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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)

**PROPOSED OPEN OFFER ON THE BASIS OF
THREE OPEN OFFER SHARES FOR
EVERY TWO SHARES HELD ON THE RECORD DATE
AND
CHANGE OF BOARD LOT SIZE**

Financial adviser to the Company

 **KINGSTON CORPORATE FINANCE**

Underwriter to the Open Offer

 **KINGSTON SECURITIES**

(1) THE OPEN OFFER

The Company proposes to raise approximately HK\$209.49 million, before expenses, by issuing 2,618,641,947 Offer Shares to the Qualifying Shareholders by way of the Open Offer at an Open Offer Subscription Price of HK\$0.08 per Offer Share on the basis of three (3) Offer Shares for every two (2) existing Shares held on the Record Date and payable in full upon application. Qualifying Shareholders are not entitled to apply for Offer Shares in excess of their respective entitlements under the Open Offer and any Offer Shares not taken up by the Qualifying Shareholders under the Open Offer will be underwritten by the Underwriter. The Open Offer is only available to the Qualifying Shareholders, and will not be extended to the Non-Qualifying Shareholders.

The Open Offer Subscription Price of HK\$0.08 per Offer Share represents (a) a discount of approximately 55.56% to the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day; (b) a discount of approximately 33.33% to the theoretical ex-entitlement price of HK\$0.120 based on the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day; and (c) a discount of approximately 60.20% to the average closing price of approximately HK\$0.201 per Share for the five consecutive trading days prior to the Last Trading Day.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on Thursday, 21 April 2016. The register of members of the Company will be closed from Friday, 22 April 2016 to Thursday, 28 April 2016, both dates inclusive, to determine the eligibility of the Open Offer.

Pursuant to the Underwriting Agreement, Ms. Xie has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure subscriptions of the Offer Shares under her entitlement pursuant to the Open Offer. Details of which are set out in the paragraph headed “Irrevocable undertakings given by Ms. Xie” below in this announcement.

The estimated net proceeds of the Open Offer will be approximately HK\$203.02 million. The Company intends to apply the net proceeds from the Open Offer for the possible acquisition as announced by the Company on 24 February 2016 and/or general working capital and/or any future investment opportunities, the details of which are set out in the paragraph headed “Reasons for and benefits of the Open Offer and use of proceeds” below in this announcement.

Warning of the risk of dealings in the Shares

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 20 April 2016 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Friday, 20 May 2016), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

(2) CHANGE OF BOARD LOT SIZE

The Board proposes that the board lot for trading in the Shares on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Monday, 30 May 2016. The expected timetable for change of board lot size is set out in this announcement.

(3) IMPLICATIONS UNDER THE LISTING RULES

Pursuant to the requirements of the Listing Rules, the Open Offer is conditional upon the approval by the Shareholders by way of a poll at the SGM, where the controlling shareholder of the Company, or in the case where the Company has no controlling shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the Open Offer. As at the date of this announcement, the Company has no controlling shareholder. Mr. Leung Chi Fai and Mr. Li Chongyang, the executive Directors, are interested in 1,700,000 and 5,000,000 Shares respectively, as at the date of this announcement. Accordingly, Mr. Leung Chi Fai and Mr. Li Chongyang and their respective associates are required to abstain from voting in favour of the respective resolution(s) for approving the Open Offer at the SGM. Ms. Xie is the sister-in-law of Mr. Huang Weidong, an executive Director and the Chairman of the Company. Under the Listing Rules, Ms. Xie is not an associate of Mr. Huang Weidong and Ms. Xie is not required to abstain from voting.

The Company has established an independent board committee, which comprises all independent non-executive Directors to advise the Independent Shareholders as to whether the terms of the Underwriting Agreement and the Open Offer are fair and reasonable and are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

A circular containing details of the Open Offer, letter from the Independent board committee of the Company and the independent financial adviser respectively setting out their recommendations in relation to the Open Offer; and the notice of the SGM is expected to be despatched to the Shareholders on Wednesday, 23 March 2016. The register of members of the Company will be closed from Wednesday, 13 April 2016 to Monday, 18 April 2016, both dates inclusive, to determine the eligibility of the Shareholders to attend and vote at the SGM.

Subject to, among other things, the Open Offer being approved by the Independent Shareholders at the SGM, the Company will send (a) the Prospectus Documents setting out the details of the Open Offer to the Qualifying Shareholders; and (b) the Prospectus to the Non-Qualifying Shareholders for information only in compliance with the requirements of the Listing Rules.

