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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)

INSIDE INFORMATION UPDATE ON LITIGATION INVOLVING A SUBSIDIARY OF THE COMPANY IN THE PRC

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and the provisions under Part XIVA of the Securities and Futures Ordinance, (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcements of the Company dated 7 January 2016 and 11 November 2016 respectively; (ii) the section headed “Litigation” contained in the prospectus of the Company dated 29 April 2016; and (iii) the section headed “Legal Proceedings” contained in the interim report 2017 of the Company.

The Company has been informed by Zhuhai Hoston that on 17 November 2017 and 21 November 2017, the proceeds of auction of RMB34,074,262.00 (the “**Proceeds of Auction**”) have been applied by the Jinwan People’s Court to settle some of the judgment debts and claims from different creditors of Zhuhai Hoston in the PRC:

Settlements of claims

Judgment Creditor	Settlement sum	Details of settlement
無錫市天鑽硬質合金有限公司 (Wuxi Tianzuan Hard Alloy Co., Ltd)* (“ Wuxi Tianzuan ”)	RMB94,800.00	By a ruling issued by 江蘇省無錫市惠山區人民法院 (Jiangsu Wuxi Huishan People’s Court)* on 27 September 2016, Zhuhai Hoston was ordered to pay a sum of RMB94,800.00 plus interests to Wuxi Tianzuan as overdue trade payable.

On 11 August 2017, the Jinwan People's Court confirmed that as at 10 June 2017, Zhuhai Hoston was indebted to Wuxi Tianzuan for a sum of RMB103,768.40 including interests.

By an agreement dated 12 November 2017 entered into between Zhuhai Hoston and Wuxi Tianzuan, Wuxi Tianzuan agreed to waive RMB8,968.40 from the debt.

On 17 November 2017, the Jinwan People's Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB94,800.00 as full and final settlement of the claim.

珠海市中小企業融資擔保有限公司 (Zhuhai Small & Medium Enterprises Financing Guarantee Co., Ltd)*
RMB12,417,217.64
 (“Zhuhai Small & Medium Enterprises”)

On 11 August 2017, the Jinwan People's Court confirmed that as at 10 June 2017, Zhuhai Hoston was indebted to Zhuhai Small & Medium Enterprises for a sum of RMB12,717,217.64.

By an agreement dated 15 November 2017 entered into between Zhuhai Hoston and Zhuhai Small & Medium Enterprises, Zhuhai Small & Medium Enterprises agreed to waive RMB300,000.00 from the debt.

On 21 November 2017, the Jinwan People's Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB12,417,217.64 as full and final settlement of the claim.

Pursuant to a civil ruling dated 13 July 2016 issued by the Xiangzhou People's Court, 70% equity interest of Zhuhai Hoston in Guangdong Hengjia was charged to Zhuhai Small & Medium Enterprises. In view of the aforementioned full and final settlement of the claim, the management of Zhuhai Hoston will apply to the court to discharge the said charge.

Zhuhai Port	RMB839,433.00	<p>On 11 August 2017, the Jinwan People’s Court confirmed that as at 10 June 2017, Zhuhai Hoston was indebted to Zhuhai Port for a sum of RMB894,249.07.</p> <p>By an agreement dated 21 November 2017 entered into between Zhuhai Hoston and Zhuhai Port, Zhuhai Port agreed to waive RMB54,816.07 from the debt.</p> <p>On 21 November 2017, the Jinwan People’s Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB839,433.00 as full and final settlement of the claim.</p>
Guangzhou Yihong	RMB2,150,000.00	<p>On 11 August 2017, the Jinwan People’s Court confirmed that as at 10 June 2017, Zhuhai Hoston was indebted to Guangzhou Yihong for a sum of RMB2,509,241.48.</p> <p>By an agreement dated 14 November 2017 entered into between Zhuhai Hoston and Guangzhou Yihong, Guangzhou Yihong agreed to waive RMB359,241.48 from the debt.</p> <p>On 21 November 2017, the Jinwan People’s Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB2,150,000.00 as full and final settlement of the claim.</p>
Bi Xiaohui (畢肖輝)	RMB1,000,000.00	<p>As at 8 November 2017, Zhuhai Hoston was indebted to Bi Xiaohui (畢肖輝) for a sum of RMB1,568,300.08.</p> <p>By an agreement dated 15 November 2017 entered into between Zhuhai Hoston and Bi Xiaohui (畢肖輝), Bi Xiaohui (畢肖輝) agreed to waive RMB568,300.08 from the debt.</p> <p>On 21 November 2017, the Jinwan People’s Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB1,000,000.00 as full and final settlement of the claim.</p>

