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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)

DISCLOSEABLE TRANSACTION PROVISION OF LOAN TO AN INDEPENDENT THIRD PARTY

The Board announces that on 29 July 2016, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower, an Independent Third Party, a loan in the principal amount of HK\$50,000,000, bearing interest at a rate of 8% per annum for a period of 12 months.

As certain of the applicable percentage ratios as defined under the Listing Rules in respect of the granting of the Loan exceeds 5% but all such applicable percentage ratios are lower than 25%, the advance of the Loan constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 29 July 2016, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower a loan in the principal amount of HK\$50,000,000, bearing interest at a rate of 8% per annum for a period of 12 months.

THE LOAN AGREEMENT

- Date : 29 July 2016
- Lender : Sunway Financial Management Limited, a wholly-owned subsidiary of the Company. The Lender is a licensed money lender in Hong Kong under the Money Lenders Ordinance.
- Borrower : 福州旭發貿易有限公司 (Fuzhou Xufa Trading Company Limited)*, a limited liability company established in the PRC. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owners is an Independent Third Party as at the date of this announcement.

Principal amount	:	HK\$50,000,000
Interest	:	8% per annum
		Interest shall accrue per annum and shall be payable bi-annually on (a) the numerically corresponding date six months after the drawdown date; and (b) the Repayment Date.
Drawdown date	:	To be confirmed and subject to the fulfilment of the Conditions Precedent
Repayment date	:	the 1 st anniversary from the drawdown date or such other date as agreed in writing between the Lender and the Borrower
Early repayment	:	Subject to the Lender's prior written consent, the Borrower may, with at least three Business Days' prior written notice to the Lender, make early repayment of the balance of the Loan that remains outstanding and owing to the Lender together with all interest accrued thereon
Security	:	The Loan will be secured by mortgage of 100% of the equity interests owned by the Mortgagors in the Borrower

The Loan will be funded by internal resources of the Group.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties thereto after arm's length negotiations, with reference to the commercial practice and the amount of the Loan. The Directors consider that the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions Precedent to the Loan Agreement

The Loan Agreement is conditional upon, among other things:

- (a) the Lender shall have received, in form and substance satisfactory in all aspects to it:
 - (i) the Loan Agreement duly executed by the Borrower as a deed;
 - (ii) a certified true copy of the identity card or passport of each of the Mortgagors;
 - (iii) the drawdown notice duly executed by the Borrower;
 - (iv) the Share Mortgage duly executed by the Mortgagors;
 - (v) the letters in relation to the confirmation on independency by each of the Borrower and the Mortgagors;
 - (vi) the obtaining of all necessary authorisations in connection with the entering into and performance of the terms of the Loan Agreement, the Share Mortgage and such other documents in connection therewith;
 - (vii) the passing of the resolutions of the Board of the Company approving the Loan Agreement and the transactions contemplated thereunder; and

- (viii) the completion of a satisfactory due diligence review in relation to the Borrower and the Mortgages to such extent as the Lender may in its absolute discretion think fit;
- (b) the representations and warranties made in the Loan Agreement and the Share Mortgage are true and correct in all respects as at the drawdown date with reference to the facts and circumstances then subsisting;
- (c) there is no event of default or prospective event of default occurred, is likely to occur, be continuing or would result from the proposed drawdown;
- (d) the Loan shall not exceed the Borrower's permitted amount of the foreign debt according to the relevant PRC laws and regulations, which is subject to the approval of the Fujian Branch of State Administration of Foreign Exchange (國家外匯管理局福建分局);
- (e) the Borrower having obtained and completed all such registrations and filings which are necessary or required for the validity, enforceability, priority and admissibility of the Loan Agreement and the Share Mortgage and the proposed transactions contemplated thereunder which shall be obtained from any regulatory authorities (including but not limited to the approving authorities or any courts or judicial authorities and other related third parties in the PRC such as the Fujian Branch of Administration of Foreign Exchange (國家外匯管理局福建分局) and Fuzhou Gulou District Administration for Industry & Commerce (福州市鼓樓區工商局)) pursuant to the requirements of all applicable laws or any binding contracts in any jurisdictions (including but not limited to Hong Kong, the PRC and Bermuda); and
- (f) an announcement in relation to the entering into of the Loan Agreement having been made by the Company in accordance with the Listing Rules.

The Conditions Precedent are for the sole benefit of the Lender and may be waived in whole or in part and with or without conditions by the Lender in its absolute discretion on or before the time of the advance of the Loan without prejudicing its right to require fulfilment of any such other conditions at any time thereafter.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Company is an investment holding company. The Group is principally engaged in manufacturing and trading of pre-stressed steel bar, pre-stressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products. The Company has newly engaged in the money lending business. The Lender, being a wholly-owned subsidiary of the Company, is a holder of a money lender licence under the Money Lenders Ordinance.

The Directors consider that the granting of the Loan is conducted in the course of the Group's money lending business. Having considered the financial background of the Borrower, the availability of the security provided for, and the interest income to be received by the Group in respect of, the Loan, the Directors consider that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios as defined under the Listing Rules in respect of the granting of the Loan exceeds 5% but all such applicable percentage ratios are lower than 25%, the advance of the Loan constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	福州旭發貿易有限公司 (Fuzhou Xufa Trading Company Limited)*, a limited liability company established in the PRC and an Independent Third Party
“Business Day”	any day (other than a Saturday or Sunday and any day on which a tropical cyclone warning signal No. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon and is not discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong throughout its normal opening hours
“Company”	Sunway International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Conditions Precedent”	the conditions precedents set out under the paragraph “Conditions Precedent to the Loan Agreement”
“Director(s)”	the director(s) of the Company
“Group”	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 Third Party”	a third party independent of the Company and the connected persons (has the meaning ascribed to it under the Listing Rules) of the Company
“Lender”	Sunway Financial Management Limited, a wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the principal amount of HK\$50,000,000 to be granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	a conditional loan agreement dated 29 July 2016 entered into between the Lender and the Borrower in relation to the granting of the Loan

“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“Mortgagors”	Mr. Yang and Mr. Hou
“Mr. Hou”	侯德彬 (Hou Debin)*, a PRC national and an Independent Third Party
“Mr. Yang”	楊曉峰 (Yang Xiaofeng)*, a PRC national and an Independent Third Party
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 (each) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Mortgage”	share mortgage to be provided by the Mortgagors in favour of the Lender in relation to 100% of the equity interests owned by the Mortgagors in the Borrower as security for the Loan
“%”	per cent.

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

Hong Kong, 29 July 2016

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*