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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)

MEMORANDUM OF UNDERSTANDING
IN RELATION TO
A POSSIBLE ACQUISITION

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.

The Board wishes to inform the Shareholders of the Company and potential investors of the Company that, on 24 February 2016 (after trading hours of the Stock Exchange), the Group entered into the MOU with the Vendors in relation to the Possible Acquisition by the Group of the entire issued share capital of Holdco (which in turn will hold all the interests in the Target Group) from the Vendors.

Except for the terms in relation to due diligence review, costs and expenses, non-disclosure, exclusivity, assignment, binding effect, term, counterparts and governing law and jurisdiction, the MOU does not constitute a legally-binding commitment of the parties to the MOU in respect of the Possible Acquisition.

Shareholders and potential investors of the Company should be aware that the terms of the Possible Acquisition are subject to further negotiations among the parties to the MOU and are subject to the parties entering into the Formal Agreement. As the Possible Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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THE MOU

Set out below are the principal terms of the MOU:

Date : 24 February 2016 (after trading hours of the Stock Exchange)

Parties : (1) Ms. Liu and Ms. Wang as vendors
(2) Insight City Investments as purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors is a third party, independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Subject Matter

Under the MOU, the Target Group will undergo a corporate reorganization whereby the Vendors will become the indirect owners of the Target Group through Holdco (the "**Corporate Reorganisation**"). As soon as the Corporate Reorganisation is completed, all relevant governmental approvals in relation to the Corporate Reorganisation are obtained and the Group has secured all appropriate financing arrangements and/or obtained funds from fund-raising activities, Insight City Investments proposes to acquire the entire issued share capital of Holdco subject to the entering into of the Formal Agreement.

The Target Group is principally engaged in the businesses of car rental, car finance and investment, car sale, car repair and car insurance in the PRC.

Consideration

The consideration for the Possible Acquisition will not exceed HK\$400 million in aggregate and will be settled in cash; and/or by the Company allotting and issuing its new Shares; and/or issuing its convertible notes, to the Vendors.

Due Diligence Review

The Group is entitled to conduct due diligence review of the operational, financial, legal and taxation aspects of Holdco and the Target Group after the signing of the MOU.

Exclusivity

During the Term, the Vendors shall not directly or indirectly negotiate with a third party (other than the Group) in connection with the sale of Holdco and/or the Target Group except pursuant to the Corporate Reorganisation.

Other Terms

The Group proposes to inject capital of not exceeding HK\$60 million into the Target Group after the completion of the Possible Acquisition.

Non-legally binding effect

Except for the terms in relation to due diligence review, costs and expenses, non-disclosure, exclusivity, assignment, binding effect, term, counterparts and governing law and jurisdiction, the MOU does not constitute a legally-binding commitment of the parties to the MOU in respect of the Possible Acquisition.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

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 Group has been seeking business and investment opportunities to diversify its business operations and maximize return to, and broaden revenue sources of, the Group. Given the potential growth and positive outlook in the car rental and car finance businesses in the PRC market; and the introduction of certain stimulating governmental regulations and policies in the car finance services industry, the Board believes that the Possible Acquisition can enable the Group to explore the possibility of diversification of the business and broaden its revenue source, of the Group.

In view of the above, the Board is of the view that the terms and conditions of the MOU are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

The Group is proactively seeking appropriate financial arrangements and/or considering other appropriate fund-raising activities for proceeding with the Possible Acquisition.

GENERAL

Shareholders and potential investors of the Company should be aware that the terms of the Possible Acquisition are subject to further negotiations among the parties to the MOU and are subject to the parties entering into the Formal Agreement. As the Possible Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

In the event that the Possible Acquisition materializes, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all the applicable requirements of the Listing Rules as and when appropriate.

DEFINITIONS

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

“Board”	the board of Directors
“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
“Director(s)”	the directors of the Company

“Formal Agreement”	the formal agreement in relation to the Possible Acquisition, which may or may not be entered into by the Group and the Vendors, containing conditions precedents, representations and warranties, undertakings and indemnities which are customary and usual for transactions similar to the Possible Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Holdco”	an investment holding company to be incorporated under the laws of the British Virgin Islands and jointly owned by the Vendors
“Insight City Investments”	Insight City Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, the entire issued share capital of which is owned by the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU	the non-legally binding memorandum of understanding dated 24 February 2016 entered into between the Vendors and Insight City Investments setting out the preliminary understanding in relation to the Possible Acquisition
“Ms. Liu”	劉金玲 (Liu Jinling*), one of the joint owner of the Target Group
“Ms. Wang”	黃彩雲 (Wang Caiyun*), one of the joint owner of the Target Group
“Possible Acquisition”	the possible acquisition by the Group of the entire issued share capital of Holdco (which in turn will hold all the interests in the Target Group) from the Vendors as contemplated under the MOU and subject to the execution of the Formal Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong and the Macau Special Administrative Region of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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

“Target Group”	鄭州車德利汽車服務有限公司 (Zhengzhou Chedeli Vehicle Services Company Limited*), a limited liability company incorporated under the laws of the PRC, and its subsidiaries
“Term”	a period of six months after the date of the MOU (or such longer period as Insight City Investments and the Vendors may mutually agree to in writing)
“Vendors”	Ms. Liu and Ms. Wang
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 24 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*