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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)

DISCLOSEABLE TRANSACTION IN RELATION TO PROPOSED ACQUISITIONS

Reference is made to the announcement of the Company dated 30 October 2017 in relation to, inter alia, the entering into of the non-legally binding memorandum of understanding among, inter alios, Ever Vision, ZFI and Ms. Ren for the possible acquisition of the issued share capital in Target Company.

THE ACQUISITIONS

The Board is pleased to inform the Shareholders and potential investors of the Company that, on 21 November 2017 (after trading hours of the Stock Exchange), Ever Vision entered into the Acquisition Agreements with the Vendors respectively, pursuant to which Ever Vision has conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of the Sale Shares representing an aggregate of approximately 39.77% of the entire issued share capital of Target Company at an aggregate consideration of AUD5.6 million (equivalent to approximately HK\$33,129,600).

GENERAL

As one of the applicable percentage ratios as defined under the Listing Rules in respect of the Acquisitions exceeds 5%, but all such applicable ratios are lower than 25%, the Acquisitions constitute a discloseable transaction for the Company and are subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that Completions are subject to the conditions precedent. Accordingly, the Acquisitions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

* For identification purposes only

INTRODUCTION

Reference is made to the announcement of the Company dated 30 October 2017 in relation to, inter alia, the entering into of the non-legally binding memorandum of understanding among, inter alios, Ever Vision, ZFI and Ms. Ren for the possible acquisition of the issued share capital in Target Company.

The Board is pleased to inform the Shareholders and potential investors of the Company that, on 21 November 2017 (after trading hours of the Stock Exchange), Ever Vision entered into the Acquisition Agreements with the Vendors respectively, pursuant to which Ever Vision has conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of the Sale Shares representing an aggregate of approximately 39.77% of the entire issued share capital of Target Company at an aggregate consideration of AUD5.6 million (equivalent to approximately HK\$33,129,600).

The ACQUISITION AGREEMENTS

Parties

Date : 21 November 2017

Purchaser : Ever Vision, a direct wholly-owned subsidiary of the Company

Vendors : ZFI (acting as trustee for Zong Family Trust) and Ms. Ren

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of ZFI, its ultimate beneficial owners and Mr. Zong (the named beneficiary under the Zong Family Trust), and Ms. Ren is an Independent Third Party as at the date of this announcement.

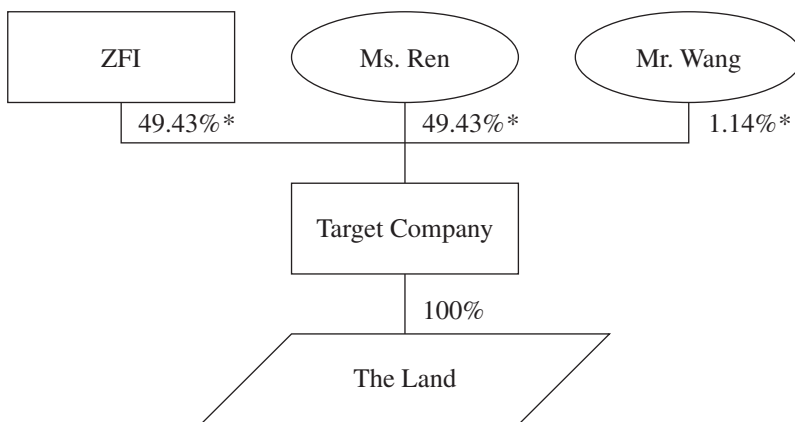
Assets to be Acquired

Under the Acquisition Agreements, Ever Vision has conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of the Sale Shares, representing an aggregate of 39.77% of the entire issued share capital of Target Company.

