have applied for exceeds a maximum number of Rights Shares minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

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.

For investors whose Shares are held by a nominee (or which are held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar for registration no later than 4:30 p.m. on Wednesday, 28 November 2018.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter 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.

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

The Company will apply 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.

### **Closure of register of members**

The register of members of the Company will be closed from Thursday, 29 November 2018 to Wednesday, 5 December 2018 (both dates inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

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

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated by the Underwriter 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 in whole by the Latest Time for Termination, then the Rights Issue will not proceed.

### **THE IRREVOCABLE UNDERTAKINGS**

Business Century and Ms. Xie have executed the Irrevocable Undertakings dated 12 November 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 “Condition of the Rights Issue” in this announcement, Business Century and Ms. Xie have provided irrevocable undertakings to the Company and Kingston Securities, among other things:

- (a) to subscribe, and/or procure its nominee(s) to subscribe, for a maximum of 161,766,416 Rights Shares through acceptance of the provisional entitlement in respect of the Shares beneficially held by Business Century and by way of application for excess Rights Shares provisionally allotted to Qualifying Shareholders but not accepted;
- (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.

## THE UNDERWRITING AGREEMENT

The Rights Issue (excluding the Rights Shares subject to Irrevocable Undertakings) is fully underwritten by the Underwriter. On 13 November 2018 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue. Details of the Underwriting Agreement are set out below:

Date: 13 November 2018 (after trading hours)

Parties: (a) the Company  
(b) Kingston Securities (as the Underwriter)

Kingston Securities is a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

To the best knowledge and information of the Directors, after reasonable enquiries, the Underwriter is independent of and not connected with the Company or its connected persons (as defined under the Listing Rules).

Number of Rights Shares to be underwritten: The Underwriter has agreed pursuant to the Underwriting Agreement to underwrite the Underwritten Shares on a fully underwritten basis in an aggregate of not less than 151,751,746 Rights Shares at the Subscription Price (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 162,241,746 Rights Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date), being the total number of Rights Shares under the Rights Issue excluding the Rights Shares subject to the Irrevocable Undertakings.

The Underwriter will subscribe or procure subscribers to take up the Untaken Shares.

Fee and commission: The Company will pay to Kingston Securities an underwriting commission of 2.5% of the Subscription Price in respect of the maximum number of the Underwritten Shares to be underwritten by Kingston Securities.

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, and the current and expected market condition. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement including the commission rate are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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

The obligations of the Underwriter 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, if any, 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 the Underwriter 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.

The conditions precedent set out in paragraphs (a) to (c) above are incapable of being waived by the Underwriter or the Company. The conditions precedent set out in paragraphs (d) to (f) above can only be waived by the Underwriter.

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 Underwriter 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.

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

If prior to the Latest Time for Termination:

- (i) in the absolute opinion of the Underwriter, 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 the Underwriter 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 hereof) 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 the Underwriter 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

- (ii) 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 the Underwriter 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
- (iii) any change in the circumstances of the Company or any member of the Group occurs which in the absolute opinion of the Underwriter 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
- (iv) 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
- (v) 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
- (vi) any matter occurs which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) 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 this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise; or
- (ix) any indications from the Stock Exchange that the Company is not able to fulfil Rule 13.24 of the Listing Rules,

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

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

**EXPECTED TIMETABLE**

The expected timetable for the Rights Issue is set out below:

- Last day of dealings in the Shares on cum-rights basis . . . . Monday, 26 November 2018
- First day of dealings in the Shares on ex-rights basis. . . . . Tuesday, 27 November 2018
- Latest time and date for lodging transfer documents  
to qualify for the Rights Issue . . . . . 4:30 p.m. on Wednesday,  
28 November 2018
- Closure of register of members of the Company  
(both days inclusive) . . . . . Thursday, 29 November 2018 to  
Wednesday, 5 December 2018
- Record date for determining entitlements  
to the Rights Issue . . . . . Wednesday, 5 December 2018
- Register of members of the Company re-opens . . . . . Thursday, 6 December 2018
- Despatch of Prospectus Documents . . . . . Thursday, 6 December 2018
- First day of dealing in nil-paid Rights Shares . . . . . 9:00 a.m. on Monday,  
10 December 2018
- Latest time for splitting of nil-paid Rights Shares . . . . . 4:30 p.m. on Wednesday,  
12 December 2018
- Last day of dealings in nil-paid Rights Shares . . . . . 4:00 p.m. on Monday,  
17 December 2018
- Latest time for acceptance and payment for Rights Shares  
and application and payment for excess Rights Shares. . . . . 4:00 p.m. on Thursday,  
20 December 2018
- Latest time for the termination of the Underwriting Agreement  
and the Rights Issue becomes unconditional . . . . . 4:00 p.m. on Friday,  
28 December 2018
- Announcement of the results of the Rights Issue . . . . . Friday, 4 January 2019

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, 7 January 2019

Despatch of share certificates for fully-paid Rights Shares . . . . Monday, 7 January 2019

Expected first day of dealings in fully-paid Rights Shares. . . . . 9:00 a.m. on Tuesday,  
8 January 2019

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the 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 the Shareholders as and when appropriate.