(1) OPEN OFFER ON THE BASIS OF THREE OFFER SHARES FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

On 26 February 2016 (after trading hours of the Stock Exchange), the Company and the Underwriter entered into the Underwriting Agreement. The terms of the Open Offer are set out as follow:

The Open Offer

Under the Open Offer, the Company proposes to raise approximately HK\$209.49 million before expenses by way of the Open Offer, details of which are set out as follows:

Issue statistics

Basis of the entitlement:	Three (3) Offer Shares for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.08 per Offer Share
Number of Shares in issue as at the date of this announcement:	1,745,761,299 Shares
Number of Offer Shares:	2,618,641,947 Offer Shares
Number of Offer Shares underwritten by the Underwriter:	2,618,641,947 Offer Shares
Number of enlarged Shares in issue upon completion of the Open Offer:	4,364,403,246 Shares

Basis of entitlement

The basis of the entitlement shall be three (3) Offer Shares for every two (2) existing Shares held on the Record Date, being 2,618,641,947 Offer Shares at the Subscription Price. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Overseas Letter together with the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Open Offer, the Shareholders must (a) at the close of business on the Record Date be registered on the register of members of the Company; and (b) not being the Non-Qualifying Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Thursday, 21 April 2016.

Closure of register of members for the Open Offer

The Company's register of members will be closed from Friday, 22 April 2016 to Thursday, 28 April 2016, both days inclusive, to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during this book closure period.

Subscription Price

The Subscription Price is HK\$0.08 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 55.56% to the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 33.33% to the theoretical ex-entitlement price of approximately HK\$0.120 based on the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 60.20% to the average closing price of approximately HK\$0.201 per Share for the last five consecutive trading days up to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market price of the Shares and the trading liquidity of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.078.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Non-Qualifying Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Friday, 29 April 2016. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but no Application Form will be sent to them.

Ranking of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future

dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates and refund cheques for the Open Offer

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 27 May 2016. If the Open Offer is terminated, refund cheques will be despatched on or before Friday, 27 May 2016 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures.

Accordingly, no Offer Shares will be offered to the Qualifying Shareholders in excess of their respective entitlements under the Open Offer and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Fractions of the Offer Shares

Fractions of Offer Shares will not be allotted to Qualifying Shareholders and fractional entitlements will be rounded down to nearest whole number. Any Offer Shares created from the aggregation of fractions of Offer Shares will be aggregated and taken up by the Underwriter.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing

The Company will apply to the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

The Underwriting Agreement

Date:	26 February 2016 (after trading hours of the Stock Exchange)
Underwriter:	Kingston Securities Limited
Number of Offer Shares to be underwritten:	2,618,641,947 Offer Shares

The Underwriter is a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Untaken Shares:

- (a) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in (i) the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; or (ii) any breach of any applicable laws and regulations (including, but without limitation, the Companies (WUMP) Ordinance); and
- (b) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be an Independent Third Party and not acting in concert with and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; and (ii) none of such subscribers, together with any party acting in concert with it, will hold 19.9% or more of the voting rights of the Company upon completion of the Open Offer, such that the Company will be able to comply with the minimum public float requirements under Rule 8.08(1) of the Listing Rules.

Underwriting Commission

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares, being 2,208,641,949 Offer Shares. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, are fair and reasonable so far as the Company and the Shareholders are concerned.

Irrevocable undertakings given by Ms. Xie

Pursuant to the Underwriting Agreement, Ms. Xie has irrevocably undertaken to the Company and to the Underwriter:

- (a) not to dispose of, or agree to dispose of, any Shares held by her from the date hereof to the close of business on the Record Date;

- (b) to accept or procure the acceptance for the 409,999,998 Offer Shares to be allotted and issued to her under her entitlement pursuant to the Open Offer; and
- (c) to lodge the Application Form(s) in respect of the 409,999,998 Offer Shares referred to in paragraph (b) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Save for Ms. Xie, the Board has not received any information from any Shareholders of their intention to take up the Offer Shares to be offered to them.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the circular in relation to the Open Offer to be despatched to the Shareholders, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (h) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or
- (b) any specified event (as defined under the Underwriting Agreement) comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties thereto shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards the other party arising out of or in connection with the Underwriting Agreement.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the approval of the Open Offer by the Independent Shareholders at the SGM by not later than the Prospectus Posting Date;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively not later than the Prospectus Posting Date one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;

- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings on the Stock Exchange;
- (e) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof at or before the Latest Time for Termination;
- (f) the compliance with and performance of all undertakings and obligations of Ms. Xie pursuant to the irrevocable undertaking given by her under the Underwriting Agreement;
- (g) the compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects; and
- (h) there being no specified event (as defined under the Underwriting Agreement) occurring prior to the Latest Time for Termination.

Save for condition (g) above which can only be waived by the Underwriter, none of the above conditions are waivable. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and neither party shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards the other party arising out of or in connection with the Underwriting Agreement.