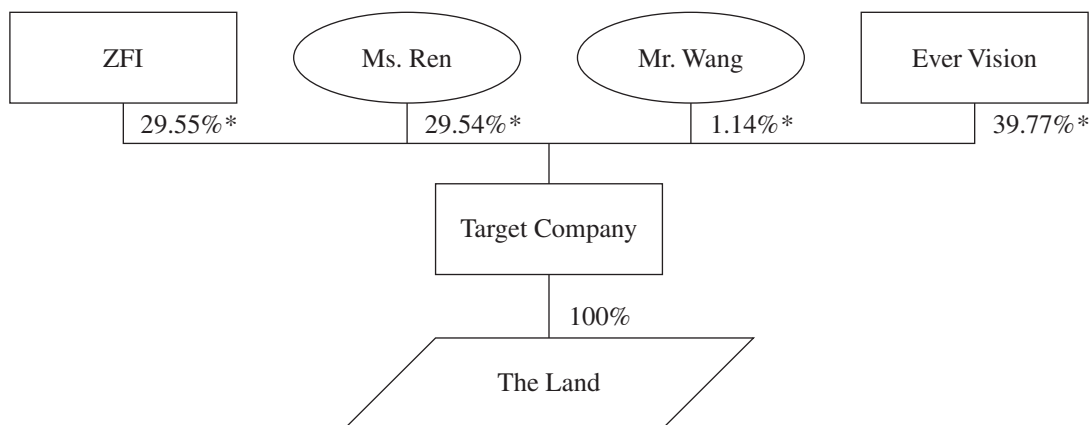
Target Company is the registered proprietor of the Land and the Land represents the principal asset of Target Company.

Immediately after the Completions, ZFI and Ms. Ren will remain as shareholders of Target Company. The shareholding structures of Target Company and the principal asset holding of Target Company immediately before and after the Completions are set out below:

Shareholding Structure and the principal asset holding of Target Company immediately before the Completions



Shareholding Structure and the principal asset holding of Target Company immediately after the Completions



(* This is an approximate percentage)

Considerations

The Considerations for the Sale Shares payable by Ever Vision to the Vendors are AUD5.6 million, representing AUD2.8 million (equivalent to approximately HK\$16,564,800) payable to ZFI for the ZFI Consideration and AUD2.8 million (equivalent to approximately HK\$16,564,800) payable to Ms. Ren for the Ms. Ren Consideration. The Group intends to fund the Considerations from internal resources of the Group and/or bank financing.

Ever Vision has paid: (1) AUD560,000 (equivalent to approximately HK\$3,312,960), representing 20% of the ZFI Consideration, to ZFI as deposit on the date of execution of the ZFI Acquisition Agreement; and (2) AUD560,000 (equivalent to approximately HK\$3,312,960), representing 20% of the Ms. Ren Consideration, to Ms. Ren as deposit on the date of execution of the Ms. Ren Acquisition Agreement.

The Considerations were determined after arm's length negotiations between Ever Vision and ZFI on the one part and between Ever Vision and Ms. Ren on the other with reference to the valuation of the Land conducted by Urbis as at 25 October 2017 of AUD14 million (equivalent to approximately HK\$82,824,000) (exclusive of goods and services tax in Australia).

If Completions do not take place on or before the Long Stop Date, ZFI and Ms. Ren are obliged to return the ZFI Deposit and the Ms. Ren Deposit to Ever Vision immediately without interest.

Upon Completions, Ever Vision will pay the balance of the ZFI Consideration (i.e. AUD2,240,000 (equivalent to approximately HK\$13,251,840)) and the balance of the Ms. Ren Consideration (i.e. AUD2,240,000 (equivalent to approximately HK\$13,251,840)) to ZFI and Ms. Ren, respectively.

