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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)**

### **PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE TO ISSUE SHARES**

#### **PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE**

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution at the SGM.

Subject to the passing of an ordinary resolution at the SGM and based on the total number of 6,427,083,246 issued Shares as at the date of this announcement and assuming that the Company does not issue or repurchase any Shares prior to the SGM, the Refreshment of General Mandate will allow the Directors to allot and issue up to 1,285,416,649 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of such resolution at the SGM.

#### **GENERAL**

The Board has established the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Cong Yongjian, Mr. Lam Kai Yeung and Dr. Lam Huen Sum (a) to consider and, if appropriate, make a recommendation to the Independent Shareholders as to whether the terms of the Refreshment of General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (b) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate.

A circular containing, among other things, (a) details of the Refreshment of General Mandate; (b) details of the recommendations from the Independent Board Committee and the Independent Financial Adviser in respect of the Refreshment of General Mandate; and (c) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

## **INTRODUCTION**

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution at the SGM.

## **BACKGROUND TO THE REFRESHMENT OF GENERAL MANDATE**

At the 2017 AGM, the Existing General Mandate was granted to the Directors which enabled the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the 2017 AGM (i.e. a maximum of 1,071,416,649 Shares).

On 18 September 2017, the Company announced the placing, on a best endeavours basis, of a maximum of 1,070,000,000 new Shares to not less than six places through a placing agent. The aforesaid placing was completed on 13 October 2017 where a total of 1,070,000,000 new Shares were allotted and issued under the Existing General Mandate to not less than six places procured by the placing agent.

As a result of the above, approximately 99.87% of the Existing General Mandate has been utilised and only 1,416,649 new Shares may be further allotted and issued under the Existing General Mandate. Save for the proposed grant of the Refreshment of General Mandate, there has been no refreshment of the Existing General Mandate since it was granted at the 2017 AGM.

Subject to the passing of an ordinary resolution at the SGM and based on the total number of 6,427,083,246 issued Shares as at the date of this announcement and assuming that the Company does not issue or repurchase any Shares prior to the SGM, the Refreshment of General Mandate will allow the Directors to allot and issue up to 1,285,416,649 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution at the SGM.

## **REASONS FOR AND BENEFITS OF THE REFRESHMENT OF GENERAL MANDATE**

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.

Having considered that (a) if the existing projects of the Group require imminent funding and the then cash level of the Group is not sufficient to meet such funding needs; (b) the Board has been studying certain viable projects which are beneficial to the Group's profitability and to grasp the opportunities of investing in other appropriate investment targets prior to the 2018 AGM if such opportunity arises; and (c) approximately 99.87% of the Existing General Mandate has been utilised by the Company as at the date of this announcement, the Board considers it is prudent financial management approach for the Group to seek for the Refreshment of General Mandate as soon as possible and prior to the 2018 AGM to cater for the above.

After studying all other possible alternative methods of fund raising and based on the above reasons, the Board considers that equity financing under general mandates (a) provides more flexibility for financing to the Group for future possible funding needs and enables the Company to capture possible equity fund raising or investment opportunities in a timely manner when compared to specific mandates; (b) does not incur interest obligations on the Group and thus the cost of funding under general mandates is lower than debt financing; (c) is less costly and time-consuming than equity fund raising by way of rights issue or open offer; (d) provides a good opportunity to enlarge the shareholder and capital base of the Company; and (e) the shareholdings of all Shareholders will be diluted by not more than approximately 10.3% upon full utilisation of the New General Mandate and in proportion to their respective shareholdings, the Board considers that the Refreshment of General Mandate prior to the 2018 AGM is in the interests of the Company and the Shareholders as a whole. Therefore, the Board proposes to seek the approval of the Independent Shareholders to approve the Refreshment of General Mandate at the SGM.

## **POTENTIAL DILUTION ON SHAREHOLDINGS**

The Board has also considered the potential dilution impact to the existing Shareholders if the Company fully utilises the New General Mandate. As at the date of this announcement, the Company has an aggregate of 6,427,083,246 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate and assuming that there are no further Shares to be issued and/or repurchased by the Company between the date of this announcement and the date of the SGM, the Company will be allowed to allot and issue up to 1,285,416,649 Shares, being 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of this announcement and approximately 16.70% of the aggregate nominal value of the share capital of the Company in issue as enlarged by the issue of the new Shares under the New General Mandate. Assuming that there are no changes in the issued Shares during the period between the date of this announcement and the date of the SGM, the aggregate shareholding of the public Shareholders will have a potential maximum dilution from approximately 61.77% to approximately 51.48% upon full utilisation of the New General Mandate. The Board considers that such potential dilution impact is acceptable in light of the benefits of the Refreshment of General Mandate as mentioned above.

## GENERAL

As the Refreshment of General Mandate is made before the 2018 AGM, pursuant to Rule 13.36(4) of the Listing Rules, the Refreshment of General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM at which any controlling shareholders of the Company and their associates or, where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution approving the proposed grant of the Refreshment of General Mandate.

The Company has no controlling shareholder. As at the date of this announcement, the interests of the Directors in Shares and share options granted under the Share Option Scheme are set out below:

<b>Name of Directors</b>	<b>No. of Shares Held</b>	<b>Approximate Percentage of Shareholding</b>	<b>No. of Share Options Held</b>
Mr. Leung Chi Fai	4,240,000	0.066%	10,000,000
Mr. Li Chongyang	46,100,000	0.717%	10,000,000
Ms. Qi Jiao	—	—	43,600,000
Mr. Huang Weidong	35,280,000	0.549%	43,600,000
Mr. Liu Chenli	—	—	29,000,000
Mr. Cong Yongjian	750,000	0.012%	10,000,000
Mr. Lam Kai Yeung	—	—	10,000,000

As such, Mr. Leung Chi Fai, Mr. Li Chongyang, Ms. Qi Jiao, Mr. Huang Weidong and Mr. Liu Chenli, the chief executive of the Company and their respective associates who, as at the date of the SGM, shall hold any Shares, are required to abstain from voting in favour of the ordinary resolution in respect of the approval of the Refreshment of General Mandate at the SGM.

The Board has established the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Cong Yongjian, Mr. Lam Kai Yeung and Dr. Lam Huen Sum (a) to consider and, if appropriate, make a recommendation to the Independent Shareholders as to whether the terms of the Refreshment of General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (b) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate.

A circular containing, among other things, (a) details of the Refreshment of General Mandate; (b) details of the recommendations from the Independent Board Committee and the Independent Financial Adviser in respect of the Refreshment of General Mandate; and (c) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

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

“2017 AGM”	the annual general meeting of the Company held on 6 June 2017 in which the Shareholders approved, among other matters, the Existing General Mandate
“2018 AGM”	the next annual general meeting of the Company expected to be held no earlier than June 2018
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“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
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing General Mandate”	the general mandate granted to the Directors by the resolution of the Shareholders passed at the 2017 AGM to allot, issue and deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of the 2017 AGM
“Groups”	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 Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders in respect of the Refreshment of General Mandate
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate

“Independent Shareholder(s)”	Shareholder(s) other than the controlling shareholders and their associates or, if there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the new general mandate proposed to be granted to the Directors at the SGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution at the SGM
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting the New General Mandate
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the Refreshment of General Mandate
“Share(s)”	ordinary share(s) of HK\$0.01 (each) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 17 June 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 2 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*