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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)

ABANDONMENT OF NEGOTIATIONS IN RESPECT OF A MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION; AND UPDATES ON USE OF PROCEEDS FROM OPEN OFFER

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.

References are made to the announcement of the Company dated 24 February 2016 in relation to the MOU, the circular of the Company dated 23 March 2016, the prospectus of the Company dated 29 April 2016 and the announcement of the Company dated 26 May 2016, all in relation to, among other things, the Open Offer.

The Directors announce that on 21 June 2016, Insight City Investments has given a written notice to the Vendors of its intention to abandon further negotiations in respect of the Possible Acquisition under the MOU with effect from the date thereof.

Upon the abandonment of negotiations in respect of the Possible Acquisition under the MOU, the Board will reallocate the Proceeds for the Possible Acquisition to the development of the financial service businesses, in particular, the money lending business as disclosed in the circular of the Company dated 23 March 2016, the prospectus of the Company dated 29 April 2016.

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.

References are made to the announcement of the Company dated 24 February 2016 in relation to the MOU (the “**24 February Announcement**”), the circular of the Company dated 23 March 2016 (the “**Circular**”), the prospectus of the Company dated 29 April 2016 (the “**Prospectus**”) and the announcement of the Company dated 26 May 2016 (the “**26 May Announcement**”) all in relation to, among other things, the Open Offer (the Circular, the Prospectus and the 26 May Announcement collectively, “**Open Offer**”).

Documents”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement and the Open Offer Documents.

ABANDONMENT OF NEGOTIATIONS IN RESPECT OF THE MOU

The Directors announce that on 21 June 2016, Insight City Investments has given a written notice to the Vendors of its intention to abandon further negotiations in respect of the Possible Acquisition under the MOU with effect from the date thereof. According to the MOU, save for the terms in relation to non-disclosure, Insight City Investments and the Vendors shall have no further rights or obligations under the MOU, except with respect to any antecedent breaches of the binding provisions in the MOU.

The Directors consider that the abandonment of negotiations in respect of the Possible Acquisition would have no material adverse impact on the financial and operational position of the Group.

UPDATE ON USE OF PROCEEDS FROM OPEN OFFER

The Company has issued 2,618,641,947 Offer Shares to the Qualifying Shareholders by way of the Open Offer at a Subscription Price of HK\$0.08 per Offer Share on the basis of three (3) Offer Shares for every two (2) New Shares held on the Record Date and payable in full upon application.

As disclosed in the Circular and the Prospectus, the Board intended to utilise the net proceeds of approximately HK\$202.75 million from the Open Offer (the “**Net Proceeds**”) as to (i) approximately HK\$72.80 million for the development of financial service businesses; (ii) approximately HK\$60.00 million for the development of the car businesses in relation to the Possible Acquisition (the “**Proceeds for the Possible Acquisition**”); and (iii) approximately HK\$69.95 million for general working capital of the existing businesses of the Group for the next 12 months.

Upon the abandonment of negotiations in respect of the Possible Acquisition, the Board will reallocate the Proceeds for the Possible Acquisition to the development of the financial service businesses, in particular, the money lending business as disclosed in the Circular and the Prospectus.

Save as disclosed above, the remaining Net Proceeds will be applied as originally planned. The update on the use of proceeds from the Open Offer is in line with the Group’s business plan to diversify its business into the financial service industry and other profitable industries, in order to provide returns and enhance value for the Shareholders and to broaden the revenue base of the Group. Accordingly, the Directors consider that the aforesaid update on the use of the proceeds from the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 21 June 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 four independent non-executive Directors, namely, Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli.

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**For identification purpose only*