Chen Xiaodong (陳曉東)	RMB1,288,833.10	<p>Zhuhai Hoston was a guarantor for a personal loan between Chen Xiaodong (陳曉東) as the lender and Wang Tian (王天) as the borrower. According to a civil ruling dated 7 June 2017 issued by 廣東省珠海市中級人民法院 (Guangdong Zhuhai Intermediate People’s Court)*, Zhuhai Hoston was liable for half the amount of the outstanding loan of RMB2,577,666.20.</p> <p>By an agreement dated 21 November 2017 entered into between Zhuhai Hoston and Chen Xiaodong (陳曉東), Chen Xiaodong (陳曉東) agreed that Zhuhai Hoston was liable for half the amount of the outstanding loan, which is RMB1,288,833.10.</p> <p>On 21 November 2017, the Jinwan People’s Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB1,288,833.10 as full and final settlement of the claim.</p>
<p>珠海市宏展機電設備 有限公司 (Zhuhai Hongzhan Electrical and Mechanical Co., Ltd.)* (“Zhuhai Hongzhan”)</p>	RMB16,000.00	<p>On 11 August 2017, the Jinwan People’s Court confirmed that as at 10 June 2017, Zhuhai Hoston was indebted to Zhuhai Hongzhan for a sum of RMB19,300.00.</p> <p>By an agreement dated 13 November 2017 entered into between Zhuhai Hoston and Zhuhai Hongzhan, Zhuhai Hongzhan agreed to waive RMB3,300.00 from the debt.</p> <p>On 21 November 2017, the Jinwan People’s Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB16,000.00 as full and final settlement of the claim.</p>

<p>斗門區井岸鎮恒遠機械模 具店 (Doumen District Jingan Town Hengyuan Machinery Mold Shop)* (“Hengyuan”)</p>	<p>RMB25,000.00</p>	<p>By a civil mediation agreement dated 14 July 2017 entered into between Zhuhai Hoston and Hengyuan and endorsed by 廣東省珠海市斗門區人民法院 (Guangdong Zhuhai Doumen People’s Court)* (“Doumen People’s Court”), Zhuhai Hoston agreed to pay Hengyuan a sum of RMB30,936.00 as overdue trade payable including interests and RMB287.00 as court fees.</p> <p>By an agreement dated 16 November 2017 entered into between Zhuhai Hoston and Hengyuan, Hengyuan agreed to waive RMB6,223.00 from the debt.</p> <p>On 21 November 2017, the Jinwan People’s Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB25,000.00 as full and final settlement of the claim.</p>
<p>珠海路迅通貨運代理 有限公司 (Zhuhai Luxuntong Forwarding Co., Ltd)* (“Zhuhai Luxuntong”)</p>	<p>RMB391,293.92</p>	<p>By a civil mediation agreement dated 17 August 2017 entered into between Zhuhai Hoston and Zhuhai Luxuntong and endorsed by the Doumen People’s Court, Zhuhai Hoston agreed to pay Zhuhai Luxuntong a total sum of RMB468,428.40 as overdue trade payable including interests and RMB4,163 as court fees.</p> <p>By an agreement dated 10 November 2017 entered into between Zhuhai Hoston and Zhuhai Luxuntong, Zhuhai Luxuntong agreed to waive RMB81,297.48 from the debt.</p> <p>On 21 November 2017, the Jinwan People’s Court confirmed that it would apply the Proceeds of Auction to settle the sum of RMB391,293.92 as full and final settlement of the claim.</p>

A total sum of RMB18,222,577.66 was applied to settle the above claims. After a deduction of an administrative fee of RMB57,274.00 by the Jinwan People’s Court, a sum of RMB15,794,410.34 remained (the “**Remaining Proceeds of Auction**”).

Outstanding claims

Zhuhai Hoston was indebted to 廣東恒佳建材股份有限公司 (Guangdong Hengjia Construction Material Co., Ltd)* (“**Guangdong Hengjia**”) for a total sum of RMB50,566,745.84 (the “**Guangdong Hengjia Debt**”). The Remaining Proceeds of Auction has been applied by the Jinwan People’s Court to settle part of the Guangdong Hengjia debt. After applying the Remaining Proceeds of Auction, Zhuhai Hoston is indebted to Guangdong Hengjia for a total sum of RMB34,772,335.50.

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. 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.

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 frozen for one year.

Apart from Guangdong Hengjia, Yeungkong Boxin and Terunsi, the rest of the outstanding claims against Zhuhai Hoston are from Kou Jinshui (寇金水) and Wu Min (吳敏) who are judgment creditors. The Company is looking into these outstanding claims with the management of Zhuhai Hoston as to how these claims will be settled.

The Company will keep the shareholders of the Company and potential investors informed of any further material developments in connection with the above actions by way of further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 15 December 2017

As at the date of this announcement, the board of directors of the Company comprises three executive Directors, namely, Mr. Leung Chi Fai, Mr. Li Chongyang and Ms. Qi Jiao, two non-executive Directors, namely, Mr. Huang Weidong (Chairman) and Mr. Liu Chenli and three independent non-executive Directors, namely, Mr. Cong Yongjian, Mr. Lam Kai Yeung and Dr. Lam Huen Sum.

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

* For identification purposes only