Conditions precedent

Completions are conditional upon the fulfillment of the following conditions precedent:

- (a) Ever Vision receives a notice from the Australian Treasurer to the effect that there is no objection to the acquisition of the Sale Shares under the Commonwealth Government's foreign investment policy. The notice must be either unconditional or impose conditions which are acceptable to Ever Vision in its sole discretion;
- (b) the period provided under the Foreign Acquisitions and Takeovers Act 1975 (Commonwealth), during which the Australian Treasurer may make an order under section 18 or an interim order under section 22 in relation to the acquisition of the Sale Shares, elapses without such an order being made;
- (c) if an interim order under section 22 is made, the subsequent period for making a final order prohibiting the acquisition of the Sale Shares elapses without a final order being made;
- (d) all consents of, notices to and filings or registrations with any governmental authority (including the Stock Exchange), or any other person required or public announcements or disclosure required pursuant to the applicable laws, including but not limited to disclosure of interests, or pursuant to any contract binding on Target Company, the Company or to which Target Company, the Company or their respective assets are subject or bound, in connection with the execution, delivery or performance by Target Company or the Parties or the consummation of the transactions contemplated in the Acquisition Agreements, if any, having been duly obtained or made each in form and substance reasonably satisfactory to Ever Vision, complying with the applicable laws and remaining in full force and effect and not withdrawn;

- (e) all requirements imposed by the Stock Exchange under the Listing Rules (including, but without limitation, all waivers, consents, approvals or confirmations of the Stock Exchange which are required or appropriate or in relation thereto) or otherwise in connection with the transactions contemplated by the Acquisition Agreements having been fully complied with;
- (f) if required, the passing by the members of the Company in general meeting of a resolution approving the Acquisition Agreements and the implementation thereof; and
- (g) Ever Vision is satisfied with all aspects of its due diligence investigations in relation to the transactions contemplated by the Acquisition Agreements.

The Parties shall use their respective reasonable endeavours to procure the fulfillment of the conditions precedent on or before the Long Stop Date, otherwise the Acquisition Agreements will automatically terminate on the close of business on the Long Stop Date; and the Acquisition Agreements be of no further effect and none of the relevant Party shall have any claim against the other Party for costs, damages, compensation or otherwise (save for any antecedent breach of the Acquisition Agreements).

Completions

Completions shall take place within 5 Business Days after the satisfaction of all the conditions precedent in the Acquisition Agreements or such other date as the Parties may agree in writing.

The ZFI Completion and the Ms. Ren Completion shall take place simultaneously.

Upon Completions, inter alia, the following will also take place:

- (a) Ever Vision will enter into a shareholders agreement with the Existing Shareholders setting out the terms governing the management and operation of Target Company; and
- (b) Ever Vision will nominate 3 directors to the board of directors of Target Company as a result of which the board of directors of Target Company immediately upon Completions will comprise of 5 persons, 3 of whom will be nominated by Ever Vision and 2 of whom will be nominated by ZFI and Ms. Ren, respectively.

INFORMATION OF THE COMPANY AND EVER VISION

The Company is an investment holding company. The Group is principally engaged in the provision of financial services and manufacturing and trading of construction materials.

Ever Vision is a company incorporated in the laws of Hong Kong with limited liability and its principal business is investment holding.

INFORMATION OF TARGET COMPANY, THE LAND, THE VENDORS AND MR. WANG

As advised by Target Company, Target Company is a company incorporated in New South Wales, Australia with limited liability and its principal business is development of the Land into residential apartments and commercial units with carparks for sale to the public.

Development consent for the Land was secured from the City of Sydney Council on 23 October 2017 for the construction of a mixed use development with 3 retail tenancies and a total of 38 residential units located over 5 levels. Basement car parking for 48 cars and 3 motorcycles as well as 1 carwash bay is located over 2 levels. The development is also to comprise 50 bicycle spaces. The building will have a gross floor area of 3,542 square metres and will be serviced by 2 lifts to all levels. As at the date of this announcement, Target Company has not yet commenced the development of the Land. It is intended that the development of the Land will start in February 2018.

