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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)**

### **MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE COOPERATION WITH A CONNECTED PERSON**

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 wishes to inform the Shareholders and potential investors of the Company that due to the outstanding research achievements of 中國科學院深圳先進技術研究院 (Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences) in the field of synthetic biology, on 5 May 2017, the Company entered into the MOU with Shenzhen Zhongke, a company in which Mr. Liu Chenli, one of the independent non-executive Directors, is interested in 80% of its registered capital and an associated company of 中國科學院深圳先進技術研究院 (Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences), in relation to the possible cooperation in establishing in the PRC a fund management company and an investment fund investing in synthetic bio-engineering industry within 6 months of the date of the MOU.

Except for the terms in relation to the Parties using their best endeavours to engage in negotiations, each Party bearing its own costs and expenses, non-disclosure (save for the compliance with the relevant law and the Listing Rules that are applicable to the Parties), governing law and mutual indemnity, the MOU does not constitute a legally-binding commitment of the Parties.

**Shareholders and potential investors of the Company should be aware that the terms of the Possible Cooperation are subject to further negotiations between the Parties and are subject to the Parties entering into the Formal Agreements. As the Possible Cooperation 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 Cooperation materializes, it may constitute a notifiable transaction and a connected transaction/continuing connected transaction for the Company under the Listing Rules. As such, Mr. Liu Chenli will be re-designated as non-executive Director, and the Company, among other things, will appoint another independent non-executive Director in the place of Mr. Liu Chenli in accordance with the Listing Rules.**

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 wishes to inform the Shareholders and potential investors of the Company that due to the outstanding research achievements of 中國科學院深圳先進技術研究院 (Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences) in the field of synthetic biology, on 5 May 2017, the Group entered into the MOU with Shenzhen Zhongke in relation to the possible cooperation in establishing in the PRC a fund management company and an investment fund investing in synthetic bio-engineering industry within 6 months of the date of the MOU.

## **THE MOU**

Set out below are the principal terms of the MOU:

Date : 5 May 2017

Parties : (1) the Company

(2) Shenzhen Zhongke

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Liu Chenli, one of the independent non-executive Directors, is interested in 80% of the registered capital of Shenzhen Zhongke. Hence, Shenzhen Zhongke is a connected person (as defined in the Listing Rules) of the Company.

## **Subject Matter**

Under the MOU, the Company and Shenzhen Zhongke agreed to use their respective best endeavours to negotiate between them in relation to the Possible Cooperation.

## **Due Diligence Review**

After the date of the MOU, the Company and Shenzhen Zhongke are entitled to conduct due diligence review on each other and their respective subsidiaries (if any).

## **Mutual Indemnity**

Any Party who breaches the legally binding provisions of the MOU shall indemnify in full the damages suffered by the complying Party.

## **Non-legally binding effect**

Except for the terms in relation to the Parties using their best endeavours to negotiate between them in relation to the Possible Cooperation, each Party bearing their own costs and expenses, non-disclosure (save for the compliance with the relevant laws and the Listing Rules that are applicable to the Parties), governing law and mutual indemnity, the MOU does not constitute a legally-binding commitment of the Parties.

## **GENERAL**

**Shareholders and potential investors of the Company should be aware that the terms of the Possible Cooperation are subject to further negotiations between the Parties and are subject to the Parties entering into the Formal Agreements. As the Possible Cooperation 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 Cooperation materializes, it may constitute a notifiable transaction and a connected transaction/continuing connected transaction for the Company under the Listing Rules. As such, Mr. Liu Chenli, will be re-designated as non-executive Director, and the Company, among other things, will appoint another independent non-executive Director in the place of Mr. Liu Chenli in accordance with 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:

“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 director(s) of the Company
“Formal Agreements”	the formal agreements in relation to the Possible Cooperation, which may be entered into by the Group and the Shenzhen Zhongke Group, containing conditions precedents, representations warranties, undertakings and indemnities which are customary and usual for transactions similar to the Possible Cooperation
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“MOU”	the non-legally binding memorandum of understanding dated 5 May 2017 entered into between the Company and Shenzhen Zhongke setting out the preliminary understanding in relation to the Possible Cooperation
“Parties”	the parties to the MOU
“Possible Cooperation”	the possible cooperation between the Group and the Shenzhen Zhongke Group in establishing in the PRC a fund management company and an investment fund investing in synthetic bio-engineering industry within 6 months of the date of the MOU as contemplated under the MOU and subject to the execution of the Formal Agreements
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong
“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
“Shenzhen Zhongke”	深圳中科安正生物科技有限公司(Shenzhen Zhongke Anzheng Biological Science and Technology Company Limited*), a limited liability company incorporated in the PRC, in which Mr. Liu Chenli, one of the independent non-executive Directors, is interested in 80% of its registered capital
“Shenzhen Zhongke Group”	Shenzhen Zhongke and its subsidiaries (if any)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**Sunway International Holdings Limited**  
**Huang Weidong**  
*Chairman*

Hong Kong, 9 May 2017

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Huang Weidong (Chairman), Mr. Leung Chi Fai and Mr. Li Chongyang and Ms. Qi Jiao, and three independent non-executive Directors, namely, Mr. Cong Yongjian, Mr. Lam Kai Yeung and Mr. Liu Chenli.*

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

*\*For identification purpose only*