## CHANGES IN SHAREHOLDING STRUCTURE

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

(a) assuming there is no changes in the number of issued Shares from the date of this announcement up to and including the Record Date:

	(I) as at the date of this announcement		(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	
	Approximately		Approximately		Approximately	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Shareholders</b>						
Business Century <sup>Note 1</sup>	118,632,833	19.01	177,949,249	19.01	278,949,249	29.80
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>	–	–	–	–	151,751,746	16.21
Other public Shareholders	406,609,491	65.15	609,914,237	65.15	406,609,491	43.42
<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>

- (b) assuming there is no changes in the number of issued Shares from the date of this announcement up to and including the Record Date other than the issue of new Shares upon the exercise in full of the outstanding Share Options:

	(I) as at the date of this announcement		(II) immediately upon full exercise of all outstanding Share Options on or before the Record Date		(III) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(IV) immediately upon completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders (other than Business Century) under the Rights Issue	
	Approximately		Approximately		Approximately		Approximately	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Shareholders</b>								
Business Century <sup>Note 1</sup>	118,632,833	19.01	121,532,833	18.75	182,299,249	18.75	283,299,249	29.15
Everun Oil Co., Limited <sup>Note 2</sup>	86,581,000	13.87	89,481,000	13.75	134,221,500	13.75	89,481,000	9.17
Mr. Huang Weidong <sup>Note 3</sup>	7,204,000	1.15	11,564,000	1.78	17,346,000	1.78	11,564,000	1.18
Mr. Li Chongyang <sup>Note 3</sup>	4,610,000	0.74	5,610,000	0.86	8,415,000	0.86	5,610,000	0.57
Mr. Leung Chi Fai <sup>Note 3</sup>	424,000	0.07	1,424,000	0.22	2,136,000	0.22	1,424,000	0.15
Mr. Cong Yongjian <sup>Note 3</sup>	75,000	0.01	1,075,000	0.17	1,612,500	0.17	1,075,000	0.11
Ms. Qi Jiao <sup>Note 3</sup>	-	-	4,360,000	0.67	6,540,000	0.67	4,360,000	0.45
Mr. Lam Kai Yeung <sup>Note 3</sup>	-	-	1,000,000	0.15	1,500,000	0.15	1,000,000	0.10
Other holders of the Share Options	-	-	5,360,000	0.82	8,040,000	0.82	5,360,000	0.55
Kingston Securities <sup>Notes 4 and 5</sup>	-	-	-	-	-	-	162,241,746	16.69
Other public Shareholders	406,609,491	65.15	406,609,491	62.83	609,914,237	62.83	406,609,491	41.88
<b>Total</b>	<b>624,136,324</b>	<b>100.00</b>	<b>648,016,324</b>	<b>100.00</b>	<b>972,024,486</b>	<b>100.00</b>	<b>972,024,486</b>	<b>100.00</b>

*Notes:*

- Business Century is a Substantial Shareholder of the Company which 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.*
- Everun Oil Co., Limited is a Substantial Shareholder of the Company which is wholly-owned by Mr. Chen Jingan.*
- Mr. Huang Weidong, Mr. Li Chongyang, Mr. Leung Chi Fai, Mr. Cong Yongjian, Ms. Qi Jiao and Mr. Lam Kai Yeung are Directors.*
- As at the date of this announcement, Kingston Securities does not hold any Shares. Kingston Securities will, depending on factors including the then market sentiment and the market price of the Shares, use its best endeavour to place down any Untaken Shares pursuant to the Underwriting Agreement immediately upon completion of the Rights Issue, to investors that are not connected persons of the Company.*
- As at the date of this announcement, Kingston Securities has not entered into any sub-underwriting agreement in respect of the Rights Issue.*
- Certain percentage figures included in the tables 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 gross proceeds from the Rights Issue will be not less than approximately HK\$41 million (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than approximately HK\$42 million (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date). The net proceeds from the Rights Issue after deducting all relevant expenses are estimated to be not less than approximately HK\$38 million (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than approximately HK\$40 million (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date).