ZFI is a company incorporated in, New South Wales, Australia with limited liability and the entire issued share capital of which is owned by Ms. Chen Xiaoyan, an Australian. ZFI entered into the ZFI Acquisition Agreement as a trustee for the Zong Family Trust, a discretionary trust established under the law of Australia where Mr. Zong is a named beneficiary. Mr. Zong is also a director of Target Company. Further, Ms. Ren and Mr. Wang are Australian and PRC national, respectively.

REASONS AND BENEFITS OF THE ACQUISITIONS

The Group has been seeking business and investment opportunities to diversify its business operations and maximize return to, and broaden revenue sources of, the Group. The Directors consider that the Acquisitions, if proceed, will allow the Group to tap into the property development business in New South Wales, Australia, which can diversify the investments of the Group and enable the Group to enjoy the development potentials of the Land, and to explore the possibility of diversification of the business and broaden its revenue source, of the Group.

The terms of the Acquisition Agreements were arrived at after arm's length negotiations between the Parties.

In view of the above, the Board is of the view that the terms and conditions of the Acquisition Agreements are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

FINANCIAL INFORMATION OF TARGET COMPANY

The book value of the Land as at 30 June 2017 was AUD13,480,327 (equivalent to approximately HK\$79,749,615).

The unaudited revenue and net loss (both before and after tax) of Target Company for the year ended 30 June 2016 were AUD281,397 (equivalent to approximately HK\$1,664,745) and AUD166,780 (before tax) (equivalent to approximately HK\$986,670) and AUD116,746 (after tax) (equivalent to approximately HK\$690,669), respectively and for the year ended 30 June 2017 were AUD136,796 (equivalent to approximately HK\$809,285) and AUD388,382 (before tax) (equivalent to approximately HK\$2,297,668) and AUD274,326 (after tax) (equivalent to approximately HK\$1,622,913), respectively.

The unaudited total liability of Target Company as at 30 June 2017 was AUD9,512,201 (equivalent to approximately HK\$56,274,181) and the unaudited net asset of Target Company as at 30 June 2017 was AUD4,244,328 (equivalent to approximately HK\$25,109,444).

Upon Completions, the Group will control the board of directors of Target Company. Hence, Target Company will become an indirect non-wholly-owned subsidiary of the Group and the financial results of Target Company will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as defined under the Listing Rules in respect of the Acquisitions exceeds 5%, but all such applicable ratios are lower than 25%, the Acquisitions constitute a discloseable transaction for the Company and are subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

Shareholders and potential investors of the Company should note that Completions are subject to the conditions precedent. Accordingly, the Acquisitions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

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| “Acquisitions” | the ZFI Acquisition and the Ms. Ren Acquisition, collectively |
| “Acquisition Agreements” | the ZFI Acquisition Agreement and the Ms. Ren Acquisition Agreement, collectively |
| “AUD” | the Australian dollars, the lawful currency of Australia |
| “Board” | the board of Directors |
| “Business Day” | any day (other than a Saturday or Sunday) on which banks are generally open for business in New South Wales, Australia |
| “Company” | Sunway International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange |
| “Completions” | the Ms. Ren Completion and the ZFI Completion, collectively |
| “Considerations” | ZFI Consideration and the Ms. Ren Consideration, collectively |
| “Director(s)” | the directors of the Company |

