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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 MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE JOINT VENTURE

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the provisions under Part XIVA of the SFO.

THE MOU

The Board is pleased to inform the Shareholders and potential investors of the Company that on 16 October 2017 (after trading hours of the Stock Exchange), Golden Elements entered into the MOU with the JV Partner in relation to the possible setting up of a joint venture between Golden Elements and the JV Partner for principally engaging in the development of land situated in Ho Chi Minh City and/or Hanoi, Vietnam within 6 months of the date of the MOU as contemplated under the MOU, subject to the entering into of the Formal JV Agreement. The sum of the total investment of Golden Elements in, and other terms of, the Possible Joint Venture will be determined by arm's length negotiation between Golden Elements and the JV Partner, after the completion of the due diligence process in respect of the Possible Joint Venture.

Except for the terms regarding the Parties using their respective best endeavours to negotiate between them in relation to the Possible Joint Venture, the due diligence review in respect of the Possible Joint Venture, each Party bearing their own costs and expenses, non-disclosure, governing law and process agent, and mutual indemnity, the MOU does not constitute a legally-binding commitment of the Parties.

Should the Company enter into the Formal JV Agreement or decide to terminate the MOU or if there are any material developments with respect to the Possible Joint Venture, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

GENERAL

Shareholders and potential investors of the Company should be aware that the terms of the Possible Joint Venture are subject to further negotiations between the Parties and are subject to the Parties entering into the Formal JV Agreement. As the Possible Joint Venture may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

In the event that the Possible Joint Venture materializes, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all the applicable requirements of the Listing Rules as and when appropriate.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the provisions under Part XIVA of the SFO.

The Board is pleased to inform the Shareholders and potential investors of the Company that on 16 October 2017 (after trading hours of the Stock Exchange), Golden Elements entered into the MOU with the JV Partner in relation to the Possible Joint Venture. The sum of the total investment of Golden Elements in, and other terms of, the Possible Joint Venture will be determined by arm's length negotiation between Golden Elements and the JV Partner, after the completion of the due diligence process in respect of the Possible Joint Venture.

THE MOU

Set out below are the principal terms of the MOU:

Date : 16 October 2017 (after trading hours of the Stock Exchange)

Parties : (1) Golden Elements
(2) the JV Partner

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the JV Partner and its ultimate beneficial owners are Independent Third Parties.

Subject Matter

Under the MOU, Golden Elements and the JV Partner has agreed to use their respective best endeavours to negotiate between them in relation to the Possible Joint Venture.

Due Diligence Review

After the date of the MOU, Golden Elements is entitled to conduct due diligence review in respect of the business, legal and financial aspects of the Possible Joint Venture.

The JV Partner shall provide to Golden Elements and/or procure the relevant parties to provide all documents and information in relation to the Possible Joint Venture upon request for due diligence purpose and to respond to the enquiries of Golden Elements.

Mutual Indemnity

Any Party who breaches the legally binding provisions of the MOU shall indemnify the damages suffered by the complying Party up to a maximum limit of HK\$1 million.

Non-legally binding effect

Except for the terms regarding the Parties using their best endeavours to negotiate between them in relation to the Possible Joint Venture, the due diligence review in respect of the Possible Joint Venture, each Party bearing their own costs and expenses, non-disclosure, governing law and process agent, and mutual indemnity, the MOU does not constitute a legally-binding commitment of the Parties.

INFORMATION OF THE COMPANY AND GOLDEN ELEMENTS

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.

Golden Elements is a company incorporated in the British Virgin Islands with limited liability and its principal business is investment holding.

INFORMATION OF THE JV PARTNER

As advised by the JV Partner, the JV Partner is a company incorporated in the British Virgin Islands with limited liability and its principal business is investment holding.

REASONS AND BENEFITS OF THE POSSIBLE JOINT VENTURE

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. Given the fast economic growth and supportive government policies which contribute to an optimistic property market in Vietnam, the Board believes that the Possible Joint Venture, if proceed, can enable the Group to explore the possibility of diversification of the business and broaden its revenue source, of the Group.

The terms of the MOU 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 MOU are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

The Group is proactively seeking appropriate financial arrangements and/or considering other appropriate fund-raising activities for proceeding with the Possible Joint Venture.

GENERAL

Shareholders and potential investors of the Company should be aware that the terms of the Possible Joint Venture are subject to further negotiations between the Parties and are subject to the Parties entering into the Formal JV Agreement. As the Possible Joint Venture may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

In the event that the Possible Joint Venture materializes, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all the applicable requirements of the Listing Rules as and when appropriate.

DEFINITIONS

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

“Best Goal Global”	Best Goal Global Limited, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is owned, as to 90% by Mr. Nam Kwok Fu and 10% by Mr. Lam Trong Luong
“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
“Director(s)”	the directors of the Company
“Formal JV Agreement”	the formal joint venture agreement in relation to the Possible Joint Venture, which may be entered into by Golden Elements and the JV Partner, containing provisions such as, capital and other financial commitments; business activities; transfer restrictions; management; dividend policy; termination; non-competition and other provisions which are customary and usual for transactions similar to the Possible Joint Venture
“Golden Elements”	Golden Elements Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“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 Parties”	third parties independent of the Company and its connected persons (as defined under the Listing Rules)

“JV Partner”	Gold State Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is owned by Tung Shing Enterprises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 16 October 2017 entered into between Golden Elements and the JV Partner setting out the preliminary understanding in relation to the Possible Joint Venture
“Parties”	the parties to the MOU
“Possible Joint Venture”	the possible setting up of a joint venture company between Golden Elements and the JV Partner for principally engaging in the development of land situated in Ho Chi Minh City and/or Hanoi, Vietnam within 6 months of the date of the MOU as contemplated under the MOU and subject to the entering into of the Formal JV Agreement
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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
“Tung Shing Enterprises”	Tung Shing Enterprises Inc., a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is owned, as to 79% by Tung Shing Group and 21% by Best Goal Global
“Tung Shing Group”	Tung Shing Group Inc., a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is owned, as to 27.5% by Mr. Chan Kin Wah Zadig; 22.5% by Mr. Chan Kin Kwok Albert; 10% by Mr. Chan Tung; 22.5% by Ms. Leung Pui Ngor; and 17.5% by Mr. Chan Ka Kwun Kelvin

“Vietnam” the Socialist Republic of Vietnam

“%” per cent

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

Hong Kong, 16 October 2017

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Li Chongyang, Mr. Leung Chi Fai 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*