The Board intends to apply the net proceeds from the Rights Issue to satisfy the Group's funding needs for pursuing acquisition opportunities for gas companies in the PRC as may be identified by the Group.

### **Pursuing acquisition opportunities for gas companies in the PRC**

The Group is principally engaged in manufacturing and trading of pre-stressed steel bar, prestressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products and provision of financial services. In the meantime, the Directors strive to seek attractive investment opportunities and diversify the business activities and source of revenue of the Group so as to maintain the sustainable growth of the Group and enhance the return to the Shareholders in the long run.

The Board has been looking for possible investing opportunities with a view to increasing the value of the Company. The Company is optimistic on the prospects of the natural gas industry in the PRC. From a view of the overall market condition, the continued economic growth and urbanisation in the PRC has spiked the demand for energy in the PRC. In order to diversify energy base and reduce reliance on more polluting energy sources such as coal and crude oil, the PRC government has, in recent years, taken measures to promote the development and utilisation of less polluting energy sources. Natural gas is considered a cleaner substitute for conventional energy sources such as coal and crude oil.

The PRC government places significant emphasis on the rapid development of natural gas industry under the 12th Five Year Plan to diversify its energy sources and reduce carbon emission. To increase natural gas supply, the “West to East Gas Transmission” (西氣東輸) pipelines were constructed with the support of the PRC government to bring natural gas from the Xinjiang Autonomous Region to the coastal regions of the PRC. Construction of the second phase of the “West to East Gas Transmission” pipelines from Central Asia and the “Sichuan to East” pipelines from the gas-rich Sichuan Province to coastal regions have been completed. Construction of the “West to East Gas Transmission” Phase 3, “Myanmar to Yunnan” gas pipelines as well as LNG terminals in coastal cities of the PRC are actively in progress. The Directors expect that these measures will increase the availability of natural gas in the PRC and offer opportunities for the future growth in the downstream gas industry in the PRC.

As at the date of this announcement, the Company had been identifying potential targets for acquisitions. The Company had conducted visits to some potential targets in the PRC and entered into a memorandum of understanding in respect of the possible acquisition of a gas company in the PRC. For details of the said memorandum of understanding, please refer to the announcements of the Company dated 12 September 2017, 10 October 2017 and 25 April 2018. However, no formal and legally-binding agreement has been entered into by the Company in respect of such acquisition as at the date of this announcement. It is expected that the possible acquisition of gas companies, once materialized, may constitute a discloseable or major transaction of the Company under Chapter 14 of the Listing Rules.

As stated in the interim report of the Company for the six months ended 30 June 2018, the unaudited cash and cash equivalents of the Group were approximately HK\$51.3 million. As at 30 September 2018, the cash and cash equivalents of the Group were approximately HK\$28.6 million. In terms of the cash flow, the cash outflows for the operating need of the Group for the year ended 31 December 2017 amounted to approximately HK\$36.5 million. Despite the presence of surplus cash, the Company considers that it is both prudent and important to retain sufficient working capital to accommodate the operating cash expenses of the Company, and to guard against any unexpected increase in costs or able to respond to any unforeseen need in capital. It would therefore not be in the interest of the Shareholders to rely on or even to deplete the limited working capital to fund the acquisition plan of the Company as it could create operational difficulties, if, for example, it would not be able to react promptly to external events in the industry.

### **Proposed use of proceeds if the aforesaid potential acquisitions fail to proceed to completion**

In the event that the Rights Issue is completed but the Group is unable to identify any suitable acquisition target, the Company will alternatively apply the net proceeds from the Rights Issue in the following manner:

- (a) approximately HK\$22.5 million (representing approximately 59.10% of the estimated net proceeds from the Rights Issue) will be applied to the Group's pre-stressed high-strength concrete piles business (the "**PHC Pile Business**").

As disclosed in the interim report of the Company for the six months ended 30 June 2018, the PHC Pile Business is operated by Guangdong Hengjia Building Materials Co., Ltd\* (廣東恆佳建材股份有限公司) (a subsidiary of the Company) and its production factory (the "**Yangjiang Factory**") situated in Yangjiang City, Guangdong Province, the PRC. The production lines for the ready-mixed concrete and concrete products of the Yangjiang Factory had commenced operation since 2008 and are aging. In order to maintain the productivity and sustainability of the aforesaid production lines, the Company intends to re-construct the concrete production lines in the Yangjiang Factory in 2019. The cost of this project is estimated to be approximately RMB20,000,000 (equivalent to approximately HK\$22,520,000); and

- (b) the remaining proceeds will be applied as the general working capital of the Group.

