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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 LITIGATION INVOLVING A SUBSIDIARY OF THE COMPANY IN THE PRC**

This announcement is made by Sunway International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Future Ordinance (Chapter 571, Law of Hong Kong).

References are made to (i) the announcement of the Company dated 30 January 2014 and the circular of the Company dated 31 March 2014 both in relation to a very substantial acquisition (“**VSA**”) by a wholly-owned subsidiary of the Company of a target company which indirectly held Zhuhai Hoston Special Materials Co., Limited (“**Zhuhai Hoston**”); (ii) the announcement of the Company dated 2 May 2014 in relation to the completion of the VSA, following which Zhuhai Hoston became an indirectly owned subsidiary of the Company; (iii) the announcement of the Company dated 7 January 2016 regarding the civil rulings in the People’s Republic of China (the “**PRC**”) involving Zhuhai Hoston as defendant (the “**Announcement**”); (iv) the section headed “Legal Proceedings” contained in the interim report 2016 of the Company (the “**Interim Report 2016**”).

The Company has been informed by Zhuhai Hoston that further to the civil rulings Zhuhai Hoston has received in the PRC as disclosed in the Announcement, Zhuhai Hoston has received the following civil rulings, judgments and summons (collectively, the “**Litigation**”) in the PRC:-

## Civil rulings and judgments against Zhuhai Hoston

| <b>Date of rulings/ judgment</b> | <b>Parties</b>  | <b>Court</b>  | <b>Nature</b>   | <b>Details of rulings and judgments against Zhuhai Hoston</b>   |
|----------------------------------|---|---|---|---|
| 7 March 2016/<br>19 October 2016 | <p><b>Plaintiff:</b><br/>畢尚輝 (Bi Xiaohui)*</p> <p><b>Defendants:</b><br/>(1) 王天 (Wang Tian)*<br/>(2) 王志寧 (Wang Zhining)*<br/>(3) 楊健茹 (Yang Jianru)*<br/>(4) 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)*<br/>(5) Zhuhai Hoston</p> | 廣東省珠海市香洲區人民法院 (Guangdong Zhuhai Xiangzhou District People's Court)* | Disputes over personal loan pursuant to a loan agreement dated 13 March 2014 entered into between 王天 (Wang Tian)* as the borrower and 畢尚輝 (Bi Xiaohui)* as the lender | <p><b>Details of rulings:</b><br/>Certain assets of Zhuhai Hoston (up to an amount of RMB 2,650,000.00) were frozen for a period of 1 to 3 years.</p> <p><b>Details of judgments (the “Judgment”):</b><br/>(i) In relation to the following sums due and owing by 王天 (Wang Tian)* to the Plaintiff:<br/><br/>(a) the principal amount of RMB 1,900,000.00; and<br/><br/>(b) interest on the principal amount at the rate of 2% per month from 18 April 2015 to the actual repayment date,<br/><br/>Zhuhai Hoston is to assume joint responsibility with 王志寧 (Wang Zhining), 楊健茹 (Yang Jianru)* and 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)* as guarantors.<br/><br/>(ii) Legal fee of RMB 24,603.60 and property preservation fee of RMB 5,000.00 to be borne by the 5 defendants jointly.<br/><br/>The parties including Zhuhai Hoston are entitled to appeal against the Judgment within 15 days from 31 October 2016, which is the date on which the Judgment is being delivered.</p> |

## Civil complaints against Zhuhai Hoston

| <b>Date of Summons/ Hearing</b> | <b>Parties</b>  | <b>Court</b>  | <b>Nature</b>   | <b>Details of the civil complaints against Zhuhai Hoston (collectively, the “Civil Complaints”)</b>  |
|---------------------------------|---|---|---|--|
| 8 October 2016/ 8 December 2016 | <p><b>Plaintiff:</b><br/>陳曉東 (Chen Xiaodong)*</p> <p><b>Defendants:</b><br/>(1) 王天 (Wang Tian)*<br/>(2) 王志寧 (Wang Zhining)*<br/>(3) Zhuhai Hoston<br/>(4) 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)*</p> | 廣東省珠海市香洲區人民法院 (Guangdong Zhuhai Xiangzhou District People's Court)* | Disputes over personal loan pursuant to a loan agreement dated 21 February 2014 entered into between 王天 (Wang Tian)* as the borrower and 陳曉東 (Chen Xiaodong)* as the lender | <p>(i) In relation to the following sums due and owing by 王天 (Wang Tian)* to the Plaintiff:<br/><br/>(a) the principal amount of RMB 3,000,000.00;<br/><br/>(b) outstanding interest of RMB 2,133,732.00 from the date of lending to 23 April 2016; and<br/><br/>(c) interest on the principal amount at the rate of 4.5% per month from 24 April 2016 to the actual repayment date,<br/><br/>Zhuhai Hoston is to assume joint responsibility with 王志寧 (Wang Zhining)* and 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)* as guarantors.<br/><br/>(ii) Legal fee to be borne by the 4 defendants jointly.</p> |