Expected timetable

The expected timetable for the Open Offer is set out below:

Despatch of circular with notice of the SGM	Wednesday, 23 March 2016
Latest time for lodging transfers of shares in order to qualify for attending and voting at SGM.....	4:30 p.m. on Tuesday, 12 April 2016
Register of members closes (both days inclusive).....	Wednesday, 13 April 2016 to Monday, 18 April 2016
Latest time for lodging forms of proxy for the purpose of the SGM (not less than 48 hours before the SGM).....	10:00 a.m. on Saturday, 16 April 2016
Record date for the SGM.....	Monday, 18 April 2016

Time and date of the SGM.....	10:00 a.m. on Monday, 18 April 2016
Announcement of results of the SGM.....	Monday, 18 April 2016
Last day of dealings in Shares on cum-entitlements basis of the Open Offer	Tuesday, 19 April 2016
First day of dealings in Shares on ex-entitlements basis of the Open Offer	Wednesday, 20 April 2016
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Thursday, 21 April 2016
Register of members of the Company close (both days inclusive).....	Friday, 22 April 2016 to Thursday, 28 April 2016
Record Date for the Open Offer.....	Thursday, 28 April 2016
Despatch of Prospectus Documents.....	Friday, 29 April 2016
Latest time for acceptance of, and payment for, the Offer Shares	4:00 p.m. on Monday, 16 May 2016
Latest Time to terminate the Underwriting Agreement and for the Open Offer to become unconditional.....	4:00 p.m. on Friday, 20 May 2016
Announcement of results of the Open Offer.....	Thursday, 26 May 2016
Certificates for fully paid Offer Shares to be despatched on or before.....	Friday, 27 May 2016
Despatch of refund cheques if the Open Offer is terminated.....	Friday, 27 May 2016
Commencement of dealings in fully-paid Offer Shares	9:00 a.m. on Monday, 30 May 2016
Effective date of the new board lot size (20,000 Shares).....	Monday, 30 May 2016
Designated brokers starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares....	9:00 a.m. on Monday, 30 May 2016
Designated brokers ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares....	4:00 p.m. on Monday, 20 June 2016

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Shareholding structure of the Company

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer, assuming there is no further issue of new Shares or repurchase of Shares by the Company on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of the Open Offer			
	Number of Shares	Approximate %	All Offer Shares are subscribed by the Qualifying Shareholders		None of the Offer Shares are subscribed by the Qualifying Shareholders (except for Ms. Xie)	
			Number of Shares	Approximate %	Number of Shares	Approximate %
Ms. Xie	273,333,333	15.65	683,333,331	15.65	683,333,331	15.65
Directors						
Mr. Leung Chi Fai	1,700,000	0.10	4,250,000	0.10	1,700,000	0.04
Mr. Li Chongyang	5,000,000	0.29	12,500,000	0.29	5,000,000	0.11
Mr. Cong Yongjian	300,000	0.02	750,000	0.02	300,000	0.01
Underwriter(s) (<i>Note 1</i>)	-	0.00	-	0.00	2,208,641,949	50.61
Public Shareholders	1,465,427,966	83.94	3,663,569,915	83.94	1,465,427,966	33.58
Total:	<u>1,745,761,299</u>	<u>100.00</u>	<u>4,364,403,246</u>	<u>100.00</u>	<u>4,364,403,246</u>	<u>100.00</u>

Notes:

- Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in (a) the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; or (b) any breach of any applicable laws and regulations (including, but without limitation, the Companies (WUMP) Ordinance.
- References are made to the announcements of the Company dated 23 June 2015, 26 October 2015 and 5 February 2016, respectively in respect of the convertible notes previously issued by the Company. As advised by the legal advisers to the Company, as far as the Company is concerned, all remaining convertible notes have become void and are not capable of converting into Shares.
- The percentages are subject to rounding.

Reasons for and benefits of the Open Offer and use of proceeds

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 gross proceeds from the Open Offer will be approximately HK\$209.49 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be HK\$203.02 million.

In order to diversify the business portfolio and broaden the income base of the Group, the Company intends to apply the net proceeds from the Open Offer for the possible acquisition as announced by the Company on 24 February 2016 and/or general working capital and/or any future investment opportunities.

The Board considers that the Open Offer represents an opportunity for the Group to broaden its Shareholder and capital base thereby increasing the liquidity of the Shares. The Board also believes that the Open Offer will enable the Group to enhance its financial position. The Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the potential future development of the Group. The Directors (including the independent non-executive Directors) consider that the Underwriting Agreement is entered into upon normal commercial terms and that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Save as disclosed in this announcement and apart from the equity fund-raising activity mentioned below, the Company has not raised any fund by issuing equity securities during the 12 months immediately before the date of this announcement.