In the event that the net proceeds from the Rights Issue have been utilized for the acquisition of gas companies as stated above, the Company intends to carry out the aforesaid reconstruction work of the production lines by stages and finance the same with the internal financial resources generated from the operating activities of the Group or banking financing.

### **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) may require the borrowers to provide pledged assets; 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 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.

Save for the Rights Issue, as at the date of this announcement, the Company does not have any plans to conduct other fund-raising activities in the 12 months immediately following the date of completion of the Rights Issue.

#### **POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS**

As a result of the Rights Issue, it is expected that the exercise prices, and/or the number of Shares, of the outstanding Share Options will be adjusted in accordance with the terms and conditions of the Share Option Scheme. The Company will engage the Company's auditors, Zhonghui ANDA CPA Limited, to review and determine the relevant adjustments and make further announcements on the appropriate adjustments and the date they are expected to take effect in due course.

#### **FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS**

The Company has not raised any fund by issuing equity securities during the 12 months immediately before the date of this announcement.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS 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 Underwriter 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 announcement 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 are expected to be dealt in on an ex-rights basis from Tuesday, 27 November 2018. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 10 December 2018 to Monday, 17 December 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 from the date of this announcement 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 Friday, 28 December 2018), and any dealings in the Rights Shares in their nil-paid form from Monday, 10 December 2018 to Monday, 17 December 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.**

## **IMPLICATIONS UNDER THE LISTING RULES**

Given that the Rights Issue will increase the issued share capital and the market capitalisation of the Company by not more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 7.19A of the Listing Rules.

## **GENERAL**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. The Company will despatch the Prospectus Documents to each Qualifying Shareholder and the Prospectus to each Non-Qualifying Shareholder (if any), for their information only, on or about Thursday, 6 December 2018.

## DEFINITIONS

In this announcement, unless the context otherwise require, the following terms and expressions shall have the following meanings when used herein.

“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 118,632,833 Shares as at the date of this announcement, representing approximately 19.01% of the issued Shares and a Substantial Shareholder of the Company
“Business Day(s)”	any day(s) (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning 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
“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
“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 form(s) of application to be issued to the Qualifying Shareholder who wish to apply for excess Rights Shares in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertakings”	the conditional irrevocable undertakings dated 12 November 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 this announcement
“Kingston Securities” or “Underwriter”	Kingston Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Last Trading Day”	13 November 2018, being the last trading day of the Shares on the Stock Exchange prior to the release of this announcement and the date of entering into of the Underwriting Agreement
“Latest Time for Acceptance”	the latest time for acceptance for the Rights Shares at 4:00 p.m., on Thursday, 20 December 2018 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Friday, 28 December 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 Underwriter
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Xie”	Ms. Xie Guilin, who is the ultimate beneficial owner of Business Century
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on enquiry made or legal advice obtained, consider it necessary or expedient not to offer the Rights Issue to such Shareholders 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 Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the document containing details of the Rights Issue to be dispatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus, the Provisional Allotment Letter and the Excess Application Form to be issued by the Company
“Prospectus Posting Date”	Thursday, 6 December 2018 or such later date as may be agreed between the Company and Underwriter 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) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 5 December 2018, or such other date as may be agreed between the Company and the Underwriter 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 not less than 312,068,162 Share(s) to be allotted and issued under the Rights Issue (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 324,008,162 Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 17 June 2016
“Share Options”	the 23,880,000 outstanding share options of the Company to subscribe for 23,880,000 Shares at the exercise price of HK\$1.682 per Share granted pursuant to the Share Option Scheme
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$0.13 per Rights Share
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

“Underwriting Agreement”	the underwriting agreement dated 13 November 2018 and entered into between the Company and the Underwriter 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 not less than 151,751,746 Rights Shares (assuming there is no changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date) and not more than 162,241,746 Rights Shares (assuming all the Share Options having been exercised in full, but there is no other changes in the issued share capital of the Company from the date of this announcement up to and including the Record Date), underwritten by the Underwriter 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.

By Order of the Board  
**Sunway International Holdings Limited**  
**Li Chongyang**  
*Executive Director*

Hong Kong, 13 November 2018

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Li Chongyang, Ms. Qi Jiao, Mr. Lam Kai Yeung and Mr. Leung Chi Fai (executive duties suspended), one non-executive Director, namely, Mr. Huang Weidong (Chairman), and three independent non-executive Directors, namely, Mr. Cong Yongjian, Dr. Lam Huen Sum and Mr. Ng Yuk Lam.*

*Website: <http://www.irasia.com/listco/hk/sunway/index.htm>*

*\* For identification purpose only*