

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SUNWAY INTERNATIONAL HOLDINGS LIMITED
新威國際控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 58)

CHANGE IN USE OF PROCEEDS FROM OPEN OFFER

References are made to the circular of the Company dated 23 March 2016 (the “**Circular**”) and the prospectus of the Company dated 29 April 2016 (the “**Prospectus**”) in relation to, among other things, the use of proceeds from the Open Offer (the Circular and the Prospectus collectively, the “**Open Offer Documents**”), and the announcement of the Company dated 21 June 2016 in relation to, among other things, the change in allocation of the use of proceeds from the Open Offer (the “**First Change in Use of Proceeds Announcement**”).

The Board announces that the Company has decided to further change the allocation of the use of proceeds from the Open Offer. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Open Offer Documents and the First Change in Use of Proceeds Announcement.

CHANGE IN USE OF PROCEEDS FROM OPEN OFFER

As disclosed in the Open Offer Documents, the Board intended to allocate the net proceeds (the “**Net Proceeds**”) from the Open Offer of approximately HK\$202.75 million as to (the “**Original Use of Proceeds**”): (a) approximately HK\$72.80 million for the development of financial service businesses; (b) approximately HK\$60.00 million for the development of the car businesses (the “**Proceeds for the Possible Acquisition**”); and (c) approximately HK\$69.95 million for general working capital of the existing businesses of the Group (the “**Proceeds for General Working Capital**”).

As disclosed in the First Change in Use of Proceeds Announcement, upon the abandonment of negotiations in respect of the Possible Acquisition, the Board intended to reallocate the Proceeds for the Possible Acquisition to the development of the financial service businesses, in particular, the money lending business (the “**First Change in Use of Proceeds**”).

In order to improve the efficiency of the use of proceeds of the Group, the Board has resolved to apply part of the Proceeds for General Working Capital in the amount of approximately HK\$10.00 million towards the financial service businesses, in particular, the money lending business of the Group (the “**Second Change in Use of Proceeds**”).

In the circumstances, the Company proposes to change the allocation of the use of the Net Proceeds to the following:

- (i) as to approximately HK\$142.80 million for the development of financial service businesses; and
- (ii) as to approximately HK\$59.95 million for the general working capital of the existing businesses of the Group.

Details of, among other things, the Original Use of Proceeds, the First Change in Use of Proceeds and the Second Change in Use of Proceeds are summarised below:

	Original Use of Proceeds <i>Approximately HK\$ million</i>	First Change in Use of Proceeds <i>Approximately HK\$ million</i>	Second Change in Use of Proceeds <i>Approximately HK\$ million</i>	Utilisation as at the date of this announcement <i>Approximately HK\$ million</i>	Remaining balance after Second Change in Use of Proceeds <i>Approximately HK\$ million</i>
Development of financial service businesses	72.80 <i>(Note 1)</i>	132.80 <i>(Note 2)</i>	142.80 <i>(Note 3)</i>	112.80 <i>(Note 4)</i>	30.00 <i>(Note 5)</i>
Development of the car businesses	60.00	-	-	-	-
General working capital	69.95	69.95	59.95	47.00 <i>(Note 6)</i>	12.95 <i>(Note 6)</i>
Total	<u>202.75</u>	<u>202.75</u>	<u>202.75</u>	<u>159.80</u>	<u>42.95</u>

Notes:

1. Out of the HK\$72.80 million, the Group intended to allocate (a) approximately HK\$9.80 million for the considerations for the acquisitions (the "Acquisitions") of Ark One Limited and Grand Silver Securities Limited which are principally engaged in Type 9 regulated activities (asset management) and Type 1 regulated activities (dealing in securities), respectively, under the SFO; (b) approximately HK\$4.00 million for capital expenditure in setting up its new office and facilities upon completion of the Acquisitions; (c) approximately HK\$9.00 million for general working capital upon completion of the Acquisitions; and (d) approximately HK\$50.00 million for the Group's money lending business.
2. Out of the HK\$132.80 million, the Group intended to allocate (a) approximately HK\$9.80 million for the Acquisitions; (b) approximately HK\$4.00 million for capital expenditure in setting up its new office and facilities upon completion of the Acquisitions; (c) approximately HK\$9.00 million for general working capital upon completion of the Acquisitions; and (d) approximately HK\$110.00 million for the Group's money lending business.
3. Out of the HK\$142.80 million, the Group intended to allocate (a) approximately HK\$9.80 million for the Acquisitions; (b) approximately HK\$4.00 million for capital expenditure in setting up its new office and facilities upon completion of the Acquisitions; (c) approximately HK\$9.00 million for general working capital upon completion of the Acquisitions; and (d) approximately HK\$120.00 million for the Group's money lending business.
4. As at the date of this announcement, the Group has utilised approximately HK\$112.80 million for the development of financial service businesses of the Group, including (a) approximately HK\$9.80 million for the Acquisitions; (b) approximately HK\$2.00 million for capital expenditure in setting up its new office and facilities upon completion of the Acquisitions; (c) approximately HK\$1.00 million for general working capital upon completion of the Acquisitions; and (d) approximately HK\$100.00 million for the Group's money lending business.
5. In respect of the remaining unutilised proceeds of approximately HK\$30.00 million, the Group intends to allocate (a) approximately 2.00 for capital expenditure in setting up its new office and facilities; (b) approximately HK\$8.00 million for general working capital for the Acquisitions; and (c) approximately HK\$20.00 million for the Group's money lending business.

6. *As at the date of this announcement, the Group has utilised approximately HK\$47.00 million for the general working capital of the Group. The remaining unutilised proceeds of approximately HK\$12.95 million will be used as intended.*

REASONS FOR THE CHANGE IN USE OF PROCEEDS FROM OPEN OFFER

As at the date of this announcement, the loan portfolio of the Group amounts to approximately HK\$100.00 million, and the Group has been approached by a potential borrower who intends to borrow an amount of approximately HK\$20.00 million. Taking into account the high demand from the money lending market, additional funding is needed for the operation of the money lending business in order to generate more loan interests to the Group.

Accordingly, in order to better allocate and to improve the efficiency of the use of the Net Proceeds from the Open Offer, the Board has resolved to allocate HK\$10 million out of the Proceeds for General Working Capital towards the financial service businesses, in particular, the money lending business of the Group. The Board considers that the Second Change in Use of Proceeds would enable the Group to cope with the development of the money lending business of the Group and is in the best interests of the Company and the Shareholders as a whole.

Save for the Second Change in Use of Proceeds as disclosed above, the Company intends to apply the remaining Net Proceeds as originally intended. The Company considers that the Second Change in Use of Proceeds is fair and reasonable as this would allow the Company to deploy its financial resources more effectively to enhance operational and financial efficiency of the Group.

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

Hong Kong, 6 October 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 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*