Date of initial Announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds received as at the date of this announcement
10 July 2015	Placing of new shares under general mandate	Approximately HK\$94.8 million	General working capital and/or future investment opportunities	HK\$1.0 million was utilised for payment as deposit for the acquisition of Ark One Limited as disclosed in the announcement dated 11 December 2015; approximately HK\$80.5 million was utilised for general working capital of the Group; and approximately HK\$13.3 million will be used as intended

Warning of the risk of dealings in the Shares

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 20 April 2016 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Friday, 20 May 2016), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

(2) CHANGE OF BOARD LOT SIZE

The Board proposes that the board lot for trading in the Shares on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Monday, 30 May 2016. The expected timetable for change in board lot size is set out in this announcement.

The Shares are currently traded in board lots of 2,000 Shares each and the market value of each board lot is HK\$360 (based on the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day). The Board proposes to change the board lot size for trading of the Shares from 2,000 Shares to 20,000 Shares with effect from Monday, 30 May 2016.

Based on the theoretical ex-entitlement price of the Shares of HK\$0.120 per Share with reference to the closing price on the Last Trading Day, the new estimated board lot value of 20,000 Shares would be approximately HK\$2,400. The change in board lot size will not result in any changes in the relative rights of the Shareholders.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company will appoint a securities house as an agent to provide odd lot matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 30 May 2016 to 4:00 p.m. on Monday, 20 June 2016 (both dates inclusive). Further details will be announced regarding the odd lot matching facility. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the facility.

All existing share certificates in board lot of 2,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 2,000 Shares to new share certificates in board lot size of 20,000 Shares is necessary. With effect from Monday, 30 May 2016, any new certificate of the Shares will be issued in new board lot size of 20,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

(3) IMPLICATIONS UNDER THE LISTING RULES

Pursuant to the requirements of the Listing Rules, the Open Offer is conditional upon the approval by the Shareholders by way of a poll at the SGM, where the controlling shareholder of the Company, or in the case where the Company has no controlling shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the Open Offer. As at the date of this announcement, the Company has no controlling Shareholder. Mr. Leung Chi Fai and Mr. Li Chongyang, the executive Directors, are interested in 1,700,000 and 5,000,000 Shares respectively, as at the date of this announcement. Accordingly, Mr. Leung Chi Fai and Mr. Li Chongyang and their respective associates are required to abstain from voting in favour of the respective resolution(s) for approving the Open Offer at the SGM. Ms. Xie is the sister-in-law of Mr. Huang Weidong, an executive Director and the Chairman of the Company. Under the Listing Rules, Ms. Xie is not an associate of Mr. Huang Weidong and Ms. Xie is not required to abstain from voting.

The Company has established an independent board committee, which comprises all independent non-executive Directors to advise the Independent Shareholders as to whether the terms of the Underwriting Agreement and the Open Offer are fair and reasonable and are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

A circular containing details of the Open Offer, letter from the Independent board committee of the Company, the independent financial adviser respectively setting out their recommendations in relation to the Open Offer and the notice of the SGM is expected to be despatched to the Shareholders on Wednesday, 23 March 2016. The register of members of the Company will be closed from Wednesday, 13 April 2016 to Monday, 18 April 2016, both dates inclusive, to determine the eligibility of the Shareholders to attend and vote at the SGM. No transfer of Shares will be registered during this book closure period.

Subject to, among other things, the Open Offer being approved by the Independent Shareholders at the SGM, the Company will send (a) the Prospectus Documents setting out the details of the Open Offer to the Qualifying Shareholders; and (b) the Prospectus to the Non-Qualifying Shareholders for information only in compliance with the requirements of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise require, the following terms and expressions shall have the following meanings when used herein.

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day(s) (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

“Company”	Sunway International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	Shareholders other than, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	independent third parties who are not connected with or acting in concert (as defined in the Takeovers Code) with any directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates
“Last Trading Day”	26 February 2016, being the date of entering into of the Underwriting Agreement
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on Monday, 16 May 2016 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Friday, 20 May 2016, being the fourth Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Xie”	Ms. Xie Guilin, who is interested in 273,333,333 Shares, representing 15.65% of the issued Shares
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on enquiry to be made or legal advice to be obtained, consider it necessary or expedient not to offer the Open Offer to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

“Offer Shares”	2,618,641,947 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of three (3) Offer Shares for every two (2) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“Prospectus”	the document containing details of the Open Offer to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Friday, 29 April 2016 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Non-Qualifying Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Thursday, 28 April 2016, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, to approve the Open Offer
“Share(s)”	ordinary share(s) of HK\$0.10 each in share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Price”	HK\$0.08 per Offer Share
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 26 February 2016 and entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	all the Offer Shares, other than those to be taken up by Ms. Xie under the irrevocable undertaking, being 2,208,641,949 Offer Shares underwritten by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement
“Untaken Shares”	those (if any) of the Underwritten Shares for which duly completed Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time for Acceptance
“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, 26 February 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.

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

**For identification purpose only*