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|---|---|--|---|--|
| <p>20 October<br/>2016/ 6<br/>December<br/>2016</p> | <p><b>Plaintiff:</b><br/>吳敏 (Wu Min)*</p> <p><b>Defendants:</b><br/>(1) 王天 (Wang Tian)*<br/>(2) Zhuhai Hoston<br/>(3) 王志寧 (Wang Zhining)*<br/>(4) 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)*</p>   | <p>廣東省珠海市香洲區人民法院 (Guangdong Zhuhai Xiangzhou District People's Court)*</p> | <p>Disputes over personal loan pursuant to a loan agreement dated 14 January 2014 entered into between 王天 (Wang Tian)* as the borrower and 吳敏 (Wu Min)* as the lender</p>   | <p>(i) In relation to the following sums due and owing by 王天 (Wang Tian)* to the Plaintiff:</p> <p>(a) the principal amount of RMB 1,000,000.00; and</p> <p>(b) interest on the principal amount at the rate of 2% per month from 1 January 2015 to the actual repayment date,</p> <p>Zhuhai Hoston is to assume joint responsibility with 王志寧 (Wang Zhining)* and 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)* as guarantors.</p> <p>(ii) Legal fee to be borne by the 4 defendants jointly.</p>                                   |
| <p>25 October<br/>2016/ 5<br/>December<br/>2016</p> | <p><b>Plaintiff:</b><br/>珠海河川商貿有限公司 (Zhuhai Hechuan Commercial and Trade Co., Ltd.)*</p> <p><b>Defendants:</b><br/>(1) Zhuhai Hoston<br/>(2) 王志寧 (Wang Zhining)*<br/>(3) 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)*<br/>(4) 吳敏 (Wu Min)*<br/>(5) 潘誠岩 (Pan Chengyan)*</p> | <p>廣東省珠海市香洲區人民法院 (Guangdong Zhuhai Xiangzhou District People's Court)*</p> | <p>Disputes over private lending pursuant to a lending contract dated 6 April 2013 entered into between Zhuhai Hoston as the borrower and 珠海河川商貿有限公司 (Zhuhai Hechuan Commercial and Trade Co., Ltd.)* as the lender</p> | <p>Payment of the following sums due and owing by Zhuhai Hoston to the Plaintiff:</p> <p>(a) the principal amount of RMB 2,000,000.00;</p> <p>(b) interest on the principal amount at the rate of 2% per month from 1 January 2015 to the actual repayment date; and</p> <p>(c) legal fee to be borne by the 5 defendants jointly.</p>   |
| <p>25 October<br/>2016/ 5<br/>December<br/>2016</p> | <p><b>Plaintiff:</b><br/>寇金水 (Kou Jinshui)*</p> <p><b>Defendants:</b><br/>(1) 王天 (Wang Tian)*<br/>(2) 王志寧 (Wang Zhining)*<br/>(3) Zhuhai Hoston<br/>(4) 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)*<br/>(5) 吳敏 (Wu Min)*<br/>(6) 潘誠岩 (Pan Chengyan)*</p>                  | <p>廣東省珠海市香洲區人民法院 (Guangdong Zhuhai Xiangzhou District People's Court)*</p> | <p>Disputes over personal loan pursuant to a loan agreement dated 29 July 2013 entered into between 王天 (Wang Tian)* as the borrower and 寇金水 (Kou Jinshui)* as the lender</p>  | <p>(i) In relation to the following sums due and owing by 王天 (Wang Tian)* to the Plaintiff:</p> <p>(a) the principal amount of RMB 3,500,000.00; and</p> <p>(b) interest on the principal amount at the rate of 2% per month from 1 January 2015 to the actual repayment date,</p> <p>Zhuhai Hoston is to assume joint responsibility with 王志寧 (Wang Zhining)*, 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)*, 吳敏 (Wu Min)* and 潘誠岩 (Pan Chengyan) as guarantors.</p> <p>(ii) Legal fee to be borne by the 6 defendants jointly.</p> |

As disclosed in the Interim Report 2016, by a general indorsed writ of summons dated 23 June 2015 and statement of claim dated 18 August 2015 issued by the Company and its wholly-owned subsidiary (collectively, the “**Plaintiffs**”) against Mr. Xiao Guang Kevin (蕭光) (“**Mr. Xiao**”) and Mr. Wang Zhining (王志寧) (collectively, the “**Defendants**”), being the vendor and the guarantor of the VSA, the Plaintiffs claim that the Defendants have fundamentally breached the terms and conditions of the sale and purchase agreement (the “**Agreement**”) in relation to the VSA. Accordingly, the Plaintiffs sought to rescind the Agreement (the “**Action**”). After the parties have completed the process of discovery of documents, the Company’s Hong Kong legal adviser advised to add further particulars to the breach of the Defendants in the statement of claim and the hearing for such proposed amendments on the statement of claim is fixed to be heard on 14 March 2017.

In light of the fact that the entering into of the relevant loan agreements are all prior to the completion of the VSA, the Company is now seeking advice in relation to the Litigation from its Hong Kong legal adviser in view of the ongoing Action against the Defendants. Concurrently, the Group is seeking advice from its PRC legal advisers in relation to the Litigation and the Company is looking into the matter with the management of Zhuhai Hoston, in particular, as Zhuhai Hoston is entitled to appeal against the Judgment, Zhuhai Hoston is currently seeking legal advice from its PRC legal advisers and is considering to file an appeal in respect of the Judgment and to defend for Zhuhai Hoston in respect of the Civil Complaints.

The board of directors of the Company (the “**Board**”) is assessing the financial impact the Litigation has on the performance and trading position of the Group. Further announcement will be made on the developments in relation to the Litigation as and when appropriate or required.

**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**  
**Huang Weidong**  
*Chairman*

Hong Kong, 11 November 2016

*As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Huang Weidong (Chairman), Mr. Leung Chi Fai, Mr. Li Chongyang and Ms. Qi Jiao, and three independent nonexecutive 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*