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| “Ever Vision” | Ever Vision Enterprises Limited 恆景企業有限公司, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company |
| “Existing Shareholders” | the existing shareholders of Target Company, namely, ZFI, Ms. Ren and Mr. Wang |
| “Group” | the Company and its subsidiaries |
| “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” | a third party independent of the Company and its connected persons (as defined under the Listing Rules) |
| “Land” | a piece of land which situates at 25–27, Lachlan Street and 1-5 Amelia Street, Waterloo, New South Wales, Australia with a site area of 1,774 square metres (with Folio Identifiers: Auto Consol 8630-71 (being Lots 1, 2 & 3 in DP76985, Lot 14 in DP80326, Lot 4 in DP86722, Lots 100 & 101 in DP1171452, Lot 17 in DP610311 and part Lot 18 in DP610311)) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 31 January 2018 or such later date(s) as the relevant Parties may agree in writing |
| “Ms. Ren” | Ms. Ren Dandan, an Australian |
| “Mr. Wang” | Mr. Wang Yun (王雲), a PRC’s national |
| “Mr. Zong” | Mr. Zong Shuxin, an Australian and a director of Target Company |
| “Ms. Ren Acquisition” | the proposed acquisition by Ever Vision of Ms. Ren Sale Shares from Ms. Ren |
| “Ms. Ren Acquisition Agreement” | the share acquisition agreement dated 21 November 2017 entered into between Ever Vision and Ms. Ren in respect of the Ms. Ren Acquisition |
| “Ms. Ren Completion” | the completion of Ms. Ren Acquisition in accordance with the terms and conditions of Ms. Ren Acquisition Agreement |
| “Ms. Ren Consideration” | the consideration payable by Ever Vision for the Ms. Ren Acquisition pursuant to the Ms. Ren Acquisition Agreement |

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| “Ms. Ren Deposit” | AUD560,000 (equivalent to approximately HK\$3,312,960), representing 20% of the Ms. Ren Consideration paid as deposit under the Ms. Ren Acquisition Agreement |
| “Ms. Ren Sale Shares” | 175 shares in the issued share capital of Target Company owned by Ms. Ren to be disposed of by Ms. Ren to Ever Vision |
| “Party(ies)” | a party(ies) to the Acquisition Agreements |
| “PRC” | the People’s Republic of China which excludes Hong Kong for the purpose of this announcement |
| “Sale Shares” | the ZFI Sale Shares and the Ms. Ren Sale Shares, collectively |
| “Share(s)” | ordinary share(s) of HK\$0.01 (each) in share capital of the Company |
| “Shareholder(s)” | the holder(s) of the issued Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Sunshine Property Waterloo Pty Ltd, a company incorporated in New South Wales, Australia with limited liability and the entire issued share capital of which is owned, as to approximately 49.43% by ZFI; approximately 49.43% by Ms. Ren; and approximately 1.14% by Mr. Wang |
| “Urbis” | Urbis Valuations Pty Ltd, an independent professional valuer incorporated in New South Wales, Australia with limited liability appointed by the Company |
| “Vendors” | ZFI and Ms. Ren, collectively |
| “ZFI” | Zong Family Investment Pty Ltd (acting as trustee for Zong Family Trust), a company incorporated in New South Wales, Australia with limited liability and the entire issued share capital of which is owned by Ms. Chen Xiaoyan, an Australian |
| “ZFI Acquisition” | the proposed acquisition by Ever Vision of the ZFI Sale Shares from ZFI |
| “ZFI Acquisition Agreement” | the share acquisition agreement dated 21 November 2017 entered into between Ever Vision and ZFI in respect of the ZFI Acquisition |

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|---------------------|---|
| “ZFI Completion” | the completion of ZFI Acquisition in accordance with the terms and condition of ZFI Acquisition Agreement |
| “ZFI Consideration” | the consideration payable by Ever Vision for the ZFI Acquisition pursuant to the ZFI Acquisition Agreement |
| “ZFI Deposit” | AUD560,000 (equivalent to approximately HK\$3,312,960), representing 20% of the ZFI Consideration paid as deposit under the ZFI Acquisition Agreement |
| “ZFI Sale Shares” | 175 shares in the issued share capital of Target Company owned by ZFI to be disposed of by ZFI to Ever Vision |
| “%” | per cent |

For ease of reference, sums in HK\$ and AUD in this announcement are translated at the rate of AUD1 = HK\$5.916. This does not mean that AUD could be converted into HK\$ or vice versa on such exchange rate.

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

Hong Kong, 21 November 2017

As at the date of this announcement, the Board 